

**BENTON COUNTY, MINNESOTA**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2024**



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**BENTON COUNTY, MINNESOTA  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2024**

**INTRODUCTORY SECTION**

<b>ORGANIZATION</b>	<b>1</b>
---------------------	----------

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>2</b>
-------------------------------------	----------

**REQUIRED SUPPLEMENTARY INFORMATION**

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>6</b>
---	----------

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

<b>STATEMENT OF NET POSITION</b>	<b>19</b>
----------------------------------	-----------

<b>STATEMENT OF ACTIVITIES</b>	<b>21</b>
--------------------------------	-----------

<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>22</b>
---	-----------

<b>RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES</b>	<b>24</b>
--	-----------

<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>25</b>
---	-----------

<b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES</b>	<b>27</b>
---	-----------

<b>STATEMENT OF NET POSITION – SELF-INSURANCE INTERNAL SERVICE FUND</b>	<b>28</b>
---	-----------

<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – SELF-INSURANCE INTERNAL SERVICE FUND</b>	<b>29</b>
---	-----------

<b>STATEMENT OF CASH FLOWS – SELF-INSURANCE INTERNAL SERVICE FUND</b>	<b>30</b>
---	-----------

<b>STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS</b>	<b>31</b>
--	-----------

<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS</b>	<b>32</b>
---	-----------

<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>33</b>
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**BENTON COUNTY, MINNESOTA  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

**FINANCIAL SECTION (CONTINUED)**

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

<b>SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED RATIOS, AND NOTES</b>	<b>85</b>
<b>SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)</b>	<b>86</b>
<b>SCHEDULE OF COUNTY CONTRIBUTIONS</b>	<b>88</b>
<b>BUDGETARY COMPARISON SCHEDULE – GENERAL FUND</b>	<b>90</b>
<b>BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND</b>	<b>92</b>
<b>BUDGETARY COMPARISON SCHEDULE – HUMAN SERVICES FUND</b>	<b>93</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>94</b>

**SUPPLEMENTARY INFORMATION**

<b>COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>109</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>110</b>
<b>COMBINING STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS – PRIVATE-PURPOSE TRUST FUNDS</b>	<b>112</b>
<b>COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS – PRIVATE-PURPOSE TRUST FUNDS</b>	<b>113</b>
<b>COMBINING STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS – CUSTODIAL FUNDS</b>	<b>114</b>
<b>COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS – CUSTODIAL FUNDS</b>	<b>116</b>

**OTHER SUPPLEMENTARY INFORMATION**

<b>SCHEDULE OF INTERGOVERNMENTAL REVENUE</b>	<b>118</b>
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**BENTON COUNTY, MINNESOTA  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

**REPORTS RELATED TO *GOVERNMENT AUDITING STANDARDS* AND  
SINGLE AUDIT**

<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>120</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b>	<b>122</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>125</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>131</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>133</b>
<b>INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE</b>	<b>134</b>

## **INTRODUCTORY SECTION**

**BENTON COUNTY, MINNESOTA  
ORGANIZATION  
DECEMBER 31, 2024**

Office	Name	Term	
		From	To
<b>Commissioners</b>			
1 <sup>st</sup> District	Scott Johnson	January 2021	January 2025
2 <sup>nd</sup> District	Ed Popp	January 2023	January 2027
3 <sup>rd</sup> District	Steve Heinen	January 2023	January 2027
4 <sup>th</sup> District	Jared J. Gapinski*	January 2021	January 2025
5 <sup>th</sup> District	Beth Schlangen	January 2021	January 2025
<b>Officers</b>			
<b><u>Elected</u></b>			
Attorney	Kathleen Reuter	January 2023	January 2027
Auditor-Treasurer	Christine Scherbing	January 2023	January 2027
Sheriff	Troy Heck	January 2023	January 2027
<b><u>Appointed</u></b>			
Administrator	Montgomery Headley	Indefinite	
Land Services Director	Roxanne Achman	Indefinite	
County Assessor	Brian Folden	March 2022	December 2024
Courts Administrator	Megan Bergman	Indefinite	
Highway Engineer	Christopher Byrd, P.E.	May 2024	May 2028
Human Services Director	Sandra Shoberg-Steinbach	Indefinite	
Veterans Services Officer	George Fiedler	May 2024	May 2028
<b>Community Health Board</b>			
Chair	Steve Heinen*	January 2023	January 2027
Member	Ed Popp	January 2023	January 2027
Member	Scott Johnson	January 2021	January 2025
Member	Jared J. Gapinski	January 2021	January 2025
Vice-Chair	Beth Schlangen	January 2021	January 2025

\* Chair

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Benton County, Minnesota  
Foley, Minnesota

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Minnesota (the County), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 the County, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter Regarding Change in Accounting Principle***

As discussed in Note 11 to the financial statements, the County had a change in accounting principle that resulted in a restatement of beginning net position of the governmental activities and beginning fiduciary net position of the aggregate remaining fund information. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the total OPEB liability, related ratios, and notes, schedule of the proportionate share of the net pension liability (asset), the schedule of county contributions, and notes to required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of County Commissioners  
Benton County, Minnesota

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
September 15, 2025

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

This section of Benton County's (County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended on December 31, 2024. The management's discussion and analysis (MD&A) is required supplementary information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34. Certain comparative information between the current year, 2024, and the prior year, 2023, is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2023-2024 fiscal years include the following:

- ◆ Government-wide net position increased 4.3% from the prior year; this is primarily due to more revenue than expenses in 2024.
- ◆ Overall fund-level revenues totaled \$59,792,249 and were \$5,625,878 more than expenditures.
- ◆ The General Fund's fund balance increased \$1,177,744 from the prior year due to intergovernmental revenues and investment earnings being higher than budgeted and favorable expenditure variances, primarily related to information technology and administration.

**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:

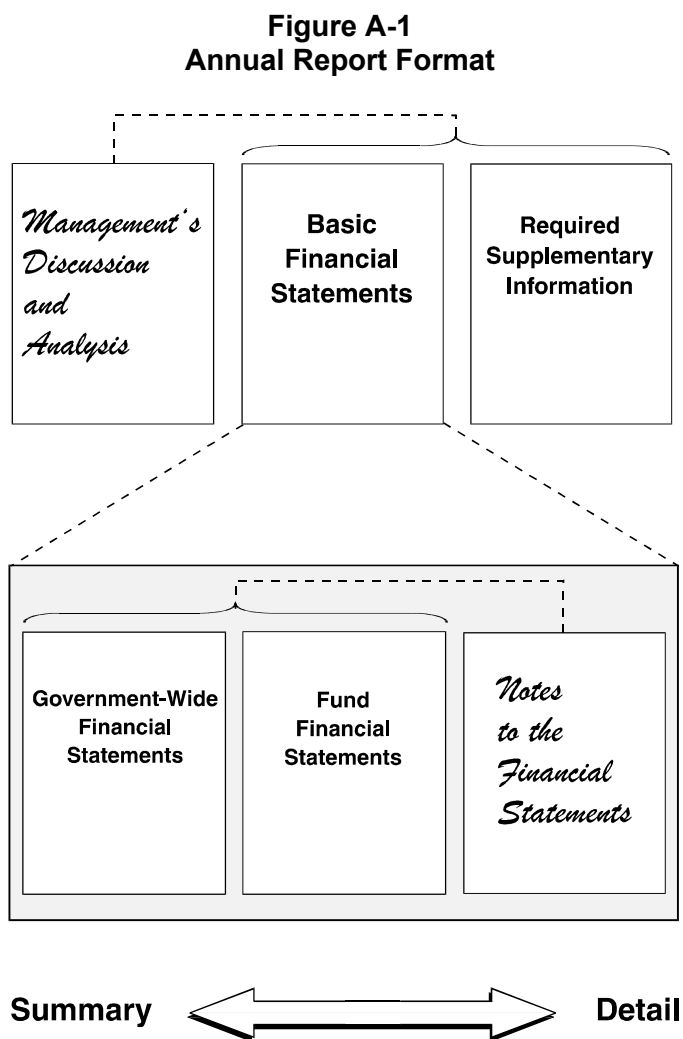
- ◆ The first two statements are government-wide financial statements which provide both short-term and long-term information about the County's overall financial status.
- ◆ The remaining statements are fund financial statements which focus on individual parts of the County, reporting the County's operations in more detail than the government-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.

**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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.



**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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.

<b>Figure A-2. Major Features of the County's Government-Wide and Fund Financial Statements</b>				
<b>Type of statements</b>	<b>Government-Wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire County's government (except fiduciary funds).	The activities of the County that are not proprietary or fiduciary.	The activities of the County that operate similar to private businesses: internal service.	Instances in which the County is the trustee or agent for someone else's resources.
<b>Required financial statements</b>	Statement of net position.	Balance sheet.	Statement of net position.	Statement of fiduciary net position.
	Statement of activities.	Statement of revenues, expenditures, and changes in fund balances.	Statement of revenues, expenses, and change in net position and statement of cash flows.	Statement of changes in fiduciary net position.
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
<b>Type of asset/liability information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term.	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter, no capital assets included.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short-term and long-term; these funds do not currently contain capital assets, although they can.
<b>Type of inflow/outflow information</b>	All revenues and expenses during the 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 the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

**Government-Wide Statements**

The government-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 position includes all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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.

**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Government-Wide Statements (Continued)**

The two government-wide statements report the County's net position and how it has changed. Net position – the difference between the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the County's financial health or position.

- ◆ Over time, increases or decreases in the County's net position 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 nonfinancial factors such as changes in the County's property tax base and the condition of County buildings and other facilities.
- ◆ 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 three 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 government-wide statements, we provide a reconciliation that explains the relationship (or differences) between them.
- ◆ Proprietary Fund – The County uses this fund to manage the self-insurance activities.
- ◆ 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 position and a statement of changes in fiduciary net position. These activities are excluded from the government-wide financial statements because the County cannot use these assets to finance its operations.



**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

**Net Position**

The County's net position was \$134,857,460 on December 31, 2024. (See Table A-1).

The increase in total net position was primarily due to the net pension liability decreasing \$4.2 million due to a change in actuarial assumptions.

**Table A-1  
The County's Net Position**

	Governmental Activities		Percent
	2024	2023	Change
Current and Other Assets	\$ 53,680,163	\$ 51,504,249	4.2 %
Capital Assets	109,382,744	108,799,905	0.5
Total Assets	163,062,907	160,304,154	1.7
Deferred Outflows of Resources	5,588,823	8,904,607	(37.2)
Other Liabilities	7,316,845	9,257,504	(21.0)
Long-Term Liabilities	16,597,476	21,008,435	(21.0)
Total Liabilities	23,914,321	30,265,939	(21.0)
Deferred Inflows of Resources	9,879,949	9,651,498	2.4
Net Position:			
Net investment in Capital Assets	107,195,562	105,988,805	1.1
Restricted	13,817,579	14,147,222	(2.3)
Unrestricted	13,844,319	9,155,297	51.2
Total Net Position	<u>\$ 134,857,460</u>	<u>\$ 129,291,324</u>	4.3

**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)**

**Changes in Net Position**

The government-wide total revenues were \$60,287,837 for the year ended December 31, 2024. Property taxes, wheelage taxes, and intergovernmental revenues accounted for 82.4% of total revenue for the year. Total revenues for 2024 increased 3.1% from 2023, as investment earnings increased from the prior year. Total expenses increased by 4.7% due to an increase in general government, economic development, and highways and streets (see Table A-2).

**Table A-2  
Change in Net Position**

	Governmental Activities		Total % Change
	2024	2023	
<b>REVENUES</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 3,916,710	\$ 5,658,699	(30.8)%
Operating Grants and Contributions	16,413,011	16,807,717	(2.3)
Capital Grants and Contributions	2,246,286	89,562	2408.1
<u>General Revenues</u>			
Property and Wheelage Taxes	24,735,964	23,340,893	6.0
Unrestricted State Aid	6,304,131	4,458,603	41.4
Investment Earnings	2,252,627	2,015,638	11.8
Other	4,419,108	4,467,306	(1.1)
Total Revenues	60,287,837	56,838,418	6.1
<b>EXPENSES</b>			
General Government	9,894,656	8,743,017	13.2
Public Safety	11,713,044	11,722,393	(0.1)
Highways and Streets	10,684,599	9,838,796	8.6
Human Services	14,475,496	14,268,316	1.5
Health	1,638,993	1,875,762	(12.6)
Culture and Recreation	566,274	638,479	(11.3)
Conservation of Natural Resources	1,537,203	1,911,783	(19.6)
Economic Development	2,523,195	1,649,353	53.0
Interest and Fiscal Charges on Long-Term Liabilities	16,916	20,771	(18.6)
Total Expenses	53,050,376	50,668,670	4.7
<b>INCREASE IN NET POSITION</b>	7,237,461	6,169,748	17.3
Net Position - Beginning of Year, as Previously Reported	129,291,324	123,121,576	5.0
Change in Accounting Principle, See Note 11	(1,671,325)	-	(100.0)
Net Position - Beginning of Year (as Restated)	127,619,999	123,121,576	3.7
<b>NET POSITION - END OF YEAR</b>	<u>\$ 134,857,460</u>	<u>\$ 129,291,324</u>	4.3

**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

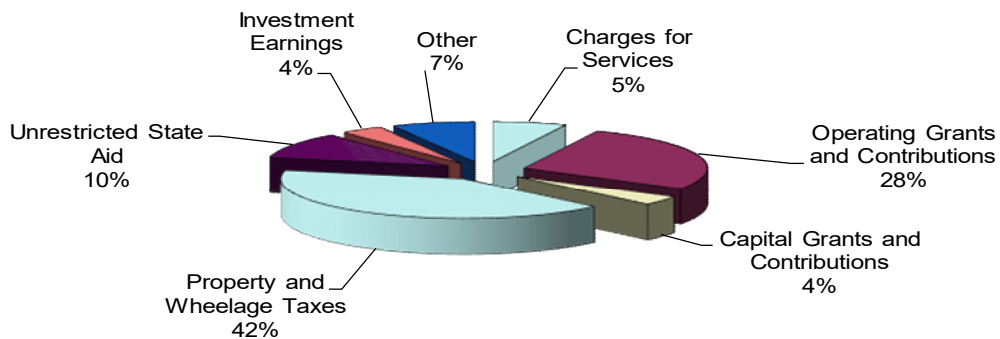
**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)**

**Changes in Net Position (Continued)**

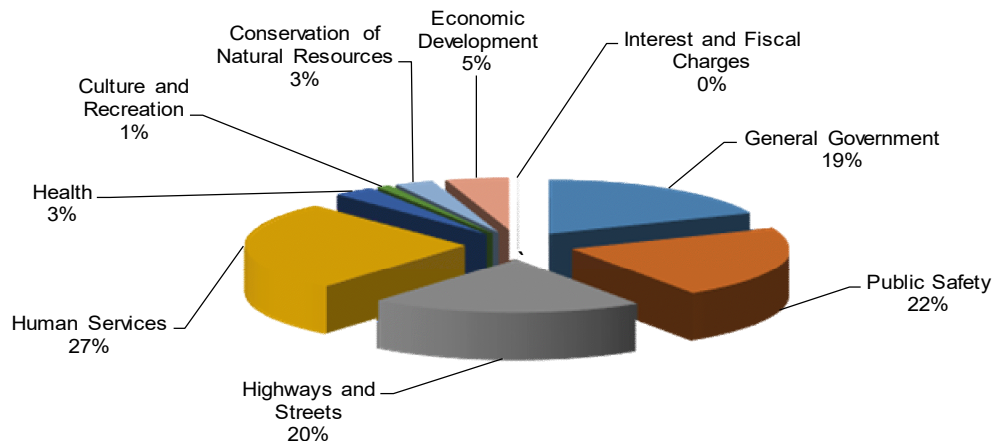
The government-wide cost of all governmental activities this year was \$53,050,376.

- ◆ Some of the cost was paid by the users of the County's programs (\$3,916,710).
- ◆ The federal and state governments contributed to certain programs with grants and contributions (\$18,659,297).
- ◆ A significant portion of the County's remaining costs (\$30,474,369) were paid for by County taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with \$28,699,664 in property and other taxes, \$6,304,131 of state aid, and \$2,708,035 from investment earnings and other general revenues.

**Governmental Activities Revenues by Source 2024**



**Governmental Activities Expenses by Type 2024**



**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)**

**Changes in Net Position (Continued)**

Table A-3 presents the cost of each of the County's program functions, as well as each function's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

**Table A-3  
Expenses and Net (Revenue) Cost of Services**

	Total Cost of Services		Percentage Change	Net (Revenue) Cost of Services		Percentage Change
	2024	2023		2024	2023	
<b>GOVERNMENTAL ACTIVITIES</b>						
General Government	\$ 9,894,656	\$ 8,743,017	13.2 %	\$ 7,004,156	\$ 6,718,353	4.3 %
Public Safety	11,713,044	11,722,393	(0.1)	10,003,525	10,308,928	(3.0)
Highways and Streets	10,684,599	9,838,796	8.6	3,748,843	3,057,764	22.6
Human Services	14,475,496	14,268,316	1.5	6,185,869	6,098,807	1.4
Health	1,638,993	1,875,762	(12.6)	(75,341)	597,851	(112.6)
Culture and Recreation	566,274	638,479	(11.3)	493,777	579,103	(14.7)
Conservation of Natural Resources	1,537,203	1,911,783	(19.6)	753,290	(720,863)	(204.5)
Economic Development	2,523,195	1,649,353	53.0	2,343,334	1,451,978	61.4
Interest and Fiscal Charges on Long-Term Liabilities	16,916	20,771	(18.6)	16,916	20,771	(18.6)
<b>Total</b>	<b>\$ 53,050,376</b>	<b>\$ 50,668,670</b>	<b>4.7</b>	<b>\$ 30,474,369</b>	<b>\$ 28,112,692</b>	<b>8.4</b>

**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 \$42,823,264.

Revenues for the County's governmental funds were \$59,792,249, while total expenditures were \$54,166,371. Overall, the fund balance increase of \$6,175,929 resulted from an increase of intergovernmental revenues and decrease of Highway and Streets projects.

**General Fund**

The General Fund includes the primary operations of the County in providing services to citizens. The year-ending fund balance in the General Fund increased by \$1,177,744 from 2023, primarily due to higher than budgeted intergovernmental revenues and investment earnings and favorable expenditure variances related to information technology and administration.

**Road and Bridge Fund**

The 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. The fund balance in the Road and Bridge Fund decreased by \$371,721 from 2023, due primarily to lower than budgeted intergovernmental revenue.

**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**FINANCIAL ANALYSIS OF THE COUNTY AT THE FUND LEVEL (CONTINUED)**

**Human Services Fund**

The Human Services Fund accounts for financial activity related to the provision of social services, medical and financial assistance, and public health. The fund balance in the Human Services Fund increased by \$594,568 from 2023. This increase can be attributed primarily to higher than budgeted charges for services.

**Miscellaneous Special Revenue Fund**

The Miscellaneous Special Revenue Fund accounts for the financial activity related to a number of smaller activities, including solid waste management, E-911 surcharge funds, natural resources block grants, and park dedication fees. The fund balance in the Miscellaneous Fund increased by \$275,270 from 2023. This increase can be attributed primarily to an increase in miscellaneous revenues and transfers in from other funds.

**State and Local Fiscal Recovery Fund**

The State and Local Fiscal Recovery Fund was established in 2021 and is used to account for the financial activity related to various projects the County plans to use the federal American Rescue Plan Act (ARPA) funding for. The funding received is considered to be unearned revenue until it is used. The County spent \$1,945,603 in 2024 relating mainly to broadband projects.

**Opioid Remediation Fund**

The Opioid Remediation Fund was established in 2021, and accounts for the financial activity related to the County's share of the national opioid settlement agreement. The amounts due to the County total \$903,276 and will be paid over the next 16 years. The fund balance in the Opioid Remediation Fund increased by \$422,546. The increase can be attributed to an increase in miscellaneous revenues.

**Debt Service Fund**

The Debt Service Fund accounts for principal, interest, and fiscal agent fees associated with the County's outstanding debt, including general obligation debt. The fund balance in the Debt Service Fund increased by \$27,525 in 2024 from 2023. This increase can be attributed to a decrease in principal payments.

**Capital Projects Fund**

The Capital Projects Fund accounts for the financing of multi-year capital projects, including those funded with Capital Improvement Plan bonds and local option sales tax revenues and reserves. The fund balance increase of \$4,301,439 was due to an increase in intergovernmental revenues and transfers in from other funds.

**Ditch Fund**

The Ditch Fund accounts for the cost of constructing and maintaining an agricultural drainage ditch system. Financing is provided by special assessments levied against benefited property. The fund balance decrease of \$332,028 was due to expenditures being incurred prior to special assessment revenue being received.

**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**FINANCIAL ANALYSIS OF THE COUNTY AT THE FUND LEVEL (CONTINUED)**

The following schedule presents a summary of General Fund revenues:

**Table A-4  
General Fund Revenues**

	Year Ended		Change	
	December 31, 2024	December 31, 2023	Increase (Decrease)	Percent
Taxes	\$ 14,890,525	\$ 14,153,574	\$ 736,951	5.2 %
Intergovernmental	3,408,578	3,068,440	340,138	11.1
Charges for Services	1,631,424	1,662,723	(31,299)	(1.9)
Investment Earnings	2,232,294	1,997,349	234,945	11.8
Miscellaneous and Other	573,681	535,394	38,287	7.2
Total General Fund Revenues	<u>\$ 22,736,502</u>	<u>\$ 21,417,480</u>	<u>\$ 1,319,022</u>	6.2

Total General Fund revenue increased by \$1,319,022, or 6.2%, from 2023. This increase was due primarily to increased taxes revenue and intergovernmental revenue.

The following schedule presents a summary of General Fund expenditures:

**Table A-5  
General Fund Expenditures**

	Year Ended		Change	
	December 31, 2024	December 31, 2023	Increase (Decrease)	Percent
General Government	\$ 7,814,923	\$ 7,483,689	\$ 331,234	4.4 %
Public Safety	10,886,874	9,918,046	968,828	9.8
Health	135,791	124,360	11,431	9.2
Culture and Recreation	553,116	570,546	(17,430)	(3.1)
Conservation of Natural Resources	458,980	473,164	(14,184)	(3.0)
Economic Development	418,335	372,847	45,488	12.2
Capital Outlay	389,243	366,191	23,052	6.3
Debt Service	180,603	129,101	51,502	39.9
Total Expenditures	<u>\$ 20,837,865</u>	<u>\$ 19,437,944</u>	<u>\$ 1,399,921</u>	7.2

Total General Fund expenditures increased by \$1,399,921, or 7.2%, from 2023 due primarily to increased general government and public safety expenditures.

**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

- ◆ Actual revenues were \$1,842,108 more than budgeted. This is due primarily to higher than expected investment earnings and intergovernmental revenue.
- ◆ Actual expenditures were \$245,470 less than budgeted due mainly to less general government expenditures than expected.

**CONSTRUCTION PROJECTS AND DEBT SERVICE**

The Capital Projects Fund accounts for the use of bond proceeds and other resources to finance the purchase or improvement of capital assets. Activity during 2024 was related to building improvements and infrastructure projects.

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

**CAPITAL ASSETS**

By the end of 2024, the County had invested over \$226 million (before depreciation/amortization) 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 3.A to the financial statements.) Total depreciation/amortization expense for the year was \$7,135,702.

**Table A-6  
Capital Assets**

	Governmental Activities		Percent Change
	2024	2023	
Land	\$ 3,805,393	\$ 3,805,393	-
Right-of-Way	16,347,009	16,327,541	0.1
Construction-in-Progress	5,118,580	1,087,631	370.6
Infrastructure	165,411,703	162,959,318	1.5
Land Improvements	706,993	528,315	33.8
Buildings	21,147,661	20,818,499	1.6
Machinery, Vehicles, Furniture, and Equipment	12,897,995	12,628,199	2.1
Right-to-Use Assets, Buildings	172,663	327,935	(47.3)
Right-to-Use Assets, Machinery, Vehicles, Furniture, and Equipment	238,313	125,431	90.0
Subscription Assets	366,246	497,551	(26.4)
Less: Accumulated Depreciation/Amortization	(116,829,812)	(110,305,908)	5.9
Total	\$ 109,382,744	\$ 108,799,905	0.5

**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**LONG-TERM LIABILITIES**

At year-end, the County had \$16,597,476 in long-term liabilities outstanding.

- ◆ The County's total long-term liabilities decreased \$4,410,959, mainly due to a decrease in the net pension liability. The net pension liability fluctuates each year as assumptions change. See Note 5 for more information.

**Table A-7  
The County's Long-Term Liabilities**

	2024	2023	Percent Change
<b>GOVERNMENTAL ACTIVITIES</b>			
General Obligation Bonds Payable	\$ 1,958,025	\$ 2,234,162	(12.4)%
Direct Borrowing - Septic Loans Payable	442,814	-	100.0
Lease Liability	271,412	283,961	(4.4)
Subscription Liability	3,000	169,497	(98.2)
Compensated Absences Payable	3,561,662	4,017,947	(11.4)
Net Pension Liability	8,583,227	12,780,921	(32.8)
Total Other Postemployment Benefits Liability	1,777,336	1,521,947	16.8
Total	<u>\$ 16,597,476</u>	<u>\$ 21,008,435</u>	(21.0)

**FACTORS BEARING ON THE COUNTY'S FUTURE**

*Government Center Project*

In August 2025, the County Board authorized the issuance of \$22,085,000 in lease-revenue bonds through the County's Housing and Redevelopment Authority. Combined with \$2 million in cash reserves, this funding will be used to construct a new County Government Center, with completion expected in early 2027. A new Government Center will house the Human Services Department, Land Services, Auditor-Treasurer, County Administration and County Board Room. The County's lease revenue bonds were rate AA- by Standard and Poor's and will mature over a 20-year period. Interest payments begin in August 2026, with the first principle payment due in February 2027. This new debt will add \$1.7 million to the County's 2026 debt service levy. As construction occurs, the County will explore options to re-purpose the existing Government Center. Options under consideration include complete removal and development of the site, or a negotiated sale to a non-profit entity for its use as co-located medical, dental and senior services.

*Labor Agreements Expire December 2025*

The County's eight labor agreements all expire December 31, 2025. Negotiations are underway on successor agreements. The County will attempt to secure settlements with total package costs falling within the County's adopted 2026 budget and levy. However, certain law enforcement groups are considered essential under Minnesota labor law and have access to the interest arbitration process. It is possible should groups pursue interest arbitration that a neutral arbitrator would award contract terms and conditions exceeding the County's adopted 2026 budget. Other negotiated settlements could also create costs exceeding the budget.



**BENTON COUNTY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**FACTORS BEARING ON THE COUNTY'S FUTURE (CONTINUED)**

*State and Federal Budget Impacts*

The State of Minnesota's 2026-2027 biennial budget does not shift substantial costs to counties. However, the State projects a \$2 billion deficit for its 2028-2029 biennium, creating concerns over cost shifts and aid cuts to counties. Another area of concern rests with the federal "One Big Beautiful Bill" Act (OBBA). Counties in Minnesota administer the federal Supplemental Nutrition Assistance Program (SNAP). OBBA reduces federal administrative cost sharing from 50% to 25%. Further, it imposes penalties on States with error rates over 6%, requiring States to fund between 5% and 15% of the cost of SNAP benefits. Minnesota counties are concerned the penalties will be passed to counties by the State. Penalties could begin in federal fiscal year 2028 (October 1, 2027). Another area of concern is the staffing requirements needed to verify work eligibility for SNAP and Medical Assistance (Medicaid) recipients.

*Employee Compensation and Benefits*

Providing competitive pay and benefits remains a significant cost for the County. Recruiting and retention has improved over the past year, with larger applicant pools and less turnover. To remain competitive and keep pace with our labor market, the County has engaged a compensation consultant for an on-going "class and comp" maintenance program. It evaluated one-third of the County's job classifications each year on a rotational basis. The consultant gathers comparative wage data and will make recommendations for market adjustments where appropriate. Those evaluations also consider significant job duty changes that could result in pay adjustments. The benefit of a maintenance program is the smoothing of compensation cost increases on a yearly basis, rather than the customary once-a-decade countywide compensation study with the often-substantial cost of restoring market comparability.

*Commercial and Residential Development*

After a period of stagnation, the County is seeing a gradual resumption of urban commercial and residential development. Rural housing development has remained strong, averaging 50 new homes the past two years. For payable 2026 taxes, the County expects to see a 4.1% increase in its tax capacity, from new construction and value growth. New commercial developments have occurred in Sauk Rapids and Foley. Most notably, Foley completed its sewer system connection to the City of St. Cloud regional wastewater system, which will now allow the City of Foley to lift its new construction moratorium. In the rural areas, two planned large scale solar sites should be completed over the next 2-3 years. Minnesota Power Regal Solar, a 119 MW project on 800 acres in Northwest Benton County, expects to be operational by 2027. It will generate \$238,000 per year in solar production tax for the County. NextEra Solar plans to be operational by the end of 2026 on 600 acres in Southwest Benton County. Combining 100 MW power generation and 100 MW battery storage facility, it will generate \$200,000 per year in solar production tax for the County.

**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) 968-5000.

## **BASIC FINANCIAL STATEMENTS**

**BENTON COUNTY, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

	Governmental Activities
<b>ASSETS</b>	
Cash and Pooled Investments	\$ 45,325,883
Petty Cash and Change Funds	2,800
Taxes Receivable:	
Delinquent	180,947
Special Assessments Receivable:	
Delinquent	46,325
Noncurrent	48,523
Accounts Receivable	1,061,721
Accrued Interest Receivable	211,596
Loans Receivable, Net of Allowance	744,121
Due from Other Governments	5,151,769
Due from Fiduciary Funds	17,025
Prepaid Items	889,453
Nondepreciable Capital Assets:	
Land	3,805,393
Right-of-Way	16,347,009
Construction-in-Progress	5,118,580
Depreciable Capital Assets, Net of Accumulated Depreciation	
Building	9,529,881
Machinery, Vehicles, Furniture, and Equipment	3,315,269
Land Improvements	430,821
Infrastructure	70,448,315
Amortizable Capital Assets, Net of Accumulated Amortization	
Right-to-Use Assets, Building	107,914
Right-to-Use Assets, Machinery, Vehicles, Furniture, and Equipment	164,325
Subscription Assets	115,237
Total Assets	<u>163,062,907</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related	5,131,562
Total Other Postemployment Benefits Related	<u>457,261</u>
Total Deferred Outflows of Resources	5,588,823

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**DECEMBER 31, 2024**

	Governmental Activities
<b>LIABILITIES</b>	
Accounts Payable	\$ 1,712,820
Salaries Payable	1,119,435
Contracts Payable	314,028
Due to Other Governments	581,280
Accrued Interest Payable	21,646
Unearned Revenue	3,567,636
Compensated Absences Payable - Due in Less than One Year	293,175
Total Other Postemployment Benefits Liability - Due in Less than One Year	84,678
General Obligation Bonds Payable - Due in Less than One Year	255,000
Lease Liability - Due in Less than One Year	63,756
Subscription Liability - Due in Less than One Year	3,000
Compensated Absences Payable - Due in More than One Year	3,268,487
Total Other Postemployment Benefits Liability - Due in More than One Year	1,692,658
General Obligation Bonds Payable - Due in More than One Year	1,703,025
Direct Borrowing - Septic Loans Payable - Due in More than One Year	442,814
Lease Liability - Due in More than One Year	207,656
Net Pension Liability	8,583,227
Total Liabilities	<u>23,914,321</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related	9,725,976
Total Other Postemployment Benefits Related	153,973
Total Deferred Inflows of Resources	<u>9,879,949</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	107,195,562
Restricted for:	
General Government	244,702
Public Safety	1,674,370
Highways and Streets	1,709,811
Human Services	189,398
Culture and Recreation	56,914
Conservation of Natural Resources	4,711,625
Economic Development	1,290,368
Debt Service	2,265,479
Opioid Remediation	1,674,912
Unrestricted	<u>13,844,319</u>
Total Net Position	<u><u>\$ 134,857,460</u></u>

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense)
	Expenses	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b>GOVERNMENTAL ACTIVITIES</b>					<b>Governmental Activities</b>
General Government	\$ 9,894,656	\$ 1,904,488	\$ 986,012	\$ -	\$ (7,004,156)
Public Safety	11,713,044	326,307	1,383,212	-	(10,003,525)
Highways and Streets	10,684,599	261,272	4,428,198	2,246,286	(3,748,843)
Human Services	14,475,496	522,128	7,767,499	-	(6,185,869)
Health	1,638,993	154,411	1,559,923	-	75,341
Culture and Recreation	566,274	72,497	-	-	(493,777)
Conservation of Natural Resources	1,537,203	495,746	288,167	-	(753,290)
Economic Development	2,523,195	179,861	-	-	(2,343,334)
Interest	16,916	-	-	-	(16,916)
Total Governmental Activities	<u>\$ 53,050,376</u>	<u>\$ 3,916,710</u>	<u>\$ 16,413,011</u>	<u>\$ 2,246,286</u>	<u>(30,474,369)</u>
<b>GENERAL REVENUES</b>					
Property Taxes					23,885,494
Wheelage Taxes					850,470
Gravel Taxes					61,231
Mortgage Registry and Deed Tax					39,439
Payments in Lieu of Taxes					39,018
Sales Tax					3,824,012
Grants and Contributions Not Restricted to Specific Programs					6,304,131
Unrestricted Investment Earnings					2,252,627
Miscellaneous					403,336
Gain on Sale of Capital Assets					52,072
Total General Revenues					<u>37,711,830</u>
<b>CHANGE IN NET POSITION</b>					7,237,461
Net Position - Beginning of Year, as Previously Reported					129,291,324
Change in Accounting Principle, See Note 11					<u>(1,671,325)</u>
Net Position - Beginning of Year, as Restated					<u>127,619,999</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 134,857,460</u>

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	General	Road and Bridge	Human Services	Miscellaneous	State and Local Fiscal Recovery	Opioid Remediation
<b>ASSETS</b>						
Cash and Pooled Investments	\$ 9,605,152	\$ 1,367,784	\$ 7,842,041	\$ 5,982,528	\$ 3,368,727	\$ 771,636
Petty Cash and Change Funds	2,800	-	-	-	-	-
Taxes Receivable:						
Delinquent	104,170	20,424	56,353	-	-	-
Special Assessments Receivable:						
Delinquent	30,631	-	-	13,597	-	-
Noncurrent	-	-	-	-	-	-
Accounts Receivable	19,483	113	81,067	6,930	-	903,276
Accrued Interest Receivable	211,596	-	-	-	-	-
Due from Other Funds	16,674	32,265	-	1,762	-	-
Due from Fiduciary Funds	17,025	-	-	-	-	-
Due from Other Governments	191,303	1,760,716	1,442,613	29,703	-	-
Prepaid Items	373,543	285,535	54,080	122,391	100	-
Loans Receivable, Net of Allowance	387,522	-	-	-	-	-
Advances to Other Funds	2,026,930	-	-	1,023,169	-	-
Total Assets	<u>\$ 12,986,829</u>	<u>\$ 3,466,837</u>	<u>\$ 9,476,154</u>	<u>\$ 7,180,080</u>	<u>\$ 3,368,827</u>	<u>\$ 1,674,912</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 429,117	\$ 89,140	\$ 181,590	\$ 75,101	\$ -	\$ -
Salaries Payable	579,109	74,729	456,104	9,493	-	-
Contracts Payable	-	314,028	-	-	-	-
Due to Other Funds	17,236	-	7,340	-	-	-
Due to Other Governments	387,981	8,380	169,445	12,641	-	-
Unearned Revenue	-	-	97,834	101,075	3,368,727	-
Advance from Other Funds	-	1,023,169	-	-	-	-
Total Liabilities	<u>1,413,443</u>	<u>1,509,446</u>	<u>912,313</u>	<u>198,310</u>	<u>3,368,727</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	134,801	1,730,235	56,353	13,597	-	903,276
<b>FUND BALANCES</b>						
Nonspendable	2,338,716	285,535	54,080	122,391	100	-
Restricted	476,114	-	189,398	5,111,289	-	771,636
Committed	-	-	-	711,324	-	-
Assigned	200,000	-	8,264,010	1,023,169	-	-
Unassigned	<u>8,423,755</u>	<u>(58,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>11,438,585</u>	<u>227,156</u>	<u>8,507,488</u>	<u>6,968,173</u>	<u>100</u>	<u>771,636</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,986,829</u>	<u>\$ 3,466,837</u>	<u>\$ 9,476,154</u>	<u>\$ 7,180,080</u>	<u>\$ 3,368,827</u>	<u>\$ 1,674,912</u>

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2024**

	Debt Service	Capital Projects	Ditch	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 2,287,125	\$ 11,772,376	\$ 2,648	\$ 1,230,115	\$ 44,230,132
Petty Cash and Change Funds	-	-	-	-	2,800
Taxes Receivable:	-	-	-	-	180,947
Delinquent	-	-	-	-	-
Special Assessments Receivable:	-	-	2,097	-	46,325
Delinquent	-	-	48,523	-	48,523
Noncurrent	-	-	-	-	1,010,869
Accounts Receivable	-	-	-	-	211,596
Accrued Interest Receivable	-	9,252	-	-	59,953
Due from Other Funds	-	-	-	-	17,025
Due from Fiduciary Funds	-	1,727,434	-	-	5,151,769
Due from Other Governments	417	35,152	-	-	871,218
Prepaid Items	-	-	-	356,599	744,121
Loans Receivable, Net of Allowance	-	-	-	-	3,050,099
Advances to Other Funds	-	-	-	-	-
Total Assets	<u>\$ 2,287,542</u>	<u>\$ 13,544,214</u>	<u>\$ 53,268</u>	<u>\$ 1,586,714</u>	<u>\$ 55,625,377</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 45,863	\$ 43,359	\$ 31	\$ 864,201
Salaries Payable	-	-	-	-	1,119,435
Contracts Payable	-	-	-	-	314,028
Due to Other Funds	-	-	26,040	9,337	59,953
Due to Other Governments	-	2,833	-	-	581,280
Unearned Revenue	-	-	-	-	3,567,636
Advance from Other Funds	-	-	2,026,930	-	3,050,099
Total Liabilities	-	48,696	2,096,329	9,368	9,556,632
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	50,620	356,599	3,245,481
<b>FUND BALANCES</b>					
Nonspendable	417	35,152	-	-	2,836,391
Restricted	2,287,125	1,109,906	2,651	1,230,084	11,178,203
Committed	-	12,350,460	-	-	13,061,784
Assigned	-	-	-	-	9,487,179
Unassigned	-	-	(2,096,332)	(9,337)	6,259,707
Total Fund Balances	<u>2,287,542</u>	<u>13,495,518</u>	<u>(2,093,681)</u>	<u>1,220,747</u>	<u>42,823,264</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,287,542</u>	<u>\$ 13,544,214</u>	<u>\$ 53,268</u>	<u>\$ 1,586,714</u>	<u>\$ 55,625,377</u>

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2024**

**TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS** \$ 42,823,264

Total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 109,382,744

The County's net pension liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Net Pension Liability	\$ (8,583,227)	
Deferred Inflows of Resources - Pension Related	(9,725,976)	
Deferred Outflows of Resources - Pension Related	<u>5,131,562</u>	(13,177,641)

The County's other postemployment benefit liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Total Other Postemployment Benefits Liability	(1,777,336)	
Deferred Inflows of Resources - OPEB Related	(153,973)	
Deferred Outflows of Resources - OPEB Related	<u>457,261</u>	(1,474,048)

Other long-term assets, such as delinquent taxes, delinquent and noncurrent special assessments, and certain state-aid highway allotments, are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds. 3,245,481

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 Payable	(1,855,000)	
Unamortized Bond Premium	(103,025)	
Compensated Absences Payable	(3,561,662)	
Direct Borrowing - Septic Loans Payable	(442,814)	
Lease Liability	(271,412)	
Subscription Liability	(3,000)	
Accrued Interest Payable	<u>(21,646)</u>	(6,258,559)

Internal service fund is used by the County to charge self-insurance services to individual funds. The assets, deferred outflows, liabilities and deferred inflows of the internal service fund are included in the governmental activities in the Statement of Net Position. Internal service fund net position is:

316,219

**TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 134,857,460



**BENTON COUNTY, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	General	Road and Bridge	Human Services	Miscellaneous	State and Local Fiscal Recovery	Opioid Remediation
<b>REVENUES</b>						
Taxes	\$ 14,890,525	\$ 2,659,331	\$ 6,190,594	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-
Special Assessments	67,985	-	-	453,109	-	-
Licenses and Permits	391,999	50,900	-	52,860	-	-
Intergovernmental	3,408,578	6,747,484	9,989,513	554,820	1,945,703	-
Charges for Services	1,631,424	183,650	523,190	93,763	-	-
Fines and Forfeits	7,696	-	-	51,709	-	-
Gifts and Contributions	1,412	-	-	24,419	-	-
Investment Earnings	2,232,294	-	-	3,088	-	-
Miscellaneous	104,589	32,161	349,881	140,827	-	422,546
Total Revenues	22,736,502	9,673,526	17,053,178	1,374,595	1,945,703	422,546
<b>EXPENDITURES</b>						
Current:						
General Government	7,814,923	-	-	713,309	-	-
Public Safety	10,886,874	-	-	199,636	-	-
Highways and Streets	-	5,217,788	-	-	-	-
Human Services	-	-	14,283,664	-	-	-
Health	135,791	-	1,550,992	-	-	-
Culture and Recreation	553,116	-	-	-	-	-
Conservation of Natural Resources	458,980	-	-	430,447	-	-
Economic Development	418,335	-	-	-	1,945,603	-
Capital Outlay:						
General Government	57,496	-	-	-	-	-
Public Safety	331,747	-	-	-	-	-
Highways and Streets	-	6,031,233	-	-	-	-
Human Services	-	-	30,161	-	-	-
Health	-	-	6,859	-	-	-
Debt Service:						
Principal	180,603	1,169	86,934	17,577	-	-
Interest	-	-	-	-	-	-
Fiscal Charges	-	-	-	-	-	-
Total Expenditures	20,837,865	11,250,190	15,958,610	1,360,969	1,945,603	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,898,637	(1,576,664)	1,094,568	13,626	100	422,546
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	49,153	1,639,221	-	228,112	-	-
Transfers Out	(1,223,412)	(434,278)	(500,000)	(63,153)	-	-
Issuance of Leases	10,552	-	-	96,685	-	-
Proceeds from Direct Borrowing	442,814	-	-	-	-	-
Total Other Financing Sources (Uses)	(720,893)	1,204,943	(500,000)	261,644	-	-
<b>NET CHANGE IN FUND BALANCES</b>	1,177,744	(371,721)	594,568	275,270	100	422,546
Fund Balances - Beginning of Year	10,260,841	598,877	7,912,920	6,692,903	-	349,090
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 11,438,585</u>	<u>\$ 227,156</u>	<u>\$ 8,507,488</u>	<u>\$ 6,968,173</u>	<u>\$ 100</u>	<u>\$ 771,636</u>

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

	Debt Service	Capital Projects	Ditch	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 318,698	\$ 680,457	\$ -	\$ 4,399	\$ 24,744,004
Sales Tax	-	3,824,012	-	-	3,824,012
Special Assessments	-	-	44,558	-	565,652
Licenses and Permits	-	-	-	-	495,759
Intergovernmental	4,879	1,445,039	-	-	24,096,016
Charges for Services	-	-	-	-	2,432,027
Fines and Forfeits	-	-	-	-	59,405
Gifts and Contributions	-	17,245	-	-	25,831
Investment Earnings	-	10,825	-	-	2,252,627
Miscellaneous	-	-	-	236,087	1,296,916
Total Revenues	<u>323,577</u>	<u>5,977,578</u>	<u>44,558</u>	<u>240,486</u>	<u>59,792,249</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	1,163,927	-	-	9,692,159
Public Safety	-	224,839	-	-	11,311,349
Highways and Streets	-	-	-	-	5,217,788
Human Services	-	-	-	-	14,283,664
Health	-	-	-	-	1,686,783
Culture and Recreation	-	-	-	-	553,116
Conservation of Natural Resources	-	-	453,822	-	1,343,249
Economic Development	-	-	-	160,000	2,523,938
Capital Outlay:					
General Government	-	514,494	-	-	571,990
Public Safety	-	-	-	-	331,747
Highways and Streets	-	-	-	-	6,031,233
Human Services	-	-	-	-	30,161
Health	-	-	-	-	6,859
Debt Service:					
Principal	240,000	-	-	-	526,283
Interest	55,550	-	-	-	55,550
Fiscal Charges	502	-	-	-	502
Total Expenditures	<u>296,052</u>	<u>1,903,260</u>	<u>453,822</u>	<u>160,000</u>	<u>54,166,371</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	27,525	4,074,318	(409,264)	80,486	5,625,878
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	1,844,000	103,278	-	3,863,764
Transfers Out	-	(1,616,879)	(26,042)	-	(3,863,764)
Issuance of Leases	-	-	-	-	107,237
Proceeds from Direct Borrowing	-	-	-	-	442,814
Total Other Financing Sources (Uses)	<u>-</u>	<u>227,121</u>	<u>77,236</u>	<u>-</u>	<u>550,051</u>
<b>NET CHANGE IN FUND BALANCES</b>	27,525	4,301,439	(332,028)	80,486	6,175,929
Fund Balances - Beginning of Year	<u>2,260,017</u>	<u>9,194,079</u>	<u>(1,761,653)</u>	<u>1,140,261</u>	<u>36,647,335</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,287,542</u>	<u>\$ 13,495,518</u>	<u>\$ (2,093,681)</u>	<u>\$ 1,220,747</u>	<u>\$ 42,823,264</u>

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, 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**  
**YEAR ENDED DECEMBER 31, 2024**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 6,175,929**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Expenditures for General Capital Assets, Infrastructure, and Other	\$ 7,743,631	
Related Capital Asset Adjustments	(25,090)	
Net Book Value of Capital Assets Disposed	(7,135,702)	
Current Year Depreciation/Amortization	582,839	582,839

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred Inflows of Resources - December 31	3,245,481	
Deferred Inflows of Resources - January 1	(3,082,680)	162,801

Pension expenditures on the governmental funds are measured by current year employer contributions. Pension expenses on the Statement of Activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.

515,400

Issuing long-term debt provides current financial resources to governmental funds, while the repayment of debt consumes current financial resources. Neither transaction has any effect on net position. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued; whereas, those amounts are deferred and amortized over the life of the debt in the statement of net position.

Proceeds for Debt Issuances:		
Direct Borrowing - Septic Loans	(442,814)	
Lease Liability	(107,237)	
Principal Repayments:		
General Obligation Bonds	240,000	
Subscription Liability	166,497	
Lease Liability	119,786	(23,768)

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	3,000	
Amortization of Discounts/Premiums	36,137	
Change in Compensated Absences	456,285	
Change in Total Other Postemployment Benefits	(255,389)	
Change in Deferred Outflows of Resources - Other Postemployment Benefits	103,023	
Change in Deferred Inflows of Resources - Other Postemployment Benefits	35,036	378,092

The net revenues (expenses) of the internal service fund is reported with governmental activities.

(553,832)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

**\$ 7,237,461**

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA**  
**STATEMENT OF NET POSITION – SELF-INSURANCE INTERNAL SERVICE FUND**  
**DECEMBER 31, 2024**

	<u>Self-Insurance</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,095,751
Accounts Receivable	50,852
Prepaid Items	<u>18,235</u>
Total Assets	1,164,838
<b>LIABILITIES</b>	
Claims Payable	<u>848,619</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ 316,219</u></u>

*See accompanying Notes to Basic Financial Statements.*

**BENTON COUNTY, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -**  
**SELF-INSURANCE INTERNAL SERVICE FUND**  
**YEAR ENDED DECEMBER 31, 2024**

	<u>Self-Insurance</u>
<b>OPERATING REVENUES</b>	
Employee and Employer Contributions	\$ 4,081,498
Miscellaneous	<u>1,075,928</u>
Total Operating Revenues	<u>5,157,426</u>
<b>OPERATING EXPENSES</b>	
Administration and Reinsurance Premium	1,034,248
Claims Paid	<u>4,715,480</u>
Total Operating Expenses	<u>5,749,728</u>
<b>OPERATING LOSS</b>	(592,302)
<b>NONOPERATING REVENUES</b>	
Intergovernmental	<u>38,470</u>
<b>CHANGE IN NET POSITION</b>	(553,832)
Net Position - Beginning of Year	<u>870,051</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 316,219</u></u>

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA**  
**STATEMENT OF CASH FLOWS – SELF-INSURANCE INTERNAL SERVICE FUND**  
**YEAR ENDED DECEMBER 31, 2024**

	<u>Self-Insurance</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Internal Services Provided	\$ 5,128,014
Payments to Suppliers	(1,052,483)
Payments for Claims	<u>(4,030,854)</u>
Net Cash Provided by Operating Activities	44,677
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Receipts from Other Governments	<u>81,477</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	126,154
Cash and Cash Equivalents - Beginning of Year	<u>969,597</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 1,095,751</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (592,302)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Increase in Accounts Receivable	(29,412)
Increase in Prepaid Items	(18,235)
Increase in Claims Payable	<u>684,626</u>
Net Cash Provided by Operating Activities	<u><u>\$ 44,677</u></u>

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2024**

	Private-Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and Pooled Investments	\$ 140,057	\$ 1,314,243
Due from Other Governments	-	459,067
Taxes for Other Governments	-	836,429
Special Assessment Receivable	-	2,859,438
Accounts Receivable	-	98,542
Prepaid Items	-	594
Total Assets	<u>140,057</u>	<u>5,568,313</u>
<b>LIABILITIES</b>		
Due to Others	-	263,856
Unearned Revenue	-	10,022
Due to Primary Government	-	17,025
Due to Other Governments	-	962,669
Total Liabilities	<u>-</u>	<u>1,253,572</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Collected for Subsequent Period	<u>-</u>	<u>26,831</u>
<b>NET POSITION</b>		
Restricted for:		
Individuals, Organizations, and Other Governments	<u><u>\$ 140,057</u></u>	<u><u>\$ 4,287,910</u></u>

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Private-Purpose Trust Funds	Custodial Funds
<b>ADDITIONS</b>		
Contributions - Individuals	\$ 316,296	\$ 201,266
Investment Earnings	-	5,589
Intergovernmental	-	2,591,676
Property Tax Collections for Other Governments	-	38,646,061
Fee Collections for Other Governments and Organizations	-	1,772,672
License and Fees Collected for State	-	6,895,705
Miscellaneous	-	53,340
Total Additions	<u>316,296</u>	<u>50,166,309</u>
<b>DEDUCTIONS</b>		
Beneficiary Payments to Individuals	407,605	202,510
Payments of Property Tax to Other Governments	-	38,448,885
Payments to State	-	6,591,188
Administrative Expense	-	7,434
Payments to Other Entities	-	3,516,078
Total Deductions	<u>407,605</u>	<u>48,766,095</u>
<b>NET CHANGE IN FIDUCIARY NET POSITION</b>	(91,309)	1,400,214
Fiduciary Net Position - Beginning of Year, as Previously Reported	231,366	1,216,371
Change in Accounting Principle, See Note 11	-	1,671,325
Fiduciary Net Position - Beginning of Year, as Restated	<u>231,366</u>	<u>2,887,696</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u><u>\$ 140,057</u></u>	<u><u>\$ 4,287,910</u></u>

See accompanying Notes to Basic Financial Statements.



**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Benton County's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for the year ended December 31, 2024. 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 (County) was established October 27, 1849, and is an organized county having the powers, duties, and privileges granted counties by Minnesota Statutes 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. The Housing and Redevelopment Authority (HRA) had no activity in 2024.

<u>Component Unit</u>	<u>Component Unit Reporting Entity Because</u>	<u>Separate Financial Statements</u>
Housing and Redevelopment Authority of Benton County (HRA)	County Commissioners are the Members of the HRA Board	Separate Financial Statements are not Prepared
Benton County Economic Development Authority (EDA)	County Commissioners are the Members of the EDA Board	Separate Financial Statements are not Prepared

Joint Ventures

The County participates in several joint ventures which are described in Note 9.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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 position 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 position, 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 position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

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. Proprietary Fund Statements**

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investments earnings, result from nonexchange transactions or incidental activities.

**3. Fund Financial Statements**

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

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statements (Continued)**

**3. 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 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. Property taxes and intergovernmental revenues are the primary funds committed for these projects.

The Human Services Special Revenue Fund is used to account for public health, economic assistance, and community social services programs. These programs are funded primarily by property taxes, committed through the board approved levy, and intergovernmental revenues.

The Miscellaneous Special Revenue Fund is used to account for a number of smaller activities that do not have their own fund, including solid waste management, E-911 surcharge funds, natural resources block grants, and park dedication fees. Most of these activities are funded by restricted revenue sources.

The State and Local Fiscal Recovery Fund is used to account for the economic assistance programs related to the American Recovery Plan Act funding the County received in 2021 and 2022. These programs are funded primarily through intergovernmental revenues.

The Opioid Remediation Fund is used to account for the County's share of the national opioid epidemic settlement the County will be receiving. These programs will be funded primarily through revenues received from the opioid settlements.

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, which are financed by property tax revenue restricted through bond documents.

The Capital Projects Fund is used to account for financial resources to be used for capital acquisition, construction, or improvement of capital facilities. Financing is provided by bonds issued by the County, local option sales tax, and reserves.

The Ditch 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.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statements (Continued)**

**3. Fund Financial Statements (Continued)**

The County reports the following internal service fund:

Self-Insurance Internal Service Fund – is used to account for the County's self-insured insurance program. Financing is provided by employer and employee contributions.

Additionally, the County reports the following fund types:

*Fiduciary:*

*Private-Purpose Trust funds* are used to report trust arrangements other than pension or investment trusts, under which principal and income benefit individuals, private organizations, or other governments. The County reports two private-purpose trust funds, the Social Welfare Fund which accounts for the activity related to income received and payments made on behalf of individuals for whom the County is responsible to assist and the Henkemeyer Trust which accounts for money held for potential environmental remediation at a local privately owned landfill.

*Custodial funds* are custodial in nature. These funds are used for a variety of purposes such as: to account for the collection and disbursement of taxes on behalf of local governments within the County; as an agent for a collaborative, a child protection team, a regional meeting fund, and estate recoveries; as an agent for an adult mental health delivery system organization, as an agent for various state revenue payments, as an agent for the building official and sheriff investigation funds, an agent for the inmates of the Benton County Jail, and as an agent for the St. Paul Port Authority PACE Loans.

**C. Measurement Focus and Basis of Accounting**

The government-wide, proprietary fund, 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.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

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, with the exception of property taxes and special assessments which are considered to be available if collected within 60 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, subscription liability, lease liability, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Issuances of general long-term debt and acquisitions under 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 and then unrestricted as needed.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity**

**1. Cash and Cash Equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and all cash and investments with an original maturity of three months or less.

**2. 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, 2024, 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 Minnesota Statutes §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 2024 were a gain of \$2,252,627, based on fair market value as of December 31, 2024.

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 Minnesota Statutes §471.59. The investment in the pool is measured at amortized cost.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**3. Receivables and Payables**

Activity between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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 noncurrent portion of interfund loans).

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

Loans receivable in the Economic Development Fund consist of operating loans to businesses and are offset by an allowance for doubtful accounts of \$7,277. The County develops an estimate of this allowance based on specific identification. The General Fund provides septic system upgrade and replacement loans to individuals.

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 consists of delinquent special assessments payable in the years 2019 through 2024, and noncurrent special assessments payable in 2024, and after. No provision has been made for an estimated uncollectible amount. Significant portions of special assessments receivable are not expected to be collected within one year due to the nature of the receivable.

**4. Prepaid Items**

The Road and Bridge Special Revenue fund has prepaid supplies held for consumption.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures/expenses when consumed rather than purchased.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**5. 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. In the case of initial capitalization of infrastructure, the County retroactively implemented the reporting of this item when GASB Statement No. 34 was implemented. 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 and infrastructure, 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 acquisition value.

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.

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

Assets	Years
Buildings	50
Land Improvements	20
Public Domain Infrastructure	15 to 35
Machinery, Vehicles, Furniture, and Equipment	5 to 20

Right to use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Subscription-based information technology arrangements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

6. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated paid-time-off (PTO) balances or vacation and sick leave balances that are attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. 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.

7. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period. The County will not recognize the related outflow until a future event occurs. More detailed information about pension related deferred outflows of resources can be found in Note 5 to the financial statements and more information about other postemployment benefit related deferred outflows of resources can be found in Note 7 to the financial statements.

8. Deferred Inflows of Resources

The County's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund balance that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has three types of items. The first type of deferred inflows of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the County's year for property taxes and special assessments and 90 days after the end of the County's year for all other revenues) under the modified accrual basis of accounting. The second type relates to pension benefits as described in Note 5 to the financial statements. The third type relates to other postemployment benefits as described in Note 7 to the financial statements. These inflows arise only under the full accrual basis of accounting and are reported only in the statement of net position.



**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

9. Unearned Revenue

Governmental funds, government-wide, and fiduciary financial statements report unearned revenue in connection with resources that have been received but not yet earned.

10. 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 position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of bond issuance.

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.

11. Other Postemployment Benefits Liability (OPEB Liability)

For the purposes of measuring the OPEB liability, deferred outflows of resources related to OPEB, deferred inflows of resources related to OPEB, and OPEB expense, information about the OPEB Plan and additions to/deductions from the Plan have been determined on the same basis as they were reported to the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit term. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The OPEB liability is generally liquidated in the General Fund and applicable Special Revenue Funds.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**12. Pension**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The pension liability is generally liquidated in the General Fund and applicable Special Revenue Funds.

**13. Classification of Net Position**

In the government-wide and proprietary fund financial statements, net position is classified as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets is the amount of net position representing capital assets, net of accumulated depreciation/amortization, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets. Restricted net position is the amount of net position for which there are external restrictions of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the amount of net position that does not meet the definition of restricted or net investment in capital assets.

**14. Classification of Fund Balances**

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance relate to prepaids and long-term receivables, as applicable, which cannot be spent because they are not in spendable form. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the board of commissioners. The County Administrator is delegated to assign fund balances and their intended uses. Unassigned fund balance is the residual classification for the County's General Fund and includes all spendable amounts not contained in other classifications. Unassigned also includes deficit balances in other governmental funds.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**14. Classification of Fund Balances (Continued)**

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, it is the County's policy to use restricted first, and then unrestricted net position. When an expenditure is incurred for purposes for which restricted, committed, assigned, and unassigned amounts are available, it is the County's policy to use restricted amounts first, then committed amounts, then assigned amounts, and finally unassigned amounts.

It is the County's policy that at the end of each fiscal year to maintain an unrestricted portion of the fund balance of no less than five months of operating expenditures in the General, Road and Bridge, and Human Services Funds.

**15. 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, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**16. Adoption of New Accounting Standards**

In June 2022, the Government Accounting Standards Board (GASB) issued GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures.

The County adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY**

**A. Deficit Fund Balance**

The Ditch Special Revenue Fund had a deficit fund balance of \$2,093,681 as of December 31, 2024, which consisted of thirteen ditches with deficit balances. The Ditch Fund's deficit will be eliminated with future special assessment revenue.

The Boundary Commission Fund had a deficit fund balance of \$9,337 as of December 31, 2024. The Boundary Commission's deficit will be eliminated with future tax revenue.

The following funds had expenditures in excess of budget at the departmental level for the year ended December 31, 2024:

Fund	Function	Expenditures	Budget	Excess
General	Current:			
	General Government:			
	Auditor-Treasurer	\$ 872,478	\$ 862,059	\$ 10,419
	Other Outside Agencies	201,720	196,421	5,299
	Public Safety:			
	Probation	1,269,733	932,504	337,229
	Capital Outlay:			
	General Government	57,496	50,400	7,096
	Public Safety	331,747	257,500	74,247
	Debt Service:			
	Principal	180,603	-	180,603
Special Revenue Funds:				
Road and Bridge				
	Current:			
	Highways and Streets:			
	Construction	1,007,709	966,619	41,090
	Capital Outlay:			
	Highways and Streets	6,031,233	5,960,637	70,596
Human Services				
	Debt Service:			
	Principal	86,934	-	86,934

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

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Assets**

**1. Deposits and Investments**

Reconciliation of Benton County's total cash and investments to the basic financial statements follows:

Government-Wide Statement of Net Position

Governmental Activities:

Cash and Pooled Investments	\$ 45,325,883
Petty Cash and Change Funds	2,800

Statement of Fiduciary Net Position

Cash and Pooled Investments	1,454,300
Total Cash and Investments	<u>\$ 46,782,983</u>

**a. Deposits**

Minnesota Statutes §§ 118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. Minnesota Statutes §118A.03 requires that all County deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least 10% more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes: U.S. government treasury bills, notes, or bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standby letters of credit issued by a Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. It is the County's policy to obtain collateral or bonds for all uninsured amounts on deposit, and to obtain necessary documentation to show compliance with state law and a perfected security interest under federal law. As of December 31, 2024, none of the County's deposits were exposed to custodial credit risk.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

1. Deposits and Investments (Continued)

b. Investments

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

- (1) 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 Minnesota Statutes §118A.04, Subd. 6;
- (2) Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) 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;
- (4) Bankers' acceptances of United States banks;
- (5) 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
- (6) With certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County does not have a formal policy to manage its exposure to interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a national recognized statistical rating organization. It is the County's policy to invest only in securities that meet the rating requirements set by State Statute.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

1. Deposits and Investments (Continued)

b. Investments (Continued)

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. It is the County's policy to have all of its investments that are held by brokers covered 100% by SIPC.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. The County places a limit on investing to no more than 25% of total County investments in one type of security.

The following table presents the County's deposit and investment balances at December 31, 2024, and information relating to potential investment risks:

	Credit Risk		Concentration Risk	Interest Rate Risk	Carrying (Fair) Value
	Credit Rating	Rating Agency	Over 5 Percent of Portfolio	Maturity Date	
Negotiable Certificates of Deposit	N/R	N/A	20.5%	N/A	\$ 6,647,217
U.S. Government Agency Securities:					
Federal Home Loan Bank	AAA	Moody	<5.0%	2/18/2026	236,459
Federal Home Loan Bank	AAA	Moody	<5.0%	2/25/2026	230,803
Federal Home Loan Bank	AAA	Moody	<5.0%	3/16/2026	442,198
Federal Home Loan Bank	AAA	Moody	<5.0%	3/30/2026	434,961
Federal Home Loan Bank	AAA	Moody	<5.0%	4/14/2026	193,856
Federal Home Loan Bank	AAA	Moody	<5.0%	6/15/2026	477,260
Federal Home Loan Bank	AAA	Moody	<5.0%	7/29/2026	430,889
Federal Home Loan Bank	AAA	Moody	<5.0%	8/19/2026	426,533
Federal Home Loan Bank	AAA	Moody	<5.0%	9/30/2026	234,874
Total Federal Home Loan Bank					3,107,833
Federal Farm Credit Bank	AAA	Moody	9.3%	3/28/2025	3,004,530
Investment Pools:					
MAGIC Fund	N/R	N/A	60.6%	N/A	19,637,324
Total Investments					32,396,904
Deposits					14,383,279
Petty Cash					2,800
Total Deposits and Investments					<u>\$ 46,782,983</u>

N/A - Not Applicable

N/R - Not Rated

<5.0% - Concentration is Less than 5% of Investments

\* No individual issuer in excess of 5%

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

1. Deposits and Investments (Continued)

c. Fair Value Measure

The County uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The County follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the County has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial asset and liabilities are valued using inputs that are adjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.



**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

1. Deposits and Investments (Continued)

c. Fair Value Measure (Continued)

Assets measured at fair value on a recurring basis:

Type	Level 1	Level 2	Level 3	Total
Investments by Fair Market Value:				
Federal Farm Credit Bank	\$ -	\$ 3,004,530	\$ -	\$ 3,004,530
Federal Home Loan Bank	-	3,107,833	-	3,107,833
Negotiable Certificates of Deposit	-	6,647,217	-	6,647,217
Total Investments at Fair Market Value	<u>\$ -</u>	<u>\$ 12,759,580</u>	<u>\$ -</u>	<u>12,759,580</u>
Investments Measured at Amortized Cost:				
MAGIC Fund				19,637,324
	Deposits			14,383,279
	Petty Cash			<u>2,800</u>
	Total Deposits and Investments			<u>\$ 46,782,983</u>

The County invests in the MAGIC Fund external local government investment pool which is quoted at amortized cost. The County invests in this pool for the purpose of the joint investment of the County's money with those other counties to enhance the investment earnings accruing to each member. The MAGIC portfolio is valued using amortized cost. Shares of the MAGIC portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The MAGIC Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a portfolio's securities or determination of its net asset value not reasonably practical.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**2. Receivables**

Receivables as of December 31, 2024, for the County's governmental activities are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Taxes - Delinquent	\$ 180,947	\$ -
Special Assessments - Delinquent	46,325	-
Special Assessments - Noncurrent	48,523	-
Accounts	1,061,721	842,512
Accrued Interest	211,596	-
Due from Other Governments	5,151,769	-
Loans (Net)	744,121	686,831
Total Governmental Activities	<u>\$ 7,445,002</u>	<u>\$ 1,529,343</u>

The County has entered into an agreement with the Minnesota Department of Agriculture and a local lending institution to jointly administer a loan program to individuals to implement projects that prevent or mitigate nonpoint source water pollution. The County is responsible for collecting any delinquent loans transferred back to the County. The entire loan balance in the General Fund is considered to be collectible in full.

Loans receivables in the Economic Development Fund relate to the amount of operating loans given to local businesses by the Economic Development Fund anticipated to be collected as part of the County's development programs. Loans receivable are offset by an allowance for doubtful accounts. The County developed an estimate of this allowance based on specific identifications. The \$842,512 not scheduled to be collected during the subsequent year in Accounts relates to the National Opioid Epidemic Settlement receivable the County participated in. The County will receive these funds over a period of the next 15 years. The \$686,831 of loans receivable not scheduled to be collected during the subsequent year related to the long-term portion of the balance outstanding. All other receivables are considered collectible in full.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**3. Capital Assets**

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 3,805,393	\$ -	\$ -	\$ 3,805,393
Infrastructure, Right-of-Way	16,327,541	19,468	-	16,347,009
Construction-in-Progress	1,087,631	6,483,334	2,452,385	5,118,580
Total Capital Assets, not being Depreciated	21,220,565	6,502,802	2,452,385	25,270,982
Capital Assets, being Depreciated:				
Buildings	20,818,499	405,397	76,235	21,147,661
Land Improvements	528,315	178,678	-	706,993
Machinery, Vehicles, Furniture, and Equipment	12,628,199	532,017	262,221	12,897,995
Infrastructure	162,959,318	2,452,385	-	165,411,703
Total Capital Assets, being Depreciated	196,934,331	3,568,477	338,456	200,164,352
Less Accumulated Depreciation for:				
Buildings	11,219,749	474,266	76,235	11,617,780
Land Improvements	252,780	23,392	-	276,172
Machinery, Vehicles, Furniture, and Equipment	9,131,821	688,036	237,131	9,582,726
Infrastructure	89,326,000	5,637,388	-	94,963,388
Total Accumulated Depreciation	109,930,350	6,823,082	313,366	116,440,066
Total Capital Assets, Depreciated, Net	87,003,981	(3,254,605)	25,090	83,724,286
Intangible Right-to-Use Assets, being Amortized:				
Buildings	327,935	-	155,272	172,663
Machinery, Vehicles, Furniture, and Equipment	125,431	124,737	11,855	238,313
Subscription Assets	497,551	-	131,305	366,246
Total Intangible Right-to-Use Assets, being Amortized	950,917	124,737	298,432	777,222
Less Accumulated Amortization for:				
Buildings	146,681	73,340	155,272	64,749
Machinery, Vehicles, Furniture, and Equipment	34,631	51,212	11,855	73,988
Subscription Assets	194,246	188,068	131,305	251,009
Total Accumulated Amortization	375,558	312,620	298,432	389,746
Total Intangible Right-to-Use Assets, Amortized, Net	575,359	(187,883)	-	387,476
Governmental Activities Capital Assets, Net	<u>\$ 108,799,905</u>	<u>\$ 3,060,314</u>	<u>\$ 2,477,475</u>	<u>\$ 109,382,744</u>

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

3. Capital Assets (Continued)

Depreciation/amortization expense was charged to functions/programs of the Primary Government as follows:

Governmental Activities:

General Government	\$ 389,254
Public Safety	527,824
Highway and Streets	6,034,948
Health	15,942
Human Services	157,576
Culture and Recreation	10,158
Total	<u>\$ 7,135,702</u>

**B. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of December 31, 2024 is as follows:

1. Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Human Services Fund	\$ 7,337
	Other Governmental Funds	9,337
Total Due to General Fund		<u>16,674</u>
Road and Bridge Fund	General Fund	6,222
	Human Services Fund	3
	Ditch Fund	26,040
Total Due to Road and Bridge Fund		<u>32,265</u>
Miscellaneous Fund	General Fund	1,762
Capital Projects Fund	General Fund	9,252
Total		<u>\$ 59,953</u>

The due from other funds above relate to: (1) payment of legal fees from the Human Services Fund; (2) to eliminate negative pooled cash from the Boundary Commission Fund; (3) payment for fuel for the Road and Bridge Fund; (4) reimbursement for the Road and Bridge Fund for Ditch expenses (5) allocation of 2024 interest for the Capital Projects Fund; and (6) allocation of 2024 interest for the Miscellaneous Fund.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

**2. Interfund Transfers**

Interfund transfers for the year ended December 31, 2024 consisted of the following:

Interfund Transfer	Amount	Description
Transfer to General Fund from:		
Miscellaneous Fund	\$ 6,129	To cover assessor's web costs
Miscellaneous Fund	6,126	Transfer from chemical dependency
Miscellaneous Fund	36,898	From permit to carry account to cover administration expenditures
Total General Fund	<u>49,153</u>	
Transfer to Road and Bridge Fund from:		
Capital Projects Fund	1,613,179	To record budgeted transfer
Ditch Fund	26,042	To reimburse for ditch cleaning
Total Road and Bridge Fund	<u>1,639,221</u>	
Transfer to Miscellaneous Fund from:		
General Fund	45,000	Budgeted transfer
General Fund	161,308	Tax forfeited proceeds
General Fund	7,500	To restore contingency reserves
General Fund	9,604	To cover major trial expense
Road and Bridge Fund	1,000	To fund pictometry
Capital Projects	3,700	To fund pictometry
Total Miscellaneous Fund	<u>228,112</u>	
Transfer to Capital Projects Fund from:		
General Fund	1,000,000	To transfer reserves
Miscellaneous Fund	4,000	For Bend in the River project
Human Services	500,000	Budgeted transfer
Road and Bridge	330,000	Budgeted transfer
Miscellaneous Fund	10,000	Budgeted transfer
Total Capital Projects Fund	<u>1,844,000</u>	
Transfer to Ditch Fund from:		
Road and Bridge	103,278	Correct highway transfer
Total	<u><u>\$ 3,863,764</u></u>	

**3. Advances to/from Other Funds**

Advances made from/to other funds for the year ended December 31, 2024 consisted of the following:

Receivable Fund	Payable Fund	Amount
General	Ditch	\$ 2,026,930
Miscellaneous	Roads and Bridge	<u>1,023,169</u>
Total		<u><u>\$ 3,050,099</u></u>

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

3. Advances to/from Other Funds (Continued)

The advance from the General Fund to the Ditch fund is for cash flow purposes. The balance is expected to be liquidated with special assessments over the next 10 years. The advance from the Miscellaneous Fund to the Roads and Bridges fund was for a loan to purchase a gravel pit to be used in future Highway Department projects. The Highway Department previously purchased gravel for their projects from outside vendors, and the loan will be liquidated through those previously budgeted expenditures.

4. Due To/From Fiduciary Funds

Due To/From Fiduciary Funds for the year ended December 31, 2024 consisted of the following:

Receivable Fund	Payable Fund	Amount	Description
General	Custodial Funds	\$ 17,025	To zero out negative cash

**C. Deferred Inflows of Resources**

Deferred inflows of resources in the governmental funds consist of special assessments, taxes, grant, and loan receivables that are not collected soon enough after year-end to pay liabilities of the current year. Deferred inflows at December 31, 2024 are summarized below by fund:

	Special Assessments	Delinquent Taxes	Grants	Loans	Other	Total
Major Governmental Funds:						
General	\$ 30,631	\$ 104,170	\$ -	\$ -	\$ -	\$ 134,801
Road and Bridge	-	20,424	1,709,811	-	-	1,730,235
Human Services	-	56,353	-	-	-	56,353
Miscellaneous	13,597	-	-	-	-	13,597
Opioid Remediation	-	-	-	-	903,276	903,276
Ditch Fund	50,620	-	-	-	-	50,620
Total Major Governmental Funds	94,848	180,947	1,709,811	-	903,276	2,888,882
Other Governmental Funds	-	-	-	356,599	-	356,599
Deferred Inflows of Resources	\$ 94,848	\$ 180,947	\$ 1,709,811	\$ 356,599	\$ 903,276	\$ 3,245,481

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Liabilities**

**1. Long-Term Debt**

**Governmental Activities**

<u>Types of Indebtedness</u>	<u>Maturity Date</u>	<u>Installment Amounts</u>	<u>Interest Rates (%)</u>	<u>Original Issue Amount</u>	<u>Outstanding Balance December 31, 2024</u>
General Obligation Bonds					
2021A G.O. Tax Abatement Refunding Bonds	2030	\$205,000- \$370,000	2.00-3.00%	<u>\$ 2,300,000</u>	\$ 1,855,000
Add: Unamortized Bond Premium					<u>103,025</u>
Total General Obligation Bonds, Net					<u>\$ 1,958,025</u>
Direct Borrowing - Septic Loans Payable:					
AgBMP Septic Loans	2035	\$20,355- \$24,044	0.00	<u>\$ 442,814</u>	<u>\$ 442,814</u>

The County participates in a zero-interest revolving loan available through the State of Minnesota Agricultural Best Management Practices Loan Program (AgBMP). The loans are payable annually in April and October beginning two years after disbursement has occurred. In the event of default, all loans will become due and payable.

**2. Debt Service Requirements**

Debt service requirements at December 31, 2024 were as follows:

**Governmental Activities**

<u>Year Ending December 31,</u>	<u>General Obligation Bonds</u>		<u>Lease Liability</u>		<u>Direct Borrowing</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 255,000	\$ 48,125	\$ 63,756	\$ 7,151	\$ -	\$ -
2026	275,000	40,175	66,402	5,217	40,889	-
2027	300,000	31,550	65,121	3,214	41,607	-
2028	315,000	22,325	47,481	1,523	42,339	-
2029	340,000	12,500	28,652	336	43,083	-
2030-2034	370,000	3,700	-	-	227,041	-
2035	-	-	-	-	47,855	-
Total	<u>\$ 1,855,000</u>	<u>\$ 158,375</u>	<u>\$ 271,412</u>	<u>\$ 17,441</u>	<u>\$ 442,814</u>	<u>\$ -</u>
<u>Year Ending December 31</u>	<u>Subscription Liability</u>					
	<u>Principal</u>	<u>Interest</u>				
2025	<u>\$ 3,000</u>	<u>\$ -</u>				

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Liabilities (Continued)**

**3. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2024 was as follows:

**Governmental Activities**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 2,095,000	\$ -	\$ 240,000	\$ 1,855,000	\$ 255,000
Bond Premium	139,162	-	36,137	103,025	-
Total Bonds Payable	2,234,162	-	276,137	1,958,025	255,000
Compensated Absences*	4,017,947	-	456,285	3,561,662	293,175
Direct Borrowing - Septic Loans	-	442,814	-	442,814	-
Lease Liability	283,961	107,237	119,786	271,412	63,756
Subscription Liability	169,497	-	166,497	3,000	3,000
Governmental Activities Long-Term Liabilities	<u>\$ 6,705,567</u>	<u>\$ 550,051</u>	<u>\$ 1,018,705</u>	<u>\$ 6,236,913</u>	<u>\$ 614,931</u>

\*The change in compensated absences are shown net as allowed by GASB statement 101.

Bonds payable is liquidated in the Debt Service Fund. The AgBMP Septic loans are liquidated in the General Fund.

**4. Construction Commitments**

The County has active construction projects as of December 31, 2024. The projects include the following:

	Spent-to-Date	Remaining Commitments
County Road Projects	<u>\$ 19,530,503</u>	<u>\$ 283,768</u>



**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 4 FUND BALANCES**

At December 31, 2024, portions of the County's fund balance are not available for appropriation due to legal restrictions (Restricted), County board action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

	General Fund	Road and Bridge Fund	Human Services Fund	Miscellaneous Fund	State & Local Fiscal Recovery	Opioid Remediation
<b>Nonspendable:</b>						
Advances to Other Funds	\$ 1,965,173	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Items	373,543	285,535	54,080	122,391	100	-
Total Nonspendable	2,338,716	285,535	54,080	122,391	100	-
<b>Restricted:</b>						
Loans Receivable	387,522	-	-	-	-	-
Law Library	-	-	-	110,558	-	-
E-911	-	-	-	876,736	-	-
Probation Restricted Funds	-	-	-	30,416	-	-
SCORE Grant	-	-	-	351,922	-	-
Outreach Grant	-	-	-	3,929	-	-
Aquatic Invasive Species Grant	-	-	-	125,852	-	-
Recorders' Equipment	-	-	-	134,144	-	-
Solid Waste Contingency	-	-	-	3,404,223	-	-
Forfeitures	-	-	-	15,595	-	-
Permit to Carry Guns	-	-	-	1,000	-	-
Park Dedication Fees	-	-	-	56,914	-	-
Medical Assistance Unwinding Funds	-	-	139,488	-	-	-
Opioid Remediation	-	-	-	-	-	771,636
Health Partners Grant	-	-	49,910	-	-	-
Gravel Pit Closure Costs	-	-	-	-	-	-
Economic Development Loan Program	-	-	-	-	-	-
Debt Service	88,592	-	-	-	-	-
Public Safety Aid	-	-	-	-	-	-
Bonded Construction Projects	-	-	-	-	-	-
Ditch Repairs	-	-	-	-	-	-
Total Restricted	476,114	-	189,398	5,111,289	-	771,636
<b>Committed:</b>						
Attorney Contingent	-	-	-	5,000	-	-
Attorney Forfeitures	-	-	-	12,241	-	-
Sheriff Contingent	-	-	-	12,500	-	-
Major Trial Expense	-	-	-	21,000	-	-
Motor Pool	-	-	-	56,910	-	-
K-9 Program	-	-	-	45,481	-	-
Jail Inmate Capital Expenditures	-	-	-	99,704	-	-
Juvenile Work Crew	-	-	-	2,545	-	-
Juvenile Diversion Program	-	-	-	21,603	-	-
Police Activities League	-	-	-	401	-	-
Emergency Management Donations	-	-	-	238	-	-
Extension Donations	-	-	-	2,000	-	-
County Board Contingency	-	-	-	159,740	-	-
Elections Equipment	-	-	-	43,519	-	-
Technology	-	-	-	228,442	-	-
Future Construction Projects	-	-	-	-	-	-
Total Committed	-	-	-	711,324	-	-
<b>Assigned:</b>						
General Fund Operations	200,000	-	-	-	-	-
Miscellaneous Fund Operations	-	-	-	1,023,169	-	-
Health and Human Services Programs	-	-	8,264,010	-	-	-
Total Assigned	200,000	-	8,264,010	1,023,169	-	-
<b>Unassigned</b>	8,423,755	(58,379)	-	-	-	-
Total Fund Balances	\$ 11,438,585	\$ 227,156	\$ 8,507,488	\$ 6,968,173	\$ 100	\$ 771,636

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 4 FUND BALANCES (CONTINUED)**

	Debt Service Fund	Capital Projects Fund	Ditch Fund	Other Governmental Funds	Total Funds
Nonspendable:					
Advances to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 1,965,173
Prepaid Items	417	35,152	-	-	871,218
Total Nonspendable	417	35,152	-	-	2,836,391
Restricted:					
Loans Receivable	-	-	-	-	387,522
Law Library	-	-	-	-	110,558
E-911	-	-	-	-	876,736
Probation Restricted Funds	-	-	-	-	30,416
SCORE Grant	-	-	-	-	351,922
Outreach Grant	-	-	-	-	3,929
Aquatic Invasive Species Grant	-	-	-	-	125,852
Recorders' Equipment	-	-	-	-	134,144
Solid Waste Contingency	-	-	-	-	3,404,223
Forfeitures	-	-	-	-	15,595
Permit to Carry Guns	-	-	-	-	1,000
Park Dedication Fees	-	-	-	-	56,914
Medical Assistance Unwinding Funds	-	-	-	-	139,488
Opioid Remediation	-	-	-	-	771,636
Health Partners Grant	-	-	-	-	49,910
Gravel Pit Closure Costs	-	-	-	296,314	296,314
Economic Development Loan Program	-	-	-	933,770	933,770
Debt Service	2,287,125	-	-	-	2,375,717
Public Safety Aid	-	750,623	-	-	750,623
Bonded Construction Projects	-	359,283	-	-	359,283
Ditch Repairs	-	-	2,651	-	2,651
Total Restricted	2,287,125	1,109,906	2,651	1,230,084	11,178,203
Committed:					
Attorney Contingent	-	-	-	-	5,000
Attorney Forfeitures	-	-	-	-	12,241
Sheriff Contingent	-	-	-	-	12,500
Major Trial Expense	-	-	-	-	21,000
Motor Pool	-	-	-	-	56,910
K-9 Program	-	-	-	-	45,481
Jail Inmate Capital Expenditures	-	-	-	-	99,704
Juvenile Work Crew	-	-	-	-	2,545
Juvenile Diversion Program	-	-	-	-	21,603
Police Activities League	-	-	-	-	401
Emergency Management Donations	-	-	-	-	238
Extension Donations	-	-	-	-	2,000
County Board Contingency	-	-	-	-	159,740
Elections Equipment	-	-	-	-	43,519
Technology	-	-	-	-	228,442
Future Construction Projects	-	12,350,460	-	-	12,350,460
Total Committed	-	12,350,460	-	-	13,061,784
Assigned:					
General Fund Operations	-	-	-	-	200,000
Miscellaneous Fund Operations	-	-	-	-	1,023,169
Health and Human Services Programs	-	-	-	-	8,264,010
Total Assigned	-	-	-	-	9,487,179
Unassigned	-	-	(2,096,332)	(9,337)	6,259,707
Total Fund Balances	\$ 2,287,542	\$ 13,495,518	\$ (2,093,681)	\$ 1,220,747	\$ 42,823,264

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS**

**A. Plan Description**

The County participates in the following cost-sharing multiemployer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

**1. General Employees Retirement Plan (General Plan)**

Membership in the General Plan includes employees of counties, cities, townships, schools in noncertified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

**2. Public Employees Police and Fire Plan (Police and Fire Plan)**

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

**3. Local Government Correctional Plan (Correctional Plan)**

Membership in the Correctional Plan includes correctional officers serving in county and regional adult and juvenile corrections facilities. Participants must be responsible for the security, custody, and control of the facilities and their inmates

**B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by State Statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

**1. General Employees Plan Benefits**

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

**2. Police and Fire Plan Benefits**

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

**2. Police and Fire Plan Benefits (Continued)**

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a prorated increase.

**3. Correctional Plan Benefits**

Benefits for Correctional Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Correctional Plan members receive 1.9% of highest average salary for each year of service. Correctional Plan members receive a full retirement benefit when they are age 55 and vested or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement begins at age 50 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of 1% and a maximum of 2.5%. The 2024 annual increase was 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

**C. Contributions**

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

**1. General Employees Fund Contributions**

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2024, were \$1,074,676. The County's contributions were equal to the required contributions as set by State Statute.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**C. Contributions (Continued)**

2. Police and Fire Plan Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2024 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$405,100. The County's contributions were equal to the required contributions as set by State Statute.

3. Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2024 and the County was required to contribute 8.75% for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2024, were \$214,706. The County's contributions were equal to the required contributions as set by State Statute.

**D. Pension Costs**

1. General Employees Fund Pension Costs

At December 31, 2024, the County reported a liability of \$6,122,192 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the State's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the County totaled \$158,307.

County's Proportionate Share of the Net Pension Liability	\$ 6,122,192
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the County	<u>158,307</u>
Total	<u><u>\$ 6,280,499</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1656% at the end of the measurement period and 0.1685% for the beginning of the period.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

1. General Employees Fund Pension Costs (Continued)

For the year ended December 31, 2024, the County recognized pension expense of \$686,572 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$1,961 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the state of Minnesota contributed \$170.1 million to the General Employees Fund. The state of Minnesota is not included as a nonemployer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$281,678 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the General Employees Fund.

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 575,647	\$ -
Changes in Actuarial Assumptions	29,891	2,317,149
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,777,834
Changes in Proportion	147,348	172,809
Contributions Paid to PERA Subsequent to the Measurement Date	542,266	-
Total	<u>\$ 1,295,152</u>	<u>\$ 4,267,792</u>

The \$542,266 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	Pension Expense Amount
2025	\$ (1,853,399)
2026	(396,654)
2027	(795,624)
2028	(469,229)

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

**2. Police and Fire Fund Pension Costs**

At December 31, 2024, the County reported a liability of \$2,164,147 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1645% at the end of the measurement period and 0.1697% for the beginning of the period.

The state of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The state of Minnesota's proportionate share of the net pension liability associated with the County totaled \$82,496.

County's Proportionate Share of the Net Pension Liability	\$ 2,164,147
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the County	<u>82,496</u>
Total	<u><u>\$ 2,246,643</u></u>

For the year ended December 31, 2024, the County recognized pension expense of \$412,731 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$32,432 as grant revenue and pension expense for its proportionate share of the state of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.



**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

2. Police and Fire Fund Pension Costs (Continued)

The state of Minnesota is not included as a nonemployer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$46,712 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 843,387	\$ -
Changes in Actuarial Assumptions	2,378,959	3,186,762
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	703,674
Changes in Proportion	29,845	150,813
Contributions Paid to PERA Subsequent to the Measurement Date	213,124	-
Total	<u>\$ 3,465,315</u>	<u>\$ 4,041,249</u>

The \$213,124 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	Pension Expense Amount
2025	\$ (136,421)
2026	526,762
2027	(344,534)
2028	(869,495)
2029	34,630

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

3. Correctional Plan Pension Costs

At December 31, 2024, the County reported a liability of \$296,888 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.974% at the end of the measurement period and 0.947% for the beginning of the period.

For the year ended December 31, 2024, the County recognized pension expense of \$461,962 for its proportionate share of the Correctional Plan's pension expense.

During the plan year ended June 30, 2024, the state of Minnesota contributed \$5.3 million to the Correctional Employees Fund. The state of Minnesota is not included as a nonemployer contributing entity in the Correctional Plan pension allocation schedules for the \$5.3 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$51,199 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Correctional Employees Fund.

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 210,446	\$ -
Changes in Actuarial Assumptions	-	1,004,452
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	412,242
Changes in Proportion	46,769	241
Contributions Paid to PERA Subsequent to the Measurement Date	113,880	-
Total	<u>\$ 371,095</u>	<u>\$ 1,416,935</u>

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

3. Correctional Plan Pension Costs (Continued)

The \$113,880 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2025	\$ (1,084,832)
2026	184,285
2027	(148,212)
2028	(110,961)

**E. Summary**

The aggregate amount of net pension liability, net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense for the County's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated. The table below includes the County's portion of each plan.

<u>Description</u>	<u>General Employees Fund</u>	<u>Police and Fire Fund</u>	<u>Correctional Fund</u>	<u>Total</u>
Net Pension Liability	\$ 6,122,192	\$ 2,164,147	\$ 296,888	\$ 8,583,227
Deferred Outflows of Resources				
Related to Pensions	1,295,152	3,465,315	371,095	5,131,562
Deferred Inflows of Resources				
Related to Pensions	4,267,792	4,041,249	1,416,935	9,725,976
Pension Expense	688,533	445,163	461,962	1,595,658

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**F. Long-Term Expected Return on Investment**

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Private Markets	25.0	5.90
Fixed Income	25.0	0.75
Totals	100.0 %	

**G. Actuarial Methods and Assumptions**

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan, Police and Fire Plan, and the Correctional Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan, 1.0% for the Police and Fire Plan, and 2.0% for the Correctional Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 11.75% after one year of service to 3% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11% at age 20 to 3% at age 60.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police & Fire Plan and the Correctional Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**G. Actuarial Methods and Assumptions (Continued)**

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan and Correctional Plan were reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

**General Employees Fund**

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the change in assumptions.

**Police and Fire Fund**

Changes in Actuarial Assumptions:

- None in 2024

Changes in Plan Provisions

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90% funded status for the three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**G. Actuarial Methods and Assumptions (Continued)**

**Correctional Fund**

Changes in Actuarial Assumptions:

- None in 2024

Changes in Plan Provisions

- Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.
- Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.
- The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

**H. Discount Rate**

The discount rate used to measure the total pension liability in 2024 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire, and Correctional Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**I. Pension Liability Sensitivity**

The following presents the County's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	Proportionate Share of the Net Pension Liability					
	General Employees Retirement Plan		Police and Fire Retirement Plan		Correctional Retirement Plan	
	Discount	Net Pension	Discount	Net Pension	Discount	Net Pension
	Rate	Liability	Rate	Liability	Rate	Liability (Asset)
1% Decrease	6.00 %	\$ 13,371,852	6.00 %	\$ 5,114,302	6.00 %	\$ 2,412,575
Current	7.00	6,122,192	7.00	2,164,147	7.00	296,888
1% Increase	8.00	158,685	8.00	(258,548)	8.00	(1,388,586)

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**J. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org).

**NOTE 6    DEFINED CONTRIBUTION PLAN**

Four board members are covered by the Defined Contribution Plan, a multiemployer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D and 356, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (0.25%) of the assets in each member's account annually.

Total contributions made by the County during calendar year 2024 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$ 7,412	\$ 7,412	5 %	5 %	5 %

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 7 OPEB DISCLOSURE**

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured defined benefit plan. The County provides benefits for retirees as required by Minnesota Statutes §471.61 subdivision 2b. Active employees who retire from the County when eligible to receive a retirement benefit from PERA (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program. Pursuant to the provisions of the plan, retirees are required to pay 100% of the total premium cost, except for certain public safety employees who were injured in the line of duty and the County is obligated to pay their insurance. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. As of the January 1, 2024 valuation, there were 17 inactive employees receiving health benefits from the County's health plan. The County has no active employees or inactive employees entitled to but not receiving benefits.

**A. Funding Policy**

The County's OPEB plan is financed on a pay-as-you-go basis and currently has no assets that have been deposited into an irrevocable trust for future health benefits. Therefore, the actuarial value of assets is zero. Separate stand-alone financial statements are not issued for the plan.

**B. Actuarial Methods and Assumptions**

The County's OPEB liability was measured as of January 1, 2024, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2024.

The total OPEB liability was measured as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary	Service Graded Table
Health Care Trend Rates	6.50% Decreasing to 5.00% over 6 Years then to 4.00% Over 48 Years



**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 7 OPEB DISCLOSURE (CONTINUED)**

**B. Actuarial Methods and Assumptions (Continued)**

Mortality rates were based on the Pub-2010 public retirement plans headcount-weighted mortality tables (general, safety) with MP-2021 Generational Improvement Scale. The actuarial assumptions used in the January 1, 2024 valuation were based on the PERA actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The most recent four-year experience study for the Police and Fire Plan was completed in 2020.

The discount rate used to measure the total OPEB liability was 3.70%. The discount rate is equal to the 20-Year high quality, tax-exempt, general obligation municipal bonds as of the Measurement Date.

Since the most recent valuation, the following assumption changes have been made:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The discount rate was changed from 4.00% to 3.70%.

**C. Changes to Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance as of January 1, 2024	\$ 1,521,947
Changes for the Year:	
Service Cost	83,486
Interest	62,225
Assumption Changes	78,333
Differences between Expected and Actual Experience	131,929
Benefit Payments	<u>(100,584)</u>
Net Change in Total OPEB Liability	<u>255,389</u>
Balance as of December 31, 2024	<u><u>\$ 1,777,336</u></u>

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 7 OPEB DISCLOSURE (CONTINUED)**

**C. Changes to Total OPEB Liability (Continued)**

Of the \$1,777,336 total OPEB liability, \$84,678 is due within one year. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.70%)	Discount Rate (3.70%)	1% Increase (4.70%)
Total OPEB Liability	<u>\$ 1,922,905</u>	<u>\$ 1,777,336</u>	<u>\$ 1,643,833</u>

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.50% decreasing to 4.00% then 3.00%) or 1% higher (7.50% decreasing to 6.00% then 5.00%) than the current healthcare costs trend rates:

	1% Decrease (5.50% Decreasing to 4.00% then 3.00%)	Current Trend Rates (6.50% Decreasing to 5.00% then 4.00%)	1% Increase (7.50% Decreasing to 6.00% then 5.00%)
Medical Trend Rate			
Total OPEB Liability	<u>\$ 1,616,356</u>	<u>\$ 1,777,336</u>	<u>\$ 1,962,335</u>

For the year ended December 31, 2024, the County recognized OPEB expense of \$202,008. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 120,881	\$ 153,973
Differences Between Expected and Actual Experience	251,702	-
County Payment of Benefits Subsequent to the Measurement Date	84,678	-
Total	<u>\$ 457,261</u>	<u>\$ 153,973</u>

\$84,678 reported as deferred outflows of resources related to OPEB resulting from County payment of benefits subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be amortized over 7 years and will be recognized in OPEB expense as follows:

Year Ending December 31,	OPEB Expense Amount
2025	\$ 56,298
2026	61,592
2027	31,386
2028	20,225
2029	(3,449)
Thereafter	52,558

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8 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 Intergovernmental Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. 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 \$500,000 per claim in 2024. 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.

On September 19, 2017, Benton County entered into a joint powers agreement with four counties (Lyon, Murray, Redwood, and Swift) and Southwest Health and Human Services to form the Minnesota Public Sector Collaborative to self-insure health insurance as of January 1, 2018. Currently, the County contracts with BlueCross BlueShield of Minnesota (BCBS) to administer employee and dependent group health coverage. Claims are paid by BCBS and reimbursed by the County on a weekly basis.

Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program. The County has retained risk up to a \$70,000 specific excess coverage per contract claim per year for all employees for the health plan. Liabilities of the fund are reported when it is probable that the loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount, as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

Changes in the balance of claims liabilities during the past two years are as follows:

	Year Ended December 31,	
	2024	2023
Unpaid Claims, Beginning of Year	\$ 163,993	\$ 242,436
Incurred Claims (including IBNR)	5,400,106	2,446,079
Claims Payments	(4,715,480)	(2,524,522)
Unpaid Claims, End of Year	<u>\$ 848,619</u>	<u>\$ 163,993</u>

**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS**

**A. Joint Ventures**

Career Solutions

Career Solutions 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 joint venture having the duties, powers, and privileges granted joint powers by Minnesota Statutes §471.59. The Council is governed by a Joint Powers Board and a Workforce Development Council. The Joint Powers Board is composed of two commissioners each from Stearns and Benton Counties and one Workforce Development Council member. The Workforce Development Council is composed of 24 members from local business, industry, agriculture, labor organizations, public or private education, and community service groups. Included in the Joint Powers 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 its administrative costs, but the amounts contributed are considered immaterial. The County contributed \$4,137 during 2024. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Complete financial information can be obtained from:

Minnesota Workforce Center  
1540 Northway Drive  
St. Cloud, Minnesota 56303

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 Minnesota Statutes §471.59.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

**A. Joint Ventures (Continued)**

Tri-County Solid Waste Commission (Continued)

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 county 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. The County contributed \$40,955 during 2024. There is no accumulation of significant financial resources or fiscal stress related to this entity.

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:

Minnesota Workforce Center  
1540 Northway Drive  
St. Cloud, Minnesota 56303

Central Minnesota Violent Offender Task Force

Benton, Morrison, Todd, Sherburne, and Stearns Counties and the Cities of Sartell, Sauk Rapids, Waite Park, St. Joseph, St. Cloud, and Little Falls have entered into a joint powers agreement to investigate, identify, and disrupt illegal drug and gang activity through multi-jurisdictional investigations in Central Minnesota. The Stearns County Sheriff's Office is the fiscal agent for the Central Minnesota Violent Offender Task Force. Members provide officers to the Task Force in lieu of appropriations. Benton County provided no funding to this organization in 2024. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Control of the Task Force is vested in a board of directors. The members of the board shall be the Sheriff of each member county, a county attorney from a member county as the legal advisor to the Task Force, the chief of police for the Little Falls Police Department, the chief of police for the City of St. Cloud, and one representative among the chiefs of police from the Cities of Sartell, Sauk Rapids, Waite Park, and St. Joseph, who shall be selected annually by a majority vote of the chiefs of police.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

**A. Joint Ventures (Continued)**

Central Minnesota Violent Offender Task Force (Continued)

Separate financial information can be obtained from:

St. Cloud Police Department  
101 11th Avenue North, P.O. Box 1616  
St. Cloud, Minnesota 56303

Great River Regional Library

The Great River Regional Library operates under a joint powers agreement and according to the authority granted by Minnesota Statutes. The specific operating framework is set forth in a service agreement which has been entered into by each of the six members. The membership consists of Benton, Morrison, Stearns, Wright, Sherburne, and Todd Counties. The board of directors consists of 15 people. The Benton County Board of Commissioners has one representative on the Library board. The County's 2024 contribution to the Great River Regional Library of \$540,046 is included in the expenditures of the General Fund. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Separate financial information can be obtained from:

Great River Regional Library  
1300 W. St. Germain Street  
St. Cloud, Minnesota 56301

Central Minnesota Emergency Medical Services

The Central Minnesota Emergency Medical Services Region was established in 2001, under Minnesota Statutes §471.59, to improve access, delivery, and effectiveness of the emergency medical services system; promote systematic and cost-effective delivery of services; and identify and address system needs within the member counties. The member counties are Benton, Cass, Chisago, Crow Wing, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, and Wright. The Region established a board comprising one commissioner from each county. The Region's board has financial responsibility, and Stearns County is the fiscal agent. The County had no contributions during 2024. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Complete financial information can be obtained from:

Central Minnesota Emergency Medical Services  
Region Administration Center  
705 Courthouse Square  
St. Cloud, Minnesota 56303-4701

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

**A. Joint Ventures (Continued)**

St. Cloud Area Planning Organization

The St. Cloud Area Planning Organization was created to keep governmental units and the general public informed and advised on all matters relative to the transportation planning, programming, and funding. The Council is an organized joint venture having the duties, powers, and privileges granted joint powers by Minnesota Statutes §471.59. The joint venture is governed by a Policy board, which is comprised of 11 local government member jurisdictions, as well as representatives from the Central Minnesota Transportation Alliance and St. Cloud Metro Bus. The Policy Board is responsible for adopting regional transportation plans, projects, and policies. The Policy Board consists of 43 voting members, 36 of which are elected officials from cities, counties, and townships. During 2024, the County contributed \$10,234 to the St. Cloud Area Planning Organization. There is no accumulation of significant financial resources or fiscal stress related to this entity. Complete financial statements can be obtained from:

St. Cloud Area Planning Organization  
1040 County Road #4  
St. Cloud, Minnesota 56303

Central Minnesota Emergency Services Board

The Central Minnesota Regional Radio Board was established in 2007, under the authority conferred upon the member parties by Minn. Stat. §§ 471.59 and 403.39. As of June 1, 2011, the Central Minnesota Regional Radio Board changed its name to the Central Minnesota Emergency Services board. Members include the City of St. Cloud and the counties of Benton, Big Stone, Douglas, Grant, Kandiyohi, Meeker, Mille Lacs, Morrison, Otter Tail, Pope, Sherburne, Stearns, Stevens, Swift, Todd, Traverse, Wadena, Wilkin, and Wright.

The purpose of the Central Minnesota Emergency Services Board is to provide for regional administration of enhancements to the Statewide Public Safety Radio and Communication System (ARMER) owned and operated by the state of Minnesota.

The Central Minnesota Emergency Services Board is composed of one commissioner of each county appointed by their respective County Board and one City Council Member from each city appointed by their respective City Council, as provided in the Central Minnesota Emergency Service board's by-laws.

In the event of dissolution of the Central Minnesota Emergency Services board, all property, assets, and funds of the board shall be distributed to the parties of the agreement upon termination in direct proportion to their participation and contribution. Any city or county that has withdrawn from the agreement prior to termination of the board shall share in the distribution of property, assets, and funds of the board only to the extent they shared in the original expense.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

**A. Joint Ventures (Continued)**

Central Minnesota Emergency Services Board (Continued)

The Central Minnesota Emergency Services Board has no long-term debt. Financing is provided by the appropriations from member parties and by state and federal grants. During 2024, Benton County contributed \$11,666 to the board. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Separate financial information can be obtained from:

Central Minnesota Emergency Services Board  
City of St. Cloud  
Office of the Mayor  
City Hall  
400 Second Street South  
St. Cloud, MN 56301

Central Minnesota Home Visiting Coalition

The Central Minnesota Home Visiting Coalition Board was established in 2019 pursuant to Minnesota Statutes, §§ 471.59 for the purpose of promoting public health including family health. The member counties are Benton, Sherburne, Stearns, and Wright.

The Central Minnesota Home Visiting Coalition Board is composed of one county board commissioner from each county who is a party to the agreement.

The County had no contributions during 2024. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Complete financial information can be obtained from:

Central Minnesota Home Visiting Coalition  
Sherburne County  
13880 Business Center Drive, Suite 100  
Elk River, Minnesota 55330



**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

**A. Joint Ventures (Continued)**

CommUNITY Adult Mental Health Initiative

The CommUNITY Adult Mental Health Initiative Board was established in 2013 pursuant to Minnesota Statutes, §§ 471.59 and 245.4661 for the purpose of establishing a mechanism to service persons with serious and persistent mental illness in the most clinically appropriate, person-centered, least restrictive, and cost-effective ways. The member counties are Benton, Sherburne, Stearns, and Wright.

The CommUNITY Adult Mental Health Initiative Board is composed of one county board commissioner from each county who is a party to the agreement, one consumer from the advisory group, one provider from the advisory group, and one member from the advisory group who is not employed by another party to the agreement. Benton County is the fiscal agent for the joint venture.

In the event of dissolution of the CommUNITY Adult Mental Health Initiative Board, all property, assets, and funds of the board shall be distributed to the parties of the agreement upon termination in accordance with the grantor agreement of the state of Minnesota or otherwise in direct proportion to the total population of the respective counties still member to the agreement as reported by the most recent census.

The County had no contributions during 2024. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Stearns-Benton Multidisciplinary Child Protection Team

The Stearns-Benton Multidisciplinary Child Protection Team was established in 2022 pursuant to Minnesota Statute, §§ 626.556 for the purpose of protecting children whose health or welfare may be jeopardized through physical abuse, neglect or sexual abuse; as well as to strengthen the family and make the home safe for the children through improvement of parental and guardian capacity for responsible child care; and finally to provide a safe temporary or permanent home environment for physically or sexually abused children.

The Stearns-Benton Multidisciplinary Child Protection Team is composed of the following: Benton County Health and Human Services Director, Stearns County Health and Human Services Director, Benton County Attorney, Stearns County Attorney, Benton County Sheriff, Stearns County Sheriff, Stearns-Benton schools, Stearns-Benton law enforcement agencies, Central Minnesota Mental Health Center, physicians, Benton County Public Health nursing services, Stearns County Community Health services, and community representatives. The chair shall be a Benton or Stearns employee and shall rotate between the counties every two years.

The County contributed no funding during 2024. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Stearns County is the fiscal agent for the Stearns-Benton Multidisciplinary Child Protection Team.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

**A. Joint Ventures (Continued)**

Rum River Comprehensive Water Management Plan

The Rum River Watershed Partnership was established through a joint powers agreement, pursuant to Minn. Stat. §§ 471.59, to prepare, develop, adopt, implement, and administer a comprehensive local water management plan and carry out implementation actions, programs, and projects toward achievement of goals and objectives of such plans.

The joint powers are the Counties of Aitkin, Benton, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, and Sherburne, the Mille Lacs Band of Ojibwe, and the Soil and Water Conservation Districts of Aitkin, Anoka, Benton, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, and Sherburne Counties, and the Lower Rum River and Upper Rum River Watershed Management Organizations. Control of the Rum River Watershed Partnership is vested in a Board of Directors composed of one individual selected by each party. Each board member has one vote.

Anoka Soil and Water Conservation District is the fiscal agent for the Rum River Watershed Partnership. Funding is provided by grants and contributions from participating members. Benton County contributed no funding in 2024. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Separate financial information can be obtained from:

Anoka Soil and Water Conservation District  
1318 McKay Drive Northeast  
Ham Lake, Minnesota 55304

**B. Contingent Liabilities**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 10 TAX ABATEMENTS**

The County has multiple pay-as-you-go tax increment financing districts with local businesses pursuant to Minn. Stat. §§ 469.174-1799; one to promote economic development, one to promote housing districts for low to moderate income, and four to promote redevelopment. The County is currently collecting tax increments that are paid through the property tax collection processes. The requirement for businesses to receive the excess tax increments from the County is to perform improvements on the owned property. The increment taxes are based on the increase of the property value after the improvements are made. There are six TIF Districts that exist within Benton County boundaries which are listed below by city.

Purpose	Name	City	Decertification Date	Excess Tax Increment Paid During 2024
Economic Development	TIF District 1-9	Foley	12/31/25	\$ 70,126
Housing District for Low to Moderate Income	TIF District 1-8	Rice	12/31/38	34,058
Redevelopment	TIF District 24	Sauk Rapids	12/31/50	56,484
Redevelopment	TIF District 82	St. Cloud	12/31/49	16,178
Redevelopment	TIF District 23	Sauk Rapids	12/31/41	108,574
Redevelopment	TIF District 5-6	Sartell	12/31/29	189,194

For the year ended December 31, 2024, the County paid excess tax increment in the amount of \$474,614. The County's tax revenues were reduced by \$429,921 during 2024.

During 2021, the County entered into a tax abatement agreement with the Performance Food Group, Inc (the Company) along with the City of Rice, Minnesota dated May 3, 2021. In this agreement, the Company agreed to complete a two-phase project consisting of the acquisition, construction, and equipping of an expansion to a renovation of an existing manufacturing facility within the City of Rice. Pursuant to Minn. Stat. §§ 469.1812-1815 and §§ 116J.993-995, the City and County agreed to provide tax abatement assistance in order to assist in financing a portion of the costs of the project. The Company agrees that it intends to maintain the existing 175 full-time equivalent jobs at the existing facility, and create at least 22 additional full-time equivalent jobs with an average wage of \$45,000 per year during both phases of the project as it adds approximately 26,500 square feet to its facilities. The Tax Abatement program will exist for a period of up to 14 years beginning with the tax year 2023 through 2038. The phase one abatement will be determined by taking the County tax rate multiplied by the difference between the Net Tax Capacity of the property as improved by phase one project, less the Net Tax Capacity of the existing land. The phase two abatement will be determined by taking the County tax rate multiplied by the Net Tax Capacity of the property as improved by the phase two project. The County agreed to reimburse the Company for the costs of construction up to \$250,000 in semi-annual installments from 2023-2034 for phase one and \$150,000 in semi-annual installments from 2027-2038 for phase two pursuant to the terms of the tax abatement program. If the Company fails to maintain its agreed upon employment numbers they will be required to pay a penalty based on predetermined rates. During the year ended December 31, 2024, the County abated \$25,000 of taxes. No other commitments were made by the County as part of these agreements.

**BENTON COUNTY, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 11 CHANGE IN ACCOUNTING PRINCIPLE**

Effective January 1, 2024, there was a change in accounting principal for the County which resulted in the Property Assessed Clean Energy (PACE) loan program being reported in a custodial fiduciary fund instead of a governmental fund and governmental activities. This resulted in a restatement of beginning net position as follows:

	Custodial Funds
Fiduciary Net Position - Beginning of Year, as Previously Reported	\$ 1,216,371
Change in Accounting Principle	<u>1,671,325</u>
Fiduciary Net Position - Beginning of Year, as Restated	<u><u>\$ 2,887,696</u></u>
	Governmental Activities
Net Position - Beginning of Year, as Previously Reported	\$ 129,291,324
Change in Accounting Principle	<u>(1,671,325)</u>
Net Position - Beginning of Year, as Restated	<u><u>\$ 127,619,999</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BENTON COUNTY, MINNESOTA**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED**  
**RATIOS, AND NOTES**  
**LAST TEN FISCAL YEARS**

	Measurement Date						
	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018
<b>TOTAL OPEB LIABILITY</b>							
Service Cost	\$ 83,486	\$ 73,680	\$ 99,966	\$ 105,005	\$ 87,961	\$ 60,559	\$ 64,133
Interest	62,225	34,943	31,643	42,367	44,760	37,893	36,202
Assumption Changes	78,333	(208,143)	3,540	78,095	58,986	(37,106)	-
Differences Between Expected and Actual Experience	131,929	-	162,240	-	152,464	-	-
Benefit Payments	(100,584)	(103,536)	(108,606)	(89,710)	(66,658)	(51,819)	(39,308)
Net Change in Total OPEB Liability	255,389	(203,056)	188,783	135,757	277,513	9,527	61,027
Total OPEB Liability - Beginning	1,521,947	1,725,003	1,536,220	1,400,463	1,122,950	1,113,423	1,052,396
Total OPEB Liability - Ending	<u>\$ 1,777,336</u>	<u>\$ 1,521,947</u>	<u>\$ 1,725,003</u>	<u>\$ 1,536,220</u>	<u>\$ 1,400,463</u>	<u>\$ 1,122,950</u>	<u>\$ 1,113,423</u>
Covered Employee Payroll	\$ 17,335,362	\$ 15,776,352	\$ 15,316,847	\$ 14,198,720	\$ 13,751,787	\$ 13,393,190	\$ 13,003,097
County's OPEB Liability as a Percentage of Covered Employee Payroll	10 %	10 %	11 %	11 %	10 %	8 %	9 %

Note 1: The County implemented GASB Statement No. 75 in 2018. The above table will be expanded to 10 years of information as the information becomes available.

Note 2: No assets are accumulated in a trust.

See accompanying Notes to Required Supplementary Information.

**BENTON COUNTY, MINNESOTA**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY (ASSET)**  
**DECEMBER 31, 2024**

**PERA GENERAL EMPLOYEES RETIREMENT PLAN**

Measurement Date	Employer's Portion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with Benton County	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.166 %	\$ 6,122,192	\$ 158,307	\$ 6,280,499	\$ 14,103,415	43.41 %	89.08 %
2023	0.169	9,422,331	259,824	9,682,155	17,718,322	53.18	83.10
2022	0.170	13,440,296	394,085	13,834,381	12,712,470	105.73	76.70
2021	0.159	6,794,283	207,536	7,001,819	11,890,370	57.14	87.00
2020	0.155	9,292,958	286,598	9,579,556	11,054,615	84.06	79.06
2019	0.150	8,304,222	258,155	8,562,377	10,634,199	78.09	80.20
2018	0.156	8,637,598	283,316	8,920,914	10,463,459	82.55	79.53
2017	0.156	9,978,089	125,502	10,103,591	10,075,256	99.04	75.90
2016	0.162	13,169,836	171,984	13,341,820	10,791,851	122.04	68.91
2015	0.160	8,312,760	-	8,312,760	9,915,678	83.83	78.19

**PERA PUBLIC EMPLOYEES POLICE AND FIRE**

Measurement Date	Employer's Portion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with Benton County	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.165 %	\$ 2,164,147	\$ 82,496	\$ 2,246,643	\$ 2,277,915	95.01 %	90.17 %
2023	0.170	2,930,498	118,086	3,048,584	2,664,254	109.99	86.47
2022	0.175	7,619,660	332,961	7,952,621	2,127,152	358.21	70.50
2021	0.171	1,318,395	59,278	1,377,673	2,090,971	63.05	93.66
2020	0.174	2,292,188	54,001	2,346,189	1,963,883	116.72	87.19
2019	0.175	1,865,181	-	1,865,181	1,848,727	100.89	89.30
2018	0.157	1,674,524	-	1,674,524	1,655,660	101.14	88.84
2017	0.165	2,227,696	-	2,227,696	1,696,213	131.33	85.43
2016	0.172	6,902,659	-	6,902,659	1,654,186	417.28	63.80
2015	0.170	1,931,598	-	1,931,598	1,442,728	133.89	86.61

See accompanying Notes to Required Supplementary Information.

**BENTON COUNTY, MINNESOTA**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY (ASSET) (CONTINUED)**  
**DECEMBER 31, 2024**

**PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN**

Measurement Date	Employer's Portion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2024	0.974 %	\$ 296,888	\$ 2,385,118	12.45 %	97.55 %
2023	0.947	428,092	3,525,820	12.14	95.94
2022	0.915	3,041,462	2,010,075	151.31	74.60
2021	0.919	(150,989)	2,107,655	(7.16)	101.61
2020	0.924	250,827	2,011,550	12.47	96.67
2019	0.944	130,626	2,012,422	6.49	98.17
2018	0.969	159,354	1,975,745	8.07	97.64
2017	0.950	2,707,509	1,907,753	141.92	67.89
2016	1.020	3,726,203	1,922,086	193.86	58.16
2015	1.000	154,600	1,861,093	8.31	96.95

The measurement date for each year is June 30.

*See accompanying Notes to Required Supplementary Information.*



**BENTON COUNTY, MINNESOTA  
SCHEDULE OF COUNTY CONTRIBUTIONS  
DECEMBER 31, 2024**

**PERA GENERAL EMPLOYEES RETIREMENT PLAN**

Year Ended	Statutorily Required Contributions	Actual Contributions in Relation to Statutorily Required Contributions	Contribution (Deficiency) Excess	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2024	\$ 1,074,676	\$ 1,074,676	\$ -	\$ 14,329,010	7.50 %
2023	1,356,658	1,356,658	-	18,088,768	7.50
2022	985,466	985,466	-	13,139,545	7.50
2021	897,738	897,738	-	11,969,834	7.50
2020	822,109	822,109	-	10,961,455	7.50
2019	811,974	811,974	-	10,826,321	7.50
2018	786,079	786,079	-	10,481,016	7.50
2017	774,408	774,408	-	10,307,154	7.50
2016	737,219	737,219	-	9,829,853	7.50
2015	743,589	743,589	-	9,914,920	7.50

**PERA PUBLIC EMPLOYEES POLICE AND FIRE**

Year Ended	Statutorily Required Contributions	Actual Contributions in Relation to Statutorily Required Contributions	Contribution (Deficiency) Excess	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2024	\$ 405,100	\$ 405,100	\$ -	\$ 2,288,700	17.70 %
2023	480,800	480,800	-	2,716,383	17.70
2022	381,774	381,774	-	2,156,914	17.70
2021	371,229	371,229	-	2,097,340	17.70
2020	362,468	362,468	-	2,047,843	17.70
2019	326,025	326,025	-	1,923,450	16.95
2018	287,332	287,332	-	1,773,654	16.20
2017	267,654	267,654	-	1,652,186	16.20
2016	267,195	267,195	-	1,649,353	16.20
2015	258,971	258,971	-	1,598,587	16.20

*See accompanying Notes to Required Supplementary Information.*

**BENTON COUNTY, MINNESOTA**  
**SCHEDULE OF COUNTY CONTRIBUTIONS (CONTINUED)**  
**DECEMBER 31, 2024**

**PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN**

Year Ended	Statutorily Required Contributions	Actual Contributions in Relation to Statutorily Required Contributions	Contribution (Deficiency) Excess	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2024	\$ 214,706	\$ 214,706	\$ -	\$ 2,453,785	8.75 %
2023	315,622	315,622	-	3,607,113	8.75
2022	179,077	179,077	-	2,046,589	8.75
2021	177,148	177,148	-	2,024,543	8.75
2020	240,056	240,056	-	2,743,493	8.75
2019	178,151	178,151	-	2,036,011	8.75
2018	175,198	175,198	-	2,002,256	8.75
2017	166,535	166,535	-	1,907,018	8.75
2016	166,326	166,326	-	1,900,861	8.75
2015	163,494	163,494	-	1,868,503	8.75

The measurement date for each year is December 31.

*See accompanying Notes to Required Supplementary Information.*

**BENTON COUNTY, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 14,854,359	\$ 14,854,359	\$ 14,890,525	\$ 36,166
Special Assessments	-	-	67,985	67,985
Licenses and Permits	357,180	357,180	391,999	34,819
Intergovernmental	3,180,993	3,180,993	3,408,578	227,585
Charges for Services	1,625,082	1,625,082	1,631,424	6,342
Fines and Forfeits	6,000	6,000	7,696	1,696
Gifts and Contributions	1,000	1,000	1,412	412
Investment Earnings	700,000	700,000	2,232,294	1,532,294
Miscellaneous	169,780	169,780	104,589	(65,191)
Total Revenues	20,894,394	20,894,394	22,736,502	1,842,108
<b>EXPENDITURES</b>				
Current:				
General Government:				
Commissioners	310,767	310,767	292,720	18,047
Public Defender	152,000	152,000	142,388	9,612
Administration	1,025,531	1,025,531	927,147	98,384
Auditor-Treasurer	862,059	862,059	872,478	(10,419)
Assessor	791,151	791,151	669,100	122,051
Information Technology	1,376,997	1,376,997	1,089,040	287,957
Attorney	1,513,154	1,513,154	1,432,035	81,119
Recorder	270,340	270,340	266,508	3,832
Property Management	914,816	914,816	874,974	39,842
Veterans Service Officer	98,391	98,391	91,713	6,678
Other Outside Agencies	196,421	196,421	201,720	(5,299)
Other General Government	1,042,550	1,042,550	955,100	87,450
Total General Government	8,554,177	8,554,177	7,814,923	739,254
Public Safety:				
Sheriff	5,281,861	5,281,861	5,219,738	62,123
Emergency Management	137,631	137,631	136,802	829
Prisoner Custodial	4,273,041	4,273,041	4,260,601	12,440
Probation	932,504	932,504	1,269,733	(337,229)
Total Public Safety	10,625,037	10,625,037	10,886,874	(261,837)
Health:				
Groundwater Management	139,560	139,560	135,791	3,769

See accompanying Notes to Required Supplementary Information.

**BENTON COUNTY, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Culture and Recreation:				
Historical Society	\$ 13,070	\$ 13,070	\$ 13,070	\$ -
Regional Library	540,046	540,046	540,046	-
Total Culture and Recreation	553,116	553,116	553,116	-
Conservation of Natural Resources:				
University of Minnesota Extension	230,223	230,223	208,980	21,243
Soil and Water Conservation	250,000	250,000	250,000	-
Total Conservation of Natural Resources	480,223	480,223	458,980	21,243
Economic Development:				
Economic Development	7,500	7,500	7,500	-
Planning and Zoning	415,822	415,822	410,835	4,987
Total Economic Development	423,322	423,322	418,335	4,987
Capital Outlay:				
General Government	50,400	50,400	57,496	(7,096)
Public Safety	257,500	257,500	331,747	(74,247)
Total Capital Outlay	307,900	307,900	389,243	(81,343)
Debt Service:				
Principal	-	-	180,603	(180,603)
Total Expenditures	21,083,335	21,083,335	20,837,865	245,470
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(188,941)	(188,941)	1,898,637	2,087,578
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	65,040	65,040	49,153	(15,887)
Transfers Out	(45,000)	(45,000)	(1,223,412)	(1,178,412)
Issuance of Leases	-	-	10,552	10,552
Proceeds from Direct Borrowing	-	-	442,814	442,814
Total Other Financing Sources (Uses)	20,040	20,040	(720,893)	(740,933)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (168,901)</u>	<u>\$ (168,901)</u>	1,177,744	<u>\$ 1,346,645</u>
Fund Balance - Beginning of Year			10,260,841	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 11,438,585</u>	

See accompanying Notes to Required Supplementary Information.

**BENTON COUNTY, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
ROAD AND BRIDGE FUND  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,658,767	\$ 2,658,767	\$ 2,659,331	\$ 564
Licenses and Permits	50,000	50,000	50,900	900
Intergovernmental	7,494,438	7,494,438	6,747,484	(746,954)
Charges for Services	182,500	182,500	183,650	1,150
Miscellaneous	104,736	104,736	32,161	(72,575)
Total Revenues	10,490,441	10,490,441	9,673,526	(816,915)
<b>EXPENDITURES</b>				
Current:				
Highways and Streets:				
Administration	571,249	571,249	491,306	79,943
Maintenance	3,184,569	3,184,569	3,010,440	174,129
Construction	966,619	966,619	1,007,709	(41,090)
Equipment and Maintenance Shop	751,306	751,306	708,333	42,973
Total Highways and Streets	5,473,743	5,473,743	5,217,788	255,955
Capital Outlay:				
Highways and Streets	5,960,637	5,960,637	6,031,233	(70,596)
Debt Service:				
Principal	60,186	60,186	1,169	59,017
Total Expenditures	11,494,566	11,494,566	11,250,190	244,376
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,004,125)	(1,004,125)	(1,576,664)	(572,539)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	995,125	995,125	1,639,221	644,096
Transfers Out	(331,000)	(331,000)	(434,278)	(103,278)
Total Other Financing Sources (Uses)	664,125	664,125	1,204,943	540,818
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (340,000)</u>	<u>\$ (340,000)</u>	(371,721)	<u>\$ (31,721)</u>
Fund Balance - Beginning of Year			598,877	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 227,156</u>	

See accompanying Notes to Required Supplementary Information.

**BENTON COUNTY, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
HUMAN SERVICES FUND  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 6,199,752	\$ 6,199,752	\$ 6,190,594	\$ (9,158)
Intergovernmental	10,076,181	10,076,181	9,989,513	(86,668)
Charges for Services	276,275	276,275	523,190	246,915
Miscellaneous	238,041	238,041	349,881	111,840
Total Revenues	16,790,249	16,790,249	17,053,178	262,929
<b>EXPENDITURES</b>				
Current:				
Human Services:				
Income Maintenance	5,159,828	5,159,828	5,073,682	86,146
Social Services	9,600,412	9,600,412	9,209,982	390,430
Total Human Services	14,760,240	14,760,240	14,283,664	476,576
Health:				
Public Health	1,838,540	1,838,540	1,550,992	287,548
Capital Outlay:				
Human Services	111,663	111,663	30,161	81,502
Health	13,801	13,801	6,859	6,942
Total Capital Outlay	125,464	125,464	37,020	88,444
Debt Service:				
Principal	-	-	86,934	(86,934)
Total Expenditures	16,724,244	16,724,244	15,958,610	765,634
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	66,005	66,005	1,094,568	1,028,563
<b>OTHER FINANCING USES</b>				
Transfers Out	(500,000)	(500,000)	(500,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (433,995)</u>	<u>\$ (433,995)</u>	594,568	<u>\$ 1,028,563</u>
Fund Balance - Beginning of Year			7,912,920	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 8,507,488</u>	

See accompanying Notes to Required Supplementary Information.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**I. BUDGETARY INFORMATION**

The County board adopts annual budgets for the General Fund, certain special revenue funds (Road and Bridge, and Human Services), Debt Service Fund, and Capital Projects Fund. These budgets are prepared on the modified accrual basis of accounting. Annual budgets are not adopted for the Economic Development, Miscellaneous, State and Local Fiscal Recovery, Opioid Remediation, Ditch, Boundary Commission, and Gravel Pit Restoration Special Revenue Funds.

Based on a process established by the County board, all departments for 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 and department. The legal level of budgetary control – the level at which expenditures may not legally exceed appropriations – is the department level. The Road and Bridge and Human Services Funds are considered departments of one for budgetary control purposes. Budgets may be amended during the year with proper approval.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**II. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following major funds had expenditures in excess of budget at the department level for the year ended December 31, 2024:

Fund	Function	Expenditures	Budget	Excess
General	Current:			
	General Government:			
	Auditor-Treasurer	\$ 872,478	\$ 862,059	\$ 10,419
	Other Outside Agencies	201,720	196,421	5,299
	Public Safety:			
	Probation	1,269,733	932,504	337,229
	Capital Outlay:			
	General Government	57,496	50,400	7,096
	Public Safety	331,747	257,500	74,247
	Debt Service:			
	Principal	180,603	-	180,603
Special Revenue Funds:				
Road and Bridge	Current:			
	Highways and Streets:			
	Construction	1,007,709	966,619	41,090
	Capital Outlay:			
	Highways and Streets	6,031,233	5,960,637	70,596
Human Services	Debt Service:			
	Principal	86,934	-	86,934

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



**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

**A. General Employees Fund**  
**2024**

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in a slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirement, slight adjustments to Rule of 90 retirement rates, and a slight adjustment to early retirement rates for Tier 1 and Tier 2 members.
- Minor increases in assumed withdrawal for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Actuarial Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**2023**

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Actuarial Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, noncompounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**2022**

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

A. General Employees Fund (Continued)

2021

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**A. General Employees Fund (Continued)**

2019

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreased from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018

Changes in Actuarial Assumption

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50% beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumption

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**A. General Employees Fund (Continued)**

2017 (Continued)

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**B. Police and Fire Fund**

2024

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**B. Police and Fire Fund (Continued)**

**2024 (Continued)**

**Changes in Plan Provisions**

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

**2023**

**Changes in Actuarial Assumptions**

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

**Changes in Plan Provisions**

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, noncompounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

**2022**

**Changes in Actuarial Assumptions**

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

**Changes in Plan Provisions**

- There have been no changes since the prior valuation.

**BENTON COUNTY, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**B. Police and Fire Fund (Continued)**

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**B. Police and Fire Fund (Continued)**

2018

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the Plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and nonvested deferred members. The CSA has been changed to 33% for vested members and 2% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**B. Police and Fire Fund (Continued)**

2017 (Continued)

Changes in Actuarial Assumptions (Continued)

- The single discount rate was changed from 5.6% per annum to 7.5% % per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2037 and 2.50% thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2037 and 2.50% per year thereafter.

Changes in Plan Provisions

- The postretirement benefit increase to be paid after the attainment of the 90.00% funding threshold was changed from inflation up to 2.50%, to a fixed rate of 2.50%.

**C. Correctional Fund**

2024

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- Employee contributions rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.
- Employer contributions rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.
- The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.



**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

C. Correctional Fund (Continued)

2023

Changes in Actuarial Assumptions

- The investment return rate was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.42% to 7.00%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, noncompounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.50%. The maximum increase is 1.50% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

2022

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.42%.
- The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054 and 1.50% per annum thereafter.

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85% to 75%.

**BENTON COUNTY, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

C. Correctional Fund (Continued)

2021 (Continued)

Changes in Actuarial Assumptions (Continued)

- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

- The single discount rate was changed from 5.96% per annum to 7.50% per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed postretirement benefit increase was changed from 2.50% per year to 2.00% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.50% per year with a provision to reduce to 1.00% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 2.50%, beginning January 1, 2019. If the funding status declines to 85.00% for two consecutive years or 80.00% for one year, the maximum increase will be lowered to 1.50%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

C. Correctional Fund (Continued)

2017

Changes in Actuarial Assumptions

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The combined service annuity (CSA) load was 30% for vested and nonvested, deferred members. The CSA has been changed to 35% for vested members and 1% for nonvested members.
- The single discount rate was changed from 5.31% per annum to 5.96% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.31%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**BENTON COUNTY, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**IV. OTHER POSTEMPLOYMENT BENEFITS**

As disclosed on the Schedule of Funding Progress, no assets have been irrevocably deposited in a trust to advance fund the employer's obligation. Therefore, the actuarial value of assets is zero.

Since the most recent valuation, the following assumption changes have been made:

**2024**

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The discount rate was changed from 4.00% to 3.70%.

**2023**

- The discount rate was changed from 2.00% to 4.00%.
- The inflation rate was changed from 2.00% to 2.50%.

**2022**

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (Generation, Safety) with MP-2021 Generational Improvement Scale.
- The retirement, withdrawal and salary increase rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.

**2021**

- The discount rate was changed from 2.90% to 2.00%.

**2020**

- The medical trend rates, mortality tables, and salary increase rates were updated.
- The discount rate was changed from 3.80% to 2.90%.

**2019**

- The discount rate was changed from 3.30% to 3.80%.

## **SUPPLEMENTARY INFORMATION**

**BENTON COUNTY, MINNESOTA  
DECEMBER 31, 2024**

**NONMAJOR GOVERNMENTAL FUNDS**

The Boundary Commission Special Revenue Fund is used to account for the activities of the Boundary Commission.

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

The Gravel Pit Restoration Special Revenue Fund is used to account for the 5% of aggregate production taxes collected and retained by the County to restore abandoned pits on public or tax-forfeited land.

**BENTON COUNTY, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	Boundary Commission	Economic Development	Gravel Pit Restoration	Total Nonmajor Funds
<b>ASSETS</b>				
Cash and Pooled Investments	\$ -	\$ 933,801	\$ 296,314	\$ 1,230,115
Loans Receivable, Net of Allowance	-	356,599	-	356,599
	<u>-</u>	<u>356,599</u>	<u>-</u>	<u>356,599</u>
Total Assets	<u>\$ -</u>	<u>\$ 1,290,400</u>	<u>\$ 296,314</u>	<u>\$ 1,586,714</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 31	\$ -	\$ 31
Due to Other Funds	9,337	-	-	9,337
Total Liabilities	<u>9,337</u>	<u>31</u>	<u>-</u>	<u>9,368</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	356,599	-	356,599
<b>FUND BALANCES</b>				
Restricted	-	933,770	296,314	1,230,084
Unassigned	(9,337)	-	-	(9,337)
Total Fund Balances	<u>(9,337)</u>	<u>933,770</u>	<u>296,314</u>	<u>1,220,747</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 1,290,400</u>	<u>\$ 296,314</u>	<u>\$ 1,586,714</u>

**BENTON COUNTY, MINNESOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Boundary Commission	Economic Development	Gravel Pit Restoration	Total Nonmajor Funds
<b>REVENUES</b>				
Taxes	\$ 4,399	\$ -	\$ -	\$ 4,399
Miscellaneous	-	214,476	21,611	236,087
Total Revenues	4,399	214,476	21,611	240,486
<b>EXPENDITURES</b>				
Current:				
Economic Development	-	160,000	-	160,000
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	4,399	54,476	21,611	80,486
Fund Balances - Beginning of Year	(13,736)	879,294	274,703	1,140,261
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (9,337)</u>	<u>\$ 933,770</u>	<u>\$ 296,314</u>	<u>\$ 1,220,747</u>



**BENTON COUNTY, MINNESOTA  
DECEMBER 31, 2024**

**FIDUCIARY FUNDS**

**Private-Purpose Trust Funds**

The Social Welfare Fund is used to account for the activity related to income received and payments made on behalf of individuals for whom the County is responsible to assist in accordance with Minn. Stat. § 256.8.

The Henkemeyer Fund is used to account for money put aside for potential environmental remediation at a local privately owned landfill.

**Custodial Funds**

The Taxes and Penalties Fund is used to account for the inflows of tax collections and the disbursement of taxes during the settlement process for municipalities within the County.

The Building Official Fund is used to account for the third-party building inspector's share of building permits sold by the County each year.

The Sheriff Investigation Fund is used to maintain compliance with State guidelines regarding the proper handling of seized currency.

The State Revenue Fund is used for the collection of fees on behalf of the state.

The License Center Fund is used to account for the collection of license fees on behalf of the state.

The Estate Recoveries Fund is used to hold the State's portion of estates from deceased parties within the County until such a time they can be analyzed and disbursed appropriately.

The Jail Canteen Fund is used to account for deposits and withdrawals made by inmates of the Benton County Jail.

The MH Initiative Community Project is used to account for the interagency funds used in order to provide support for persons experiencing mental health problems to enhance their contributions to the community.

The MCHHSA Regional Fund is used to account for the activity in planning and hosting the MCHHSA regional meeting.

The CMH Collaborative Fund is used to account for an interagency agreement between the County and school districts for the purpose of planning and coordination of family services within the County.

The Child Protection Fund is used to account for the Stearns-Benton Multidisciplinary Child Protection activity.

The PACE Fund is used to account for the Property Assessed Clean Energy (PACE) initiative.

**BENTON COUNTY, MINNESOTA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS – PRIVATE PURPOSE TRUST FUNDS**  
**DECEMBER 31, 2024**

	Social Welfare Private-Purpose Trust Fund	Henkemeyer Private-Purpose Trust Fund	Total Private-Purpose Trust Fund
<b>ASSETS</b>			
Cash and Pooled Investments	<u>\$ 24,463</u>	<u>\$ 115,594</u>	<u>\$ 140,057</u>
<b>NET POSITION</b>			
Restricted for:			
Individuals, Organizations, and Other Governments	<u>\$ 24,463</u>	<u>\$ 115,594</u>	<u>\$ 140,057</u>

**BENTON COUNTY, MINNESOTA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS – PRIVATE PURPOSE TRUST FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Social Welfare Private-Purpose Trust Fund	Henkemeyer Private-Purpose Trust Fund	Total Private-Purpose Trust Fund
<b>ADDITIONS</b>			
Contributions - Individuals	\$ 316,296	\$ -	\$ 316,296
<b>DEDUCTIONS</b>			
Beneficiary Payments to Individuals	<u>407,605</u>	<u>-</u>	<u>407,605</u>
<b>NET CHANGE IN FIDUCIARY NET POSITION</b>	(91,309)	-	(91,309)
Fiduciary Net Position - Beginning of Year	<u>115,772</u>	<u>115,594</u>	<u>231,366</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u><u>\$ 24,463</u></u>	<u><u>\$ 115,594</u></u>	<u><u>\$ 140,057</u></u>

**BENTON COUNTY, MINNESOTA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS – CUSTODIAL FUNDS**  
**DECEMBER 31, 2024**

	Custodial Funds					
	Taxes and Penalties	Building Official	Sheriff Investigation	State Revenue	License Center	Estate Recoveries
<b>ASSETS</b>						
Cash and Pooled Investments	\$ 598,585	\$ 2,864	\$ 5,151	\$ 190,965	\$ 50,313	\$ 228,111
Due from Other Governments	-	-	-	-	-	3,904
Taxes for Other Governments	836,429	-	-	-	-	-
Special Assessment Receivable	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	98,542
Prepaid Items	-	-	-	-	-	-
Total Assets	1,435,014	2,864	5,151	190,965	50,313	330,557
<b>LIABILITIES</b>						
Due to Others	236,750	2,864	5,151	-	-	-
Unearned Revenue	-	-	-	-	-	-
Due to Primary Government	-	-	-	-	-	-
Due to Other Governments	335,004	-	-	190,965	50,313	330,557
Total Liabilities	571,754	2,864	5,151	190,965	50,313	330,557
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes Collected for Subsequent Period	26,831	-	-	-	-	-
<b>NET POSITION</b>						
Restricted for:						
Individuals, Organizations, and Other Governments	\$ 836,429	\$ -	\$ -	\$ -	\$ -	\$ -

**BENTON COUNTY, MINNESOTA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2024**

	Custodial Funds						Total Custodial Funds
	Jail Canteen	MH Initiative Community Project	MCHHSA Regional Fund	CMH Collaborative	Child Protection	PACE Fund	
<b>ASSETS</b>							
Cash and Pooled Investments	\$ 13,504	\$ -	\$ 593	\$ 224,157	\$ -	\$ -	\$ 1,314,243
Due from Other Governments	-	451,697	-	3,466	-	-	459,067
Taxes for Other Governments	-	-	-	-	-	-	836,429
Special Assessment Receivable	-	-	-	-	-	2,859,438	2,859,438
Accounts Receivable	-	-	-	-	-	-	98,542
Prepaid Items	-	594	-	-	-	-	594
Total Assets	13,504	452,291	593	227,623	-	2,859,438	5,568,313
<b>LIABILITIES</b>							
Due to Others	-	19,091	-	-	-	-	263,856
Unearned Revenue	-	10,022	-	-	-	-	10,022
Due to Primary Government	-	17,025	-	-	-	-	17,025
Due to Other Governments	-	33,800	-	22,030	-	-	962,669
Total Liabilities	-	79,938	-	22,030	-	-	1,253,572
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property Taxes Collected for Subsequent Period	-	-	-	-	-	-	26,831
<b>NET POSITION</b>							
Restricted for:							
Individuals, Organizations, and Other Governments	\$ 13,504	\$ 372,353	\$ 593	\$ 205,593	\$ -	\$ 2,859,438	\$ 4,287,910

**BENTON COUNTY, MINNESOTA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS – CUSTODIAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Custodial Funds					
	Taxes and Penalties	Building Official	Sheriff Investigation	State Revenue	License Center	Estate Recoveries
<b>ADDITIONS</b>						
Contributions:						
Individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Property Tax Collections for Other Governments	38,646,061	-	-	-	-	-
Fee Collections for Other Governments and Organizations	-	196,387	-	-	-	-
License and Fees Collected for State	-	-	-	1,367,093	5,224,095	304,517
Miscellaneous	-	-	-	-	-	-
Total Additions	38,646,061	196,387	-	1,367,093	5,224,095	304,517
<b>DEDUCTIONS</b>						
Beneficiary Payments to Individuals	-	-	-	-	-	-
Payments of Property Tax to Other Governments	38,448,885	-	-	-	-	-
Payments to State	-	-	-	1,367,093	5,224,095	-
Administrative Expense	-	-	-	-	-	-
Payments to Other Entities	-	196,387	-	-	-	304,517
Total Deductions	38,448,885	196,387	-	1,367,093	5,224,095	304,517
<b>NET CHANGE IN FIDUCIARY NET POSITION</b>	197,176	-	-	-	-	-
Fiduciary Net Position - Beginning of Year, as Previously Reported	639,253	-	-	-	-	-
Change in Accounting Principle, See Note 11	-	-	-	-	-	-
Fiduciary Net Position - Beginning of Year, as Restated	639,253	-	-	-	-	-
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u>\$ 836,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BENTON COUNTY, MINNESOTA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

	Custodial Funds						Total
	Jail Canteen	MH Initiative Community Project	MCHHSA Regional Fund	CMH Collaborative	Child Protection	PACE Fund	Custodial Funds
<b>ADDITIONS</b>							
Contributions:							
Individuals	\$ 201,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,266
Investment Earnings	-	-	-	5,589	-	-	5,589
Intergovernmental	-	2,455,652	-	136,024	-	-	2,591,676
Property Tax Collections for Other Governments	-	-	-	-	-	-	38,646,061
Fee Collections for Other Governments and Organizations	-	-	-	4,750	-	1,571,535	1,772,672
License and Fees Collected for State	-	-	-	-	-	-	6,895,705
Miscellaneous	-	40,815	2,100	-	10,425	-	53,340
Total Additions	201,266	2,496,467	2,100	146,363	10,425	1,571,535	50,166,309
<b>DEDUCTIONS</b>							
Beneficiary Payments to Individuals	202,510	-	-	-	-	-	202,510
Payments of Property Tax to Other Governments	-	-	-	-	-	-	38,448,885
Payments to State	-	-	-	-	-	-	6,591,188
Administrative Expense	-	-	-	7,434	-	-	7,434
Payments to Other Entities	-	2,526,366	1,981	81,973	21,432	383,422	3,516,078
Total Deductions	202,510	2,526,366	1,981	89,407	21,432	383,422	48,766,095
<b>NET CHANGE IN FIDUCIARY NET POSITION</b>	(1,244)	(29,899)	119	56,956	(11,007)	1,188,113	1,400,214
Fiduciary Net Position - Beginning of Year, as Previously Reported	14,748	402,252	474	148,637	11,007	-	1,216,371
Change in Accounting Principle, See Note 11	-	-	-	-	-	1,671,325	1,671,325
Fiduciary Net Position - Beginning of Year, as Restated	14,748	402,252	474	148,637	11,007	1,671,325	2,887,696
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u>\$ 13,504</u>	<u>\$ 372,353</u>	<u>\$ 593</u>	<u>\$ 205,593</u>	<u>\$ -</u>	<u>\$ 2,859,438</u>	<u>\$ 4,287,910</u>

## **OTHER SUPPLEMENTARY INFORMATION**



**BENTON COUNTY, MINNESOTA  
SCHEDULE OF INTERGOVERNMENTAL REVENUE  
YEAR ENDED DECEMBER 31, 2024**

	Special Revenue Funds					
	General	Road and Bridge	Human Services	Miscellaneous	State and Local Fiscal Recovery	Total
<b>SHARED REVENUE AND APPROPRIATIONS</b>						
State:						
County Program Aid	\$ 1,719,191	\$ 289,600	\$ 738,837	\$ -	\$ -	\$ 2,747,628
PERA Rate Reimbursement	40,071	2,653	13,382	-	-	56,106
Disparity Reduction Aid	7,441	-	-	-	-	7,441
Police Aid	304,786	-	-	-	-	304,786
Highway Users Tax	-	4,453,584	-	-	-	4,453,584
Market Value Credit	221,776	37,360	95,289	-	-	354,425
Local Homeless Aid	-	-	98,872	-	-	98,872
Local Cannabis Aid	-	-	2,114	-	-	2,114
Aquatic Invasive Species Aid	-	-	-	34,344	-	34,344
Enhanced 911	-	-	-	241,612	-	241,612
Riparian Aid	57,765	-	-	-	-	57,765
SCORE	-	26,250	-	141,794	-	168,044
Total Shared Revenue and Appropriations	2,351,030	4,809,447	948,494	417,750	-	8,526,721
<b>REIMBURSEMENT FOR SERVICES</b>						
State:						
Minnesota Department of:						
Human Services	24,372	-	2,281,954	-	-	2,306,326
<b>LOCAL</b>						
Payments in Lieu of Tax	39,018	-	-	-	-	39,018
Local Contributions	-	-	-	-	26,667	26,667
Total Local	39,018	-	-	-	26,667	65,685
<b>GRANTS</b>						
State:						
Minnesota Department/Board of:						
Corrections	656,600	-	-	-	-	656,600
Public Safety	9,481	6,386	-	-	-	15,867
Health	-	-	521,840	-	-	521,840
Natural Resources	7,669	-	-	-	-	7,669
Human Services	-	-	1,612,816	-	-	1,612,816
Water and Soil Resources	-	-	-	54,264	-	54,264
Veterans Affairs	-	-	-	10,000	-	10,000
Transportation	-	73,411	-	-	-	73,411
Secretary of State	-	-	-	38,124	-	38,124
Peace Officer's Board	23,314	-	-	-	-	23,314
Total State Grants	697,064	79,797	2,134,656	102,388	-	3,013,905
Federal:						
Department of:						
Agriculture	46,519	-	696,162	-	-	742,681
Justice	66,857	-	-	34,682	-	101,539
Transportation	14,380	1,858,240	-	-	-	1,872,620
Treasury	-	-	-	-	1,919,036	1,919,036
Health and Human Services	139,776	-	3,928,247	-	-	4,068,023
Homeland Security	29,562	-	-	-	-	29,562
Total Federal Grants	297,094	1,858,240	4,624,409	34,682	1,919,036	8,733,461
Total State and Federal Grants	994,158	1,938,037	6,759,065	137,070	1,919,036	11,747,366
Total Intergovernmental Revenue	\$ 3,408,578	\$ 6,747,484	\$ 9,989,513	\$ 554,820	\$ 1,945,703	\$ 22,580,413

**BENTON COUNTY, MINNESOTA**  
**SCHEDULE OF INTERGOVERNMENTAL REVENUE (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

	Debt Service	Capital Projects	Total Governmental Funds	Internal Service Fund	Total Intergovernmental Revenue
<b>SHARED REVENUE AND APPROPRIATIONS</b>					
State:					
County Program Aid	\$ -	\$ 700,000	\$ 3,447,628	\$ -	\$ 3,447,628
PERA Rate Reimbursement	-	-	56,106	-	56,106
Disparity Reduction Aid	-	-	7,441	-	7,441
Police Aid	-	-	304,786	-	304,786
Highway Users Tax	-	-	4,453,584	-	4,453,584
Market Value Credit	4,879	-	359,304	-	359,304
Local Homeless Aid	-	-	98,872	-	98,872
Local Cannabis Aid	-	-	2,114	-	2,114
Aquatic Invasive Species Aid	-	-	34,344	-	34,344
Enhanced 911	-	-	241,612	-	241,612
Riparian Aid	-	-	57,765	-	57,765
SCORE	-	-	168,044	-	168,044
Total Shared Revenue and Appropriations	4,879	700,000	9,231,600	-	9,231,600
<b>REIMBURSEMENT FOR SERVICES</b>					
State:					
Minnesota Department of:					
Human Services	-	-	2,306,326	-	2,306,326
<b>LOCAL</b>					
Payments in Lieu of Tax	-	-	39,018	-	39,018
Local Contributions	-	-	26,667	-	26,667
Total Local	-	-	65,685	-	65,685
<b>GRANTS</b>					
State:					
Minnesota Department/Board of:					
Corrections	-	-	656,600	-	656,600
Public Safety	-	-	15,867	38,470	54,337
Health	-	-	521,840	-	521,840
Natural Resources	-	727,221	734,890	-	734,890
Human Services	-	-	1,612,816	-	1,612,816
Water and Soil Resources	-	-	54,264	-	54,264
Veterans Affairs	-	-	10,000	-	10,000
Transportation	-	17,818	91,229	-	91,229
Secretary of State	-	-	38,124	-	38,124
Peace Officer's Board	-	-	23,314	-	23,314
Total State Grants	-	745,039	3,758,944	38,470	3,797,414
Federal:					
Department of:					
Agriculture	-	-	742,681	-	742,681
Justice	-	-	101,539	-	101,539
Transportation	-	-	1,872,620	-	1,872,620
Treasury	-	-	1,919,036	-	1,919,036
Health and Human Services	-	-	4,068,023	-	4,068,023
Homeland Security	-	-	29,562	-	29,562
Total Federal Grants	-	-	8,733,461	-	8,733,461
Total State and Federal Grants	-	745,039	12,492,405	38,470	12,530,875
Total Intergovernmental Revenue	\$ 4,879	\$ 1,445,039	\$ 24,096,016	\$ 38,470	\$ 24,134,486

**REPORTS RELATED TO *GOVERNMENT AUDITING STANDARDS*  
AND SINGLE AUDIT**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of County Commissioners  
Benton County, Minnesota  
Foley, Minnesota

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Minnesota (the County), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 15, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***The County's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
September 15, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of County Commissioners  
Benton County, Minnesota  
Foley, Minnesota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Benton County, Minnesota's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2024. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

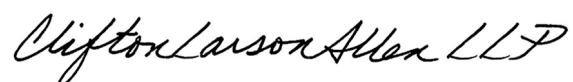
### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
September 15, 2025



**BENTON COUNTY, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2024**

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***Section I – Summary of Auditors' Results***

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***Financial Statements***

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?       x       yes                      no
  - Significant deficiency(ies) identified?       x       yes                      none reported
3. Noncompliance material to financial statements noted?                      yes       x       no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified?                      yes       x       no
  - Significant deficiency(ies) identified?                      yes       x       none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                      yes       x       no

***Identification of Major Federal Programs***

**Assistance Listing Numbers**

20.205

21.027

**Name of Federal Program or Cluster**

Highway Planning and Construction

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

                     yes       x       no

**BENTON COUNTY, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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***Section II – Financial Statement Findings***

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**AUDIT ADJUSTMENTS (2024-001)**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** As part of the audit, we proposed material adjustments to adjust accruals, including a restatement of beginning net position and fiduciary net position, adjust net pension liability and related deferred inflows and outflows of resources, reclassifications of fund balances between categories and revenues and expenditures to the proper accounts.

**Criteria or Specific Requirement:** County management is responsible for establishing and maintaining internal controls for the proper recording of all County's accounting transactions, including reclassifications between funds, account coding, and reporting of accruals.

**Effect:** The design of the internal controls over recording transactions, including reclassifications, could affect the ability of the County to detect or prevent errors, a misappropriation of assets, or fraudulent activity.

**Cause:** The County has a limited number of personnel.

**Repeat Finding:** Yes, 2023-001.

**Recommendation:** We recommend County management continue to increase their awareness and knowledge of all procedures and processes involved in recording transactions, accruals, and reclassifications and develop internal control policies to ensure proper recording of these items.

**Views of Responsible Officials:** There is no disagreement with the audit finding. Management will continue to work at eliminating the need for audit adjustments through learning about new GASB standards and reviewing work performed by department personnel.

**BENTON COUNTY, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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***Section II – Financial Statement Findings (Continued)***

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**FINANCIAL REPORTING PROCESS (2024-002)**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** The County Board and management of the County share the ultimate responsibility for the County's internal control system. The County does not have the expertise necessary to prepare the financial statements and related disclosures. As part of its internal control over the preparation of the financial statements, including disclosures, the County has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of GAAP and knowledge of the County activities and operation.

**Criteria or Specific Requirement:** County management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements in accordance with applicable accounting and reporting standards.

**Effect:** The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the County's internal controls.

**Cause:** The County has a limited number of personnel.

**Repeat Finding:** Yes, 2023-002.

**Recommendation:** We recommend the County continue to evaluate their internal staff capacity to determine if an internal control policy over the preparation of the financial statements and other areas is beneficial.

**Views of Responsible Officials:** There is no disagreement with the audit finding. The County will review the financial reporting requirements and undertake them if deemed cost-beneficial.

**BENTON COUNTY, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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***Section II – Financial Statement Findings (Continued)***

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**SEGREGATION OF DUTIES (2024-003)**

**Type of Finding:** Significant Deficiency in Internal Control over Financial Reporting

**Condition:** Adequate segregation of the accounting functions necessary to ensure adequate internal accounting control, is not in place for various departments/offices in the County.

**Criteria or Specific Requirement:** Management should always be aware of the need to have adequate segregation of duties regarding the processing of transactions for the County. In addition, management should be aware that the concentration of duties and responsibilities in one or a very few individuals is not desirable from an internal control perspective.

**Effect:** The lack of adequate segregation of duties can result in incorrect financial information, failure to detect misstatements or misappropriations, and the lack of adherence to the County's procedures.

**Cause:** The County has a limited number of personnel within various departments/offices.

**Repeat Finding:** Yes, 2023-003.

**Recommendation:** We recommend management be aware of the lack of segregation of duties within the accounting functions and provide oversight to ensure the internal control policies and procedures are being implemented by organization staff.

**Views of Responsible Officials:** There is no disagreement with the audit finding. The County will review the accounting functions and segregate them as deemed cost-beneficial.

**BENTON COUNTY, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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***Section III –Major Program Findings and Compliance***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**BENTON COUNTY, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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***Section IV – Items for Consideration – Minnesota Legal Compliance***

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**DITCH SPECIAL REVENUE FUND – CASH DEFICIT (2024-004)**

**Condition:** The County reported 9 out of 13 active ditch systems as having deficit cash balances as of December 31, 2024, totaling \$1,593,615.

**Criteria or Specific Requirement:** Minnesota Statutes §103E.655 subd. 2 requires active ditch systems to maintain sufficient funds to pay for project costs.

**Effect:** The County is not in compliance with Minnesota Statutes §103E.655 subd. 2.

**Cause:** Expenditures to upgrade ditches are incurred prior to revenue stream.

**Repeat Finding:** Yes, 2023-005.

**Recommendation:** We recommend the County continue to try to eliminate the deficit cash balances in the active ditch systems by borrowing from an eligible ditch system or fund with a surplus cash balance.

**View of Responsible Officials:** The County has made the managerial decision to accumulate expenditures related to ditch cleaning projects, establishing loans to ditch accounts once all final expenditures are known. Ditch cleaning projects can span two to three years, creating short-term deficits in ditch accounts. Delaying loans until all ditch expenditures are known eliminates the need to make interim loans, or loan amount adjustments.

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***Section V – Previously Reported Item Resolved***

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**MAJOR PROGRAM FINDINGS AND COMPLIANCE**

**SUSPENSION AND DEBARMENT (2023-004)**

**Resolution:** During current year testing, the County followed the procurement policy for contracts entered into.

**BENTON COUNTY, MINNESOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2024**

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Agriculture</b>				
Passed Through Minnesota Department of Health: WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	242MN004W10003	\$ 265,353	\$ -
Passed Through Minnesota Department of Human Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Part of SNAP Cluster)	10.561	232MN101S2520	477,328	-
Total Department of Agriculture			742,681	-
<b>U.S. Department of Justice</b>				
Direct:				
State Criminal Alien Assistance Program	16.606	Not Applicable	28,615	-
Bulletproof Vest Partnership Program	16.607	Not Applicable	1,577	-
Passed Through Minnesota Department of Public Safety: Crime Victim Assistance	16.575	F-CVS-2024-BENTONAO	71,347	-
Total Department of Justice			101,539	-
<b>U.S. Department of Transportation</b>				
Passed Through Minnesota Department of Transportation: Highway Planning and Construction	20.205	P9253103	1,858,240	-
Passed Through City of St. Cloud: State and Community Highway Safety (Part of Highway Safety Cluster)	20.600	A-ENFRC24-2024- STCLOUPD-010 A-ENFRC24-2024- STCLOUPD-010	6,798	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608		7,582	-
Total Department of Transportation			1,872,620	-
<b>U.S. Department of Treasury</b>				
Direct:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	1,919,036	1,682,008
<b>U.S. Department of Health and Human Services</b>				
Passed Through Minnesota Department of Health:				
Public Health Emergency Preparedness	93.069	NU90TI000040	27,352	-
Immunization Cooperative Agreements	93.268	NH23IP922628	\$ 1,650	-
COVID-19 Immunization Cooperative Agreements	93.268	NH23IP922628	15,094	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000508	42,208	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families AL 93.558 \$544,843)	93.558	2401MNTANF	24,320	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X1043589	210,000	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	NE110E000048	19,297	-
Maternal and Child Health Services Block Grant to the States	93.994	B0452933	40,137	-
Passed Through Minnesota Department of Human Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	X06SM087092	47,641	47,641
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2301MNFPS	7,993	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families AL 93.558 \$544,843)	93.558	2401MNTANF	520,523	-
Child Care and Development Block Grant (Part of CCDF Cluster)	93.575	2401MNCCDF	50,415	-
Child Support Services	93.563	2301MNCSES	167,155	-
Child Support Services	93.563	2301MNCEST	725,027	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2401MNRCA	2,961	-
Community-Based Child Abuse Prevention Grants	93.590	2302MNBCAP	6,530	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2301MNCWSS	3,419	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**BENTON COUNTY, MINNESOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Health and Human Services (Continued)</b>				
Passed Through Minnesota Department of Human Services (Continued):				
Foster Care Title IV-E	93.658	2401MNF0ST	\$ 325,125	\$ -
Social Services Block Grant	93.667	2401MNS0SR	208,157	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2301MNCILP	6,034	-
Children's Health Insurance Program	93.767	2305MN5021	689	-
Medical Assistance Program (Part of Medicaid Cluster)	93.778	2405MN5ADM	\$ 1,520,738	
Medical Assistance Program (Part of Medicaid Cluster)	93.778	2405MN5MAP	<u>10,839</u>	1,531,577
COVID-19 Block Grants for Community Mental Health Services	93.958	B08TI083504	<u>36,653</u>	<u>36,653</u>
Total Department of Health and Human Services			<u>4,019,957</u>	<u>84,294</u>
Total Expenditures of Federal Awards			<u>\$ 8,655,833</u>	<u>\$ 1,766,302</u>

Clusters of programs are groupings of closely related programs that share common compliance requirements.

Total expenditures by cluster are:

CCDF Cluster	\$ 50,415
Medicaid Cluster	1,531,577
SNAP Cluster	477,328
Highway Safety Cluster	6,798

See accompanying Notes to Schedule of Expenditures of Federal Awards.



**BENTON COUNTY, MINNESOTA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2024**

**NOTE 1    REPORTING ENTITY**

The schedule of expenditures of federal awards (the Schedule) presents the activities of federal award programs expended by Benton County. The County's reporting entity is defined in Note 1 to the financial statements.

**NOTE 2    BASIS OF PRESENTATION**

The accompanying Schedule includes the federal grant activity of Benton County under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Benton County, it is not intended to and does not present the financial position or changes in net position of Benton County.

**NOTE 3    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Benton County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4    RECONCILIATION TO THE SCHEDULE OF INTERGOVERNMENTAL REVENUE**

Reconciliation to the Schedule of Intergovernmental Revenue

Federal Grant Revenue per Schedule of Intergovernmental Revenue:	\$        8,733,461
Grants Unavailable in 2023, Recognized as Revenue in 2024:	
Public Health Emergency Preparedness	(10,355)
Temporary Assistance for Needy Families	(18,494)
COVID-19 Block Grants for Community Mental Health Services	(19,217)
Emergency Management Performance Grants	(29,562)
Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$        8,655,833</u></u>



## INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of County Commissioners  
Benton County, Minnesota  
Foley, Minnesota

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Minnesota (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 15, 2025.

In connection with our audit, we noted that the County failed to comply with provisions of the miscellaneous provisions section of *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, in so far as they relate to accounting matters as described in the schedule of findings and questioned costs as item 2024-004. Also, in connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the provisions of the depositories of public funds and public investments, contracting – bid laws, conflicts of interest, claims and disbursements, and public indebtedness sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the legal compliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Counties* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
September 15, 2025

