BENTON COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2005

Prepared by:

Finance Division

Mary K. Otley
Finance Division Manager

BENTON COUNTY, OREGON
June 30, 2005

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INTRODUCTORY SECTION

January 15, 2006

To the Honorable Members of the Board of Commissioners
and Citizens of Benton County, Oregon

The Finance Division of the Administrative Services Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of Benton County (the County) for the fiscal year ended June 30, 2005

This report is published to provide the Board of Commissioners, County staff, citizens and other readers with detailed information concerning the financial position and activities of the County. County management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

INTRODUCTION

State statutes and local charter provisions require that Benton County (the county) prepare a complete set of year-end financial statements and have them audited in accordance with generally accepted auditing standards by an independent certified public accounting firm licensed to perform municipal audits in Oregon. Pursuant to this requirement, we hereby issue the 2004-05 Comprehensive Annual Financial Report, which is presented in conformance with generally accepted accounting principles (GAAP). This report incorporates the new Government-wide Financial Reporting model, including retroactive infrastructure reporting, as promulgated by the Governmental Accounting Standards Board.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with Benton County. It is believed that the data, as presented, is accurate in all material aspects and is presented in a manner designed to present fairly the financial position and results of operations of Benton County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of Benton County's financial affairs have been included.

To provide a reasonable basis for making these representations, management of the county has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the county's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the county's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Benton County's financial statements have been audited by Isler & Co., LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the county for the fiscal year ended June 30, 2005 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Isler & Co., LLC has concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Benton County's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As a recipient of federal funds, the independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. These reports are included in the back of the county's Comprehensive Annual Audit Report

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statement in the form of Management Discussion & Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Benton County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF BENTON COUNTY, OREGON

Benton County was incorporated December 23, 1847, and is located along the Willamette River, approximately 40 miles from the Pacific Ocean. The county includes an area of 679 square miles, has a population of 81,750 and a true cash value of $6,806,727,474.

Benton County is governed according to its Home Rule Charter, which became effective January 1973. The County's charter adopted in 1973 has had several subsequent amendments. The county is governed by a Board of Commissioners, consisting of three full-time commissioners, who are elected to four-year terms. The Board of Commissioners conducts all legislative business of the County.

Benton County provides a full range of services including public safety, health services, park facilities, public works, assessment and tax collection for all county taxing districts, juvenile services, corrections and probation, community development and internal administrative support. Alsea, Alpine, Cascade View and South Third County Service Districts provide sewer and water services as legally separate County Service Districts, which function, in essence, as departments of the County and therefore have been included as integral parts of the County's financial statements. These "blended component units" are reported within the Business-Type portion of the financial statements. Benton County Library Services District is a legally separate taxing entity which functions as a department of Benton County and is also included in the county's financial reports. This "blended component unit" is reported as a part of the Special Revenue Funds. Additional information on these five entities can be found in Note 1 of the notes to the financial statements

The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The County's budget is adopted by the Board of Commissioners by fund by program. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between categories. Appropriation transfers must be approved by the Board of Commissioners in public meetings. During the fiscal year, seventeen supplemental budgets were adopted

Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget was adopted. For the General, Block Grant and Capital Projects Funds, this comparison is provided in Note III A as part of the basic financial statements for the governmental funds. For all other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

ECONOMIC CONDITIONS AND OUTLOOK

A. Recent economic performance

With 41% of the revenue dependent on resources from state government, state fiscal condition is a critical issue for county government. As the state has cut back the resources it provides to county programs, the county has made reductions in staff and services.

In Oregon, the issue is further compounded by the fact that voters approved three property tax reform measures that reduced local district's ability to raise funds through local property tax increases

Benton County, unlike any other area in the region shows a small percent (10.3) of its population aged 65 and older and a large percentage (24.4%) of its population aged 15 to 24 years The large student population at Oregon State University affects the percentage of 15 to 24 year olds.

The Benton County employment base is one of the most stable in the state Benton County generally records the second lowest jobless rate in the state The unemployment rate at June 30, 2005 was 3.4%.

State and local education make up the County's largest industry, accounting for approximately 9,794 jobs or 24% of the total work force State and local education includes the local public school districts as well as Oregon State University. Other federal and state and local public administration employment total approximately 1,410 jobs or 4% of the total work force

Hewlett-Packard, traditionally the largest non-government employer in Benton County is in the process of a major reorganization that is reducing the workforce at their Corvallis facility. The implications of the restructuring and reductions are not yet fully known, however, there are likely to be ramifications in the local economy as some workers leave the area and as other former HP employees start business ventures of their own.

B. Outlook

Throughout the last year, the state of Oregon has struggled with quarter after quarter of declining revenues. With 41% of the County's budget dependent on state resources, the state's fiscal condition is a critical issue for Benton County. As the state cuts back the resources it provides to county programs, the county will make reductions in staff and services.

C. Major County achievements

Some of the County's achievements include:

- Adopted its first biennial budget for the fiscal period 2005-07
- Facilitated the construction of the Alsea Community Center and Library by collecting and distributing federal and foundation grants and private donations
- The Cardwell Hill Restorative Program was designated as an Oregon Solutions project by Governor Kulongoski.
- Completed construction of Benton Oaks RV Park, located at the Benton County fairgrounds.
- Conducted bioterrorism preparedness functional exercise with county emergency management, county health department, state and local law enforcement agencies, Good Samaritan Hospital, and Oregon State University.
- Completed construction and placement of two modular clinic buildings located at Lincoln Elementary School and in the city of Monroe.
- Opened New Beginnings Drug Treatment Center.

D. Current initiatives

Current initiatives for FY 2005-06 include:

- Voters rejected the renewal of the Health & Safety Local Option property tax levy which expired in June 2005. This results in a decrease of $0.35 per $1,000 of assessed value in property taxes. This is a decrease of approximately $1.7 million per year.

- Benton County opened the Benton County Community Health Center in September 2004. The center provides medical service through clinics in Monroe, Lincoln School and at the Health Department in Corvallis for the uninsured, low income and migrant workers, although the clinic will be open to everyone. The County will receive $1.95 million in federal grant funds over the three years to fund the clinics.

E. Future initiatives

The County will continue to be challenged by the effects of the regional recession, which has impacted the flow of resources used to support programs. The County will also have to respond to increased pension costs, citizen-based initiatives and the actions of other agencies such as the federal government and the State of Oregon. Some of the future initiatives include the:

- Limitation on property tax growth and the impact on revenues affected by the recession, which will limit the County's ability to continue to provide the historical levels of service.

- The Federal Forest Safety Net dollars may expire in 2006 should the federal government decide not to renew these payments to the counties. This revenue source is approximately $4 million per year.

- Reform of the Public Employees Retirement System (PERS) to control costs and reduce future projected deficits.

- Reform of health care costs to employers and employees.

- Deterioration of the transportation infrastructure system, which remains a significant challenge.

- Benton County will be implementing biennial budgeting for 2005-2007.

OTHER FINANCIAL INFORMATION

A. Accounting system and budgetary control

The County's accounting system supports an adequate internal control structure. This structure helps to safeguard the County's assets against loss, theft or misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. The internal control structure provides reasonable assurance that the County's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits require estimates and judgments by management.

The County is required by state law to budget all funds with the exception of certain trust and agency funds. The budgeting process includes citizen input through various stages of preparation, public hearings, and approval of the original budget adopted by the Board of Commissioners. Additional resources not anticipated in the adopted budget must be added through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and approval by the Board of Commissioners. Adopted

and supplemental budgets may be modified by the use of appropriation transfers between the major cost categories. Such transfers require approval by the Board of Commissioners.

Budgetary control is maintained through monitoring of the following programs at the fund level:

- General Government
- Public Safety
- Public Works
- Health Services
- Justice Service
- Community Service
- Cultural and Educational
- Animal Control
- Parks and Natural Resources

Total expenditures may not legally exceed total appropriations in each of the above program areas.

B. Debt administration

The County issues various types of debt. The County currently has $20,011,734 of outstanding bonded indebtedness. In addition to this debt, the County has entered into a number of other financing arrangements with financial institutions for equipment purchases. See Note V, F for further details of the County's outstanding debt.

C. Cash management

Temporary excess cash of all funds is pooled and invested in short-term instruments. Investments are restricted to collateralized time deposits, certain commercial paper, banker's acceptances, repurchase agreements secured by U.S. Treasury securities, and securities guaranteed by the U.S. government and its agencies and the State Treasurer's Investment Pool in accordance with Oregon Revised Statutes sections 294.035 and 294.046.

The County's investment policy defines each instrument's maximum percentage of the total portfolio. If further defines their maximum maturity and where each instrument is held for safekeeping.

The primary objective of the investment policy is to establish a conservative set of investment criteria that will prudently protect the County's principal sums and enable the County to generate a fair rate of return from its investment activities. The investment policy applies to all funds on deposit at the County's Treasury.

D. Risk management

Risk management's function is to prevent and mitigate losses to the County's assets: property, personnel, and finances. Risk Management purchases commercial insurance for worker's compensation, liability, employee benefits, and property coverage. Departments pay for the cost related to worker's compensation and liability and property coverage through a cost allocation formula based on exposure and loss experience.

OTHER INFORMATION

A. Independent audit

The State of Oregon requires an annual audit of the County's financial records. These records, represented in the Comprehensive Annual Financial Report (CAFR), have been audited by the County's independent Certified Public Accountants, Isler & Co., LLC. This audit included the County's Single Audit for FY 2004-05 pursuant to OMB Circular A-133.

B. Certificate of Achievement

The Government Finance Officer's Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to Benton County, Oregon for its CAFR for the last sixteen consecutive fiscal years

In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

C. Acknowledgments

I would like to express my sincere gratitude to the County personnel who contributed to this report, especially to Sandy Barney, Accounting Functions Supervisor and Leroy Fenn, Budget/Accounting Specialist for all of their assistance in preparing this report.

Respectfully submitted,

_____

Mary K. Otley
Finance Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Benton County, Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Nancy L. Zielke
President

Jeffrey R. Esser
Executive Director

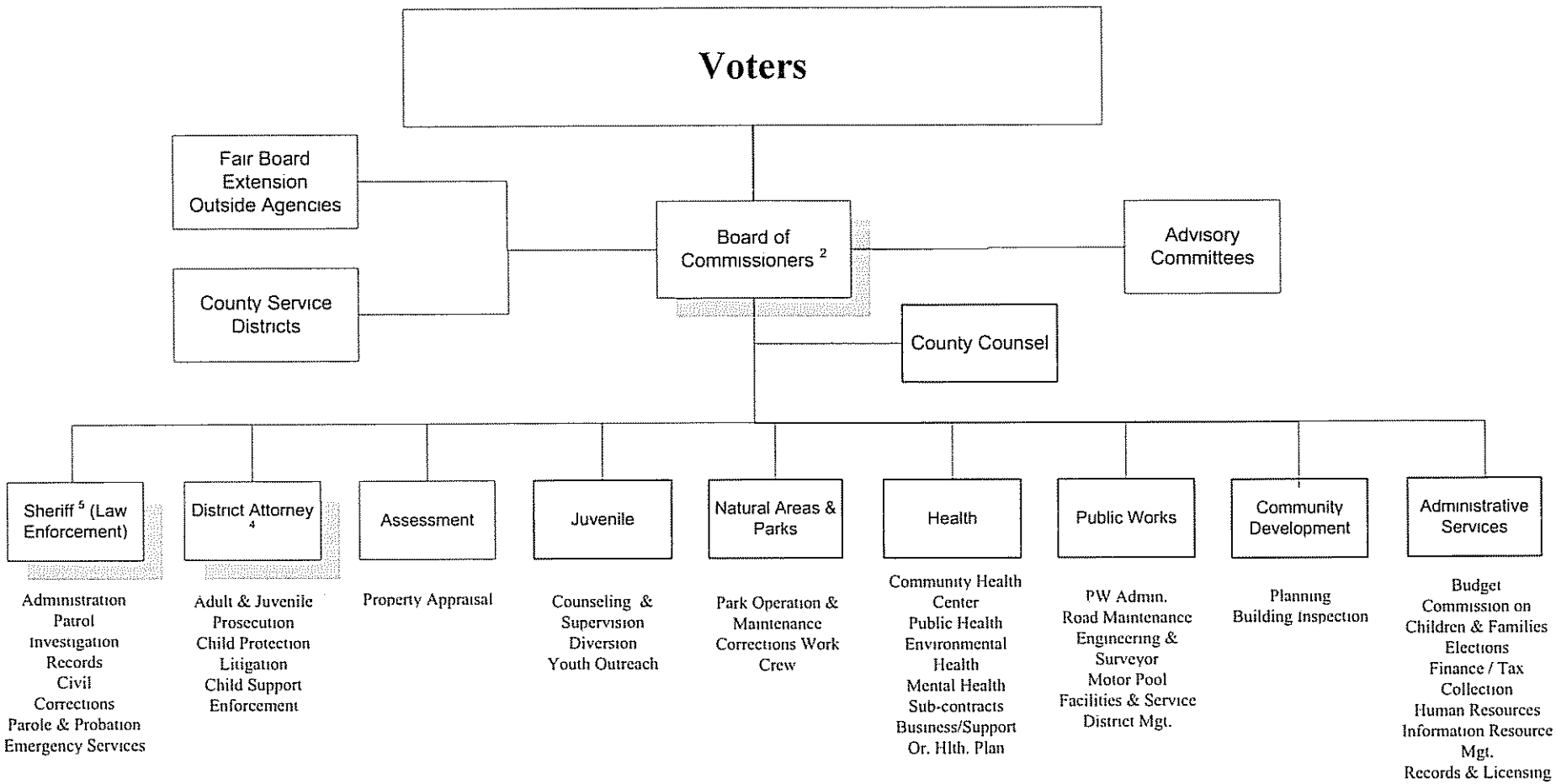
Benton County, Oregon

ELECTED OFFICIALS
June 30, 2005

Official	Office	Address
Annabelle Jaramillo	Commissioner/Chair	110 SW 4th Street Corvallis, OR 97333
Linda Modrell	Commissioner	110 SW 4th Street Corvallis, OR 97333
Jay Dixon	Commissioner	110 SW 4th Street Corvallis, OR 97333
Jim Swinyard	Sheriff	180 NW 5th Street Corvallis, OR 97330
Scott Heiser	District Attorney	120 NW 4th Street Corvallis, OR 97330

Benton County, Oregon

Functional Organization Chart



Elected Official

Notes:

[1] Functional reflects the flow of decisions concerning adoption of ordinances, and finance, personnel and budget matters.

[2] Board of Commissioners are partisan positions

[4] District Attorney position is a state constitutional non-partisan office

[5] Sheriff is non-partisan office

FINANCIAL SECTION

ISLER&CO. L.L.C.
Certified Public Accountants
and Business Advisors

INDEPENDENT AUDITORS' REPORT

OFFICES:
EUGENE
KLAMATH FALLS
MEDFORD
PORTLAND

Board of Commissioners
Benton County

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Benton County, Oregon (County) as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2005, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 12, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining, and individual major and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining, individual major and nonmajor fund financial statements, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

ISLER & CO., LLC

by: Paul R Nielson

Paul Nielson, CPA, a principal of the firm

Eugene, Oregon
December 16, 2005

Management's Discussion and Analysis

We offer readers of Benton County's financial statements the following narrative and analysis of the county's financial activities for the fiscal year ended June 30, 2005. We encourage readers to consider this information in conjunction with the letter of transmittal, which begins on page I, and financial statements, which begin on page 13.

Financial Highlights:

- Benton County's assets exceeded its liabilities at the close of the fiscal year by $180,477,857 (*net assets*). Of this amount $1,141,754 is restricted for capital improvement projects and $(20,515) is restricted for future years' debt service. Note that with the new financial reporting model, the total net assets figure includes capital assets net of accumulated depreciation.
- The county's total net assets decreased by $121,273. This decrease is largely due to an increase in accumulated depreciation in the amount of $3,991,726. Without the depreciation charge of $4,803,422, the net assets increased by $4,682,149.
- At the close of the year, the county's governmental funds reported combined ending fund balances of $17,140,091, an increase of $406,651 from the prior year. Of this amount, $14,957,113 is available for spending at the county's discretion *(unreserved fund balance)*.
- At the end of the year, unreserved fund balance for the General Fund was $9,310,030 or 25.4% of total General Fund expenditures plus transfers to other funds.
- Total debt decreased by $84,872 during the year. This decrease is a result of scheduled payments on bonded debt to pay down the debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Benton County's basic financial statements. Under the new reporting model, which was implemented last year, the basic financial statements comprise three components: 1)government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are a new component of the county's comprehensive annual financial report. These statements are designed to provide readers with a broad overview of the county's finances, in a manner similar to private-sector business reporting. One of the strengths of the new *government-wide financial statements* is that they eliminate what has had the appearance of double counting of internal service fund (charge-back) operations. These statements reflect the charged expenses in the programs for which services were provided, but do not reflect the expenses a second time as the costs that comprise these charges.

The *statement of net assets*, a component of the government-wide financial statements, presents information on all of the county's assets and liabilities, with the difference between the two reported as *net assets*. The county's capital assets (land, buildings, equipment and infrastructure) are included in this statement and reported net of their accumulated depreciation. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The *statement of activities* presents revenue and expense information showing how the county's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported

in this statement for some items that may result in cash flow in future fiscal periods (e.g., uncollected property taxes and earned but unused leave).

Both of the government-wide financial statements distinguish functions of the county that are principally supported by intergovernmental revenues and property taxes (*governmental activities*) from other functions which are designed to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the county include: general government, public safety, public works, health services, justice services, community services, cultural and educational, and animal control. Business-type activities include water and sewer services and rental of county-owned properties.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund financial statements. A *fund* is a grouping of related accounts (revenues, expenses, assets and liabilities) that is used to control resources that have been segregated for specific activities. Benton County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by the county can be divided into three categories: *governmental funds, proprietary funds and fiduciary funds*.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at fiscal year-end. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains nineteen individual governmental funds (1 general fund; 14 special revenue funds; 2 debt service funds and 2 capital project funds). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road fund, the block grant fund, and the debt service fund. These are considered to be major governmental funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Benton County adopts an annual appropriation budget for all governmental funds. Budgetary comparison statements have been provided to demonstrate budgetary compliance.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses enterprise funds to account for its water and sewer, real estate rental, health clinic operations. *Internal service funds* are an accounting tool used to accumulate and allocate costs internally among the county's various functions. The county uses internal service funds to account for its motorpool, facilities, mail, photocopy, worker's compensation, central administration, telephones and computer replacement operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for

each of the six enterprise funds. Internal service fund operations are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 11 through 13 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 24 to 27.

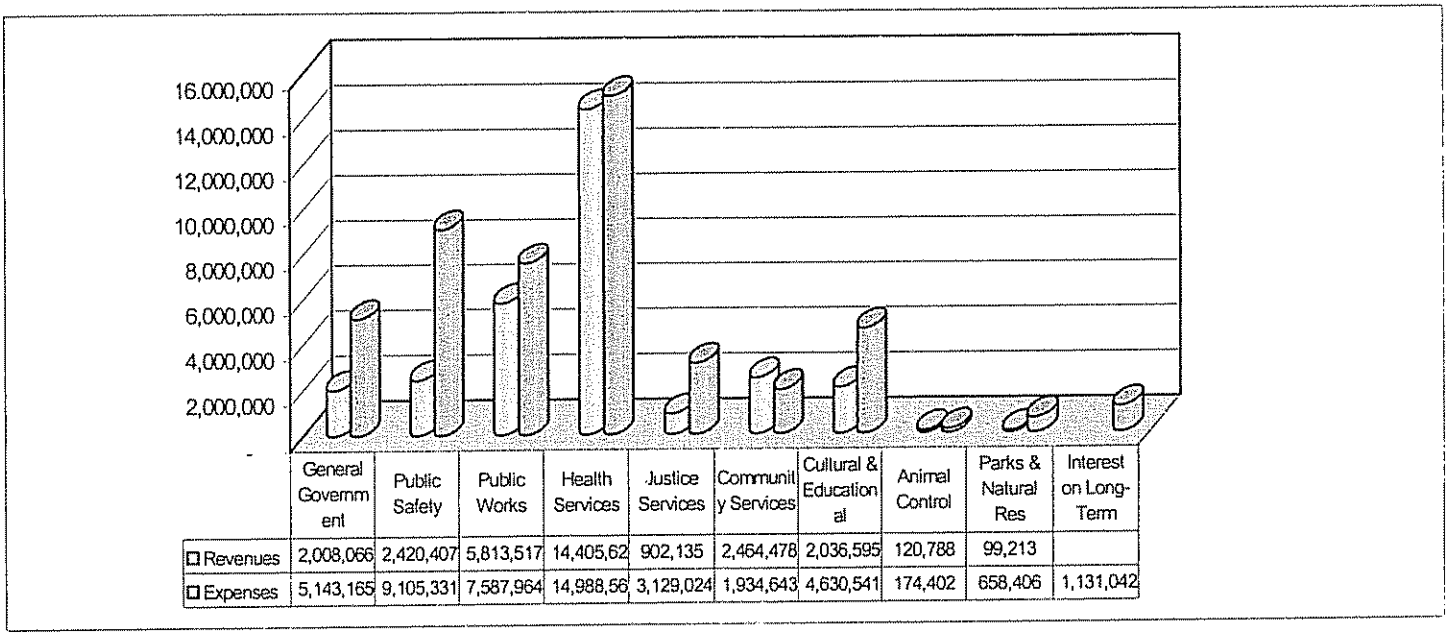
Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 50.

Other information. Combining and individual fund statements and schedules can be found starting on page of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by $180,477,857 at the close of the most recent fiscal year.

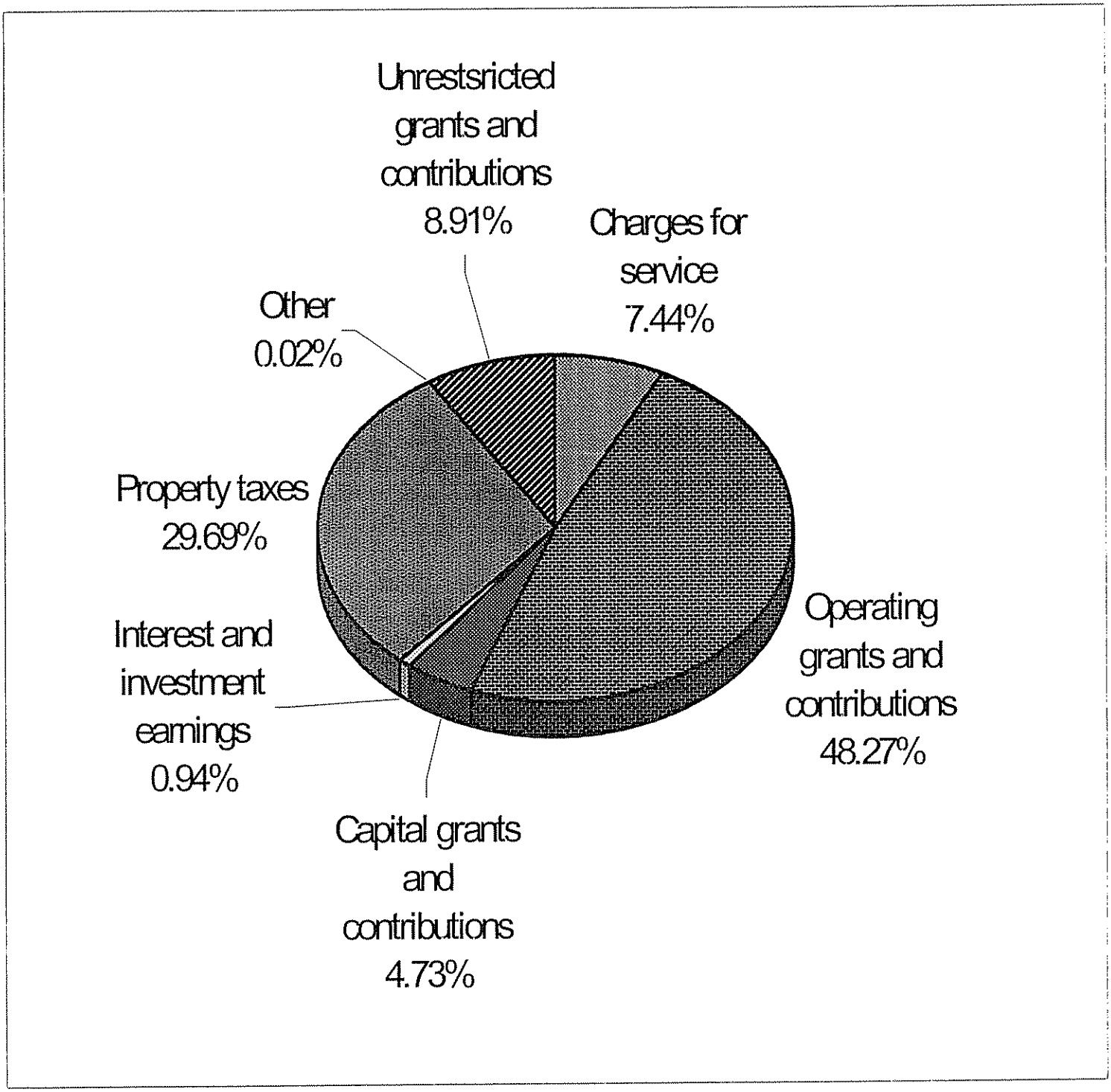
The largest portion of the County's net assets (89%) reflects investment in capital assets (land, buildings, work in progress, improvements, machinery and equipment, bridges and infrastructure) less any related debt to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, as the capital assets themselves can not be used to liquidate these liabilities.



	General Government	Public Safety	Public Works	Health Services	Justice Services	Community Services	Cultural & Educational	Animal Control	Parks & Natural Res	Interest on Long-Term
Revenues	2,008,066	2,420,407	5,813,517	14,405,62	902,135	2,464,478	2,036,595	120,788	99,213	
Expenses	5,143,165	9,105,331	7,587,964	14,988,56	3,129,024	1,934,643	4,630,541	174,402	658,406	1,131,042

Of the County's net assets, $1,121,239 is restricted for capital projects and debt service. The amount represents resources that are subject to external restrictions on how they may be used. The remaining balance is the unrestricted net assets or $15,345,770 may be used to meet the government's ongoing obligations to citizens and creditors.

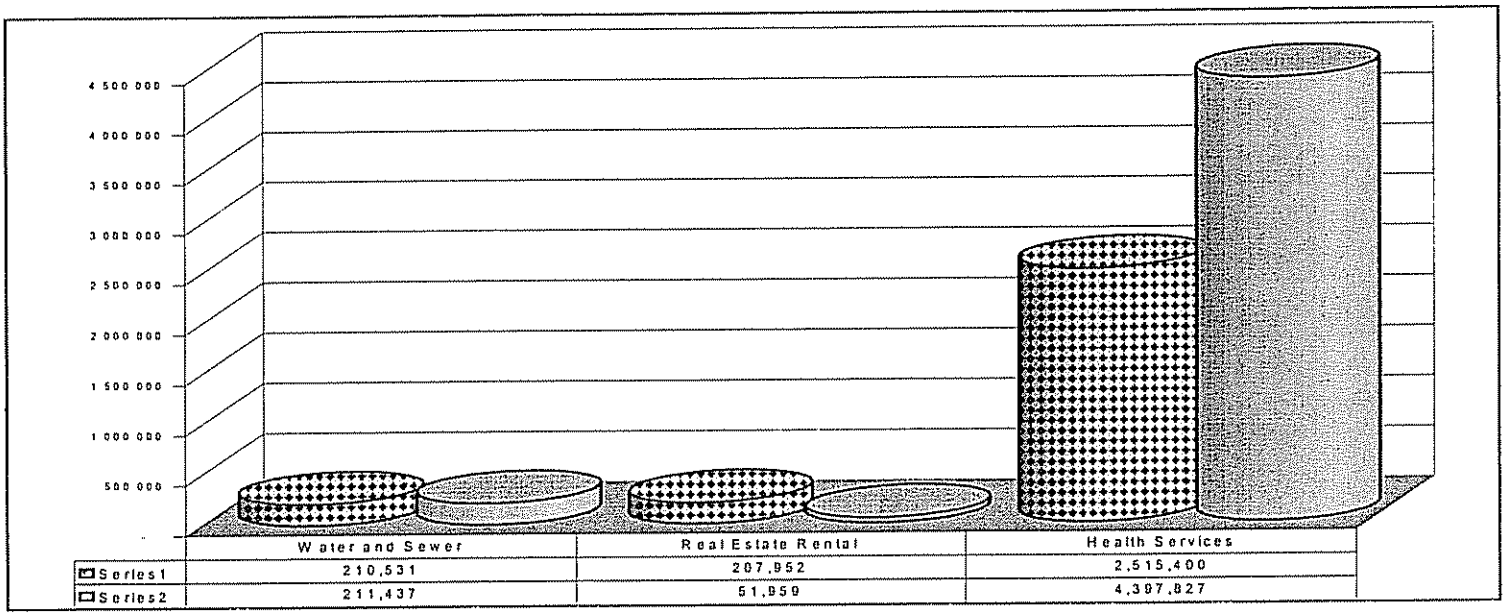
Governmental Activities. Governmental activities decreased the County's net assets by $772,455, thereby accounting for 811% of the total decrease in the net assets of the County. Key elements of this decrease are as follows:



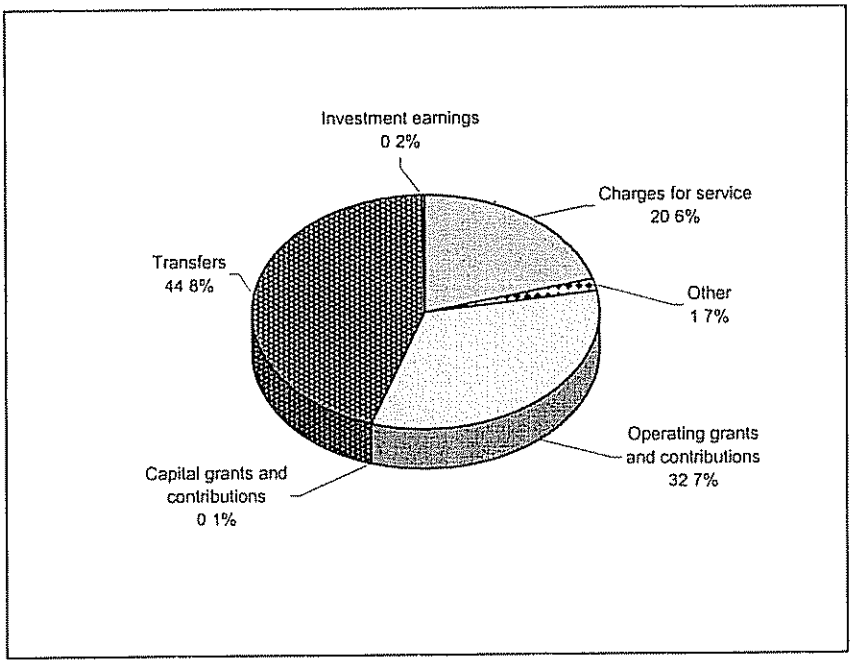
A major factor in the change in Benton County's net assets was the inclusion of $4,803,422 in depreciation expense.

The following graphs show the County's Governmental Activities expenses and revenues by program and revenue by sources.

Revenues and expenses by program



Revenue Sources

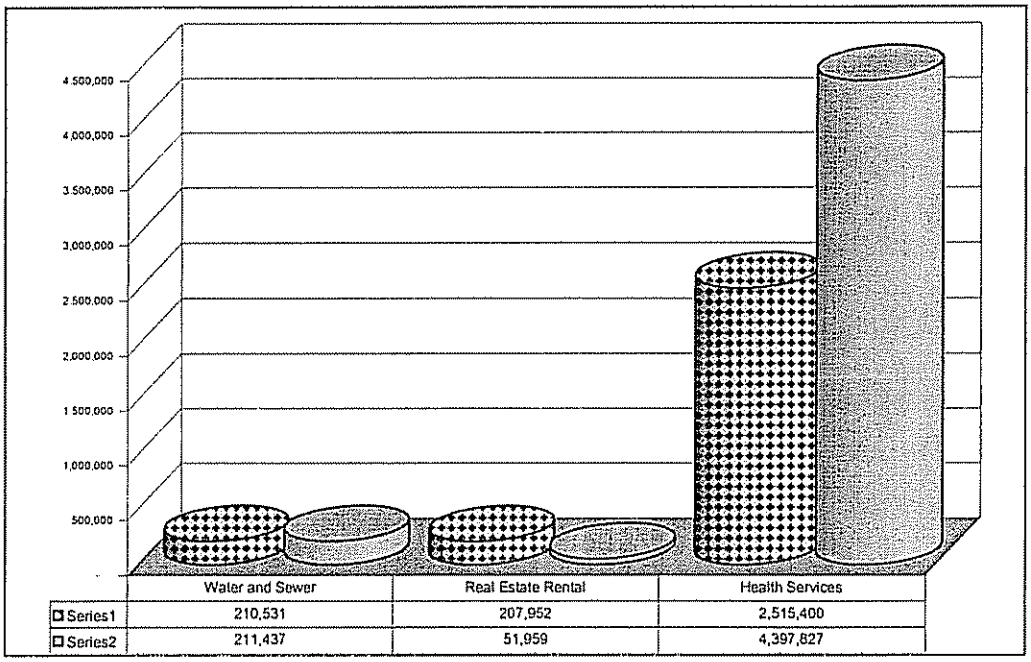


Business-type activities. Business-type activities increased the County's net assets by $651,182, accounting for 57% of the total growth in the County's net assets. A key element of this increase is as follows:

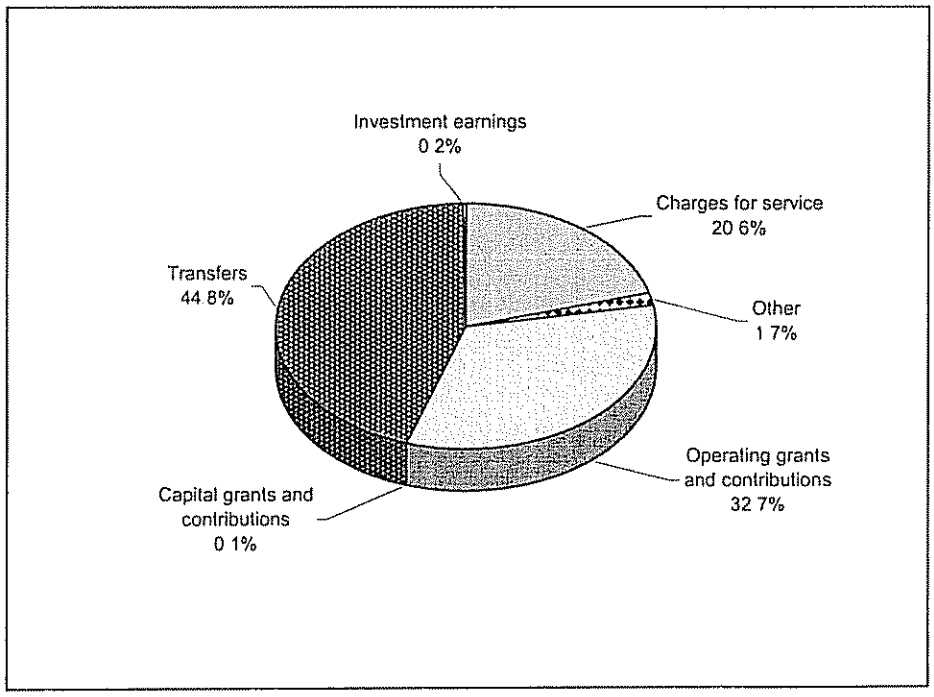
- Transfer of fixed assets valued at $668,353 from the General Fund to the Enterprise Operations Fund for use as rentals to the public.

The following graphs show the County's Business-type Activities expenses and revenues by program area and revenue by sources.

Revenues and expenses



Revenues by Source



Financial Analysis of County Funds

As noted earlier, Benton County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of $17,140,091, an increase of $406,651 compared to the prior year. $14,957,113 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to: 1) future liabilities of the Debt Service Fund ($688,452); 2) inventories in the Road Fund ($313,305); and a variety of other restricted purposes.

The general fund is the operating fund of the county utilizing assets not otherwise restricted as to use. It is a major operating fund of the county as are the road fund and the block grant fund. all of which utilize restricted assets. At the end of the current fiscal year, unreserved fund balance of the general fund was $9,310,030, while the total fund balance was $9,345,402. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures plus transfers to other funds. Unreserved fund balance represents 25.4% of total general fund expenditures and transfers to other funds.

Although not reflected in the county's financial reports as a designation of fund balance, the county anticipates that the first three months of expenditures in the subsequent fiscal year will be substantially covered by the ending fund balance. This is made necessary by the timing of the general fund's major revenue sources, property taxes and O&C replacement funds, which are not available until October and November. The amount of the fund balance that was budgeted as *unappropriated ending fund balance*, thereby making it unavailable until the subsequent year, was $2,010,000. The County also budgeted $4,419,677 in reserves.

The fund balance of the general fund decreased by $321,074 or (3.32%) during the current fiscal year. A key factor for this decrease was the increasing cost of personnel benefits, both health insurance and Oregon PERS.

The fund balance of the road fund decreased by $810,796 or (38.1%). This decrease is result of completing road projects by the end of the fiscal year.

The fund balance of the block grant fund decreased by $304,255 or (33.4%). This decrease is due to the completion of the Alsea Library through use of grant funds received in prior years.

Proprietary funds. The county's proprietary funds provide the same type of information found in the government-wide financial statements for its six enterprise funds plus a column for the internal service fund.

General Fund Budgetary Highlights

Differences between the original expenditure budget and the final amended budget were relatively minor and represented a decrease of $2,079,552 or 4.5%. Major components of the decrease were as follows:

- Amounts originally budgeted in the General Fund that were transferred to the Health Management Services Fund and the Health Clinic Fund.

Capital Asset and Debt Administration

Capital assets. The county's investment in capital assets for its governmental and business type activities at year-end amounts to $164,127,739 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, roads, and bridges.

Major capital asset events during the current fiscal year included the addition of $2,439,487 to infrastructure.

Benton County's Capital Assets
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	$ 6,929,272	$ 7,018,742	$ 33,848	$ 33,848	$ 6,963,120	$ 7,052,590
Construction in progress	159,140	207,128	-	-	159,140	207,128
Land improvements	990,858	802,359	-	-	990,858	802,359
Buildings	7,900,270	8,136,581	835,881	101,507	8,736,151	8,238,088
Machinery and equipment	4,531,488	4,292,956	16,074	5,239	4,547,562	4,298,195
Infrastructure	140,395,241	141,553,428	2,335,667	2,412,183	142,730,908	143,965,611
Total	$ 160,906,269	$162,011,194	$ 3,221,470	$ 2,552,777	$ 164,127,739	$ 164,563,971

Additional information of the county's capital assets can be found in Note IV.C in the Notes to Financial Statements section of this report on pages 40 through 41.

Long-term debt. At the end of this fiscal year, the county had total debt outstanding of $20,032,169. Of this amount, $718,786 comprises debt backed by the general obligation bonds; $19,029,386 represents debt backed by the full faith and credit bonds; $20,435 comprises long term lease and note obligations; and the remainder of the County's debt represents bonds secured solely by specified sources (revenue bonds). Both general obligation bonds and full faith and credit bonds are direct obligations pledging the full faith and credit of the County.

Additional information of the county's long-term debt can be found in Note IV in the Notes to Financial Statements section of this report on pages 42 through 45.

Benton County's Outstanding Debt
General Obligation, Revenue and Full Faith and Credit Bonds
Capital Leases and Notes

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	$ 718,786	$ 833,959	$ -	$ -	$ 718,786	$ 833,959
Full faith and credit bonds	19,029,386	19,080,552	-	-	19,029,386	19,080,552
Revenue bonds	-	-	263,561	268,270	263,561	268,270
Capital leases	20,435	39,180	-	-	20,435	39,180
Notes	-	34,783	-	-	-	34,783
Total	$ 19,768,607	$19,988,474	$ 263,561	$ 268,270	$20,032,168	$ 20,256,744

A significant source of county general fund revenue is the federal Rural Schools and Community Self-Determination Act, which became law on October 30, 2000. This act provides funds to replace the former Oregon & California Railroads Act funds (O&C funds) which had been in place, with modifications, since 1937. For Benton County, $2,683,693 was available for the 2004-05 fiscal year and is reflected in the general fund. These funds will be available through fiscal year 2006-07. Continuation of this funding will require future congressional action. In addition, the county expects to receive $236,796 in "Title III" funds specifically for forest and forest interface projects.

The County's property tax rate will decrease by $0.37/$1,000 of assessed value due to the expiration of the Health & Safety Levy as of June 30, 2005. This is a decrease of 12.9% in property tax rates.

A significant impact across all county funds with personnel costs is the sharp increase in costs for Oregon Public Employees Retirement System (PERS). PERS in Oregon is operated by the state through legislatively approved benefit programs, administrative rules, and PERS management decisions. Following sharp declines in the stock market, the PERS fund has experienced major losses. Employers now are being called upon to fund these significant losses in addition to previous current funding obligations.

The state of Oregon is experiencing significant revenue reductions. Cuts in the state budget will most directly affect the areas of health, parole and probation and juvenile.

Key Economic Factors and Budget Information

- The unemployment rate for Benton County at the close of the fiscal year was 5.3%. At the time of preparation of this report, the unemployment rate had dropped to 5.3%. The rate is not expected to significantly improve before the end of the next fiscal year.

- It is anticipated that the cost of providing medical insurance coverage to employees will continue to rise, by approximately 10-12% in the next fiscal year.

- During the 2003 legislative process, the state of Oregon enacted major reforms to the PERS system. However, the reforms have been challenged by various labor groups and the economic effect to the legislation will not be known for 18 to 24 months.

All of these factors were considered in preparing the County's biennial budget for fiscal 2005-07.

Benton County adopted its first biennial budget for the two year period ending June 30, 2007. The county's biennial budget is $158,227,267 for all budgeted funds, an increase of 1.5%. Budgeted funds included the general fund, special revenue, capital projects, debt service, fiduciary, enterprise and internal service funds. The general fund biennial budget is $81,625,447, a decrease of 10.8%. The decrease is primarily due to the transfer of the budget for the Health Clinic from the General Fund to the Health Clinic enterprise fund. In Oregon, the total amount of the fund balance is budgeted as a resource; therefore, a reduction in fund balance results in a corresponding reduction in the following year's budget regardless of the amount of the fund balance that is actually appropriated for expenditure.

Requests for Information

This financial report is designed to provide to citizens, customers, investors, creditors and others with an interest in Benton County, a general overview of the county's finances and to demonstrate accountability for the funds it receives. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to:

Benton County Finance
110 SW 4th Street
Corvallis, OR 97333

BASIC FINANCIAL STATEMENTS

BENTON COUNTY, OREGON

STATEMENT OF NET ASSETS

June 30, 2005

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 19,908,145	$ 236,258	$ 20,144,403
Receivable			
Accounts	744,762	313,959	1,058,721
Taxes and assessments	514,095	162,543	676,638
Intergovernmental	963,266	4,696	967,962
Deposits	6,202	-	6,202
Loans receivable	722,359	-	722,359
Inventory	424,841	18,961	443,802
Prepaids	131,387	6,498	137,885
Net pension asset	16,982,696	1,342,534	18,325,230
Capital assets (See notes):			
Land and construction in progress	7,088,412	33,848	7,122,260
Other capital assets			
(net of accumulated depreciation)	153,817,857	3,187,622	157,005,479
Total assets	201,304,022	5,306,919	206,610,941
LIABILITIES			
Accounts payable	1,549,907	329,183	1,879,090
Accrued payroll costs	1,212,189	109,353	1,321,542
Due to other governments	33,671	-	33,671
Other accrued liabilities	87,547	44,101	131,648
Interest payable	13,963		13,963
Unearned revenue	16,188	158,604	174,792
Noncurrent liabilities:			
Due within one year	730,841	736	731,577
Due in more than one year			
Accrued compensated absences	2,610,059	10,691	2,620,750
Bond payable	17,612,141	1,613,911	19,226,052
Total liabilities	23,866,506	2,266,579	26,133,085
NET ASSETS			
Invested in capital assets, net of related debt	160,896,652	3,114,196	164,010,848
Restricted for:			
Capital projects	1,141,754	-	1,141,754
Debt service	(20,515)	-	(20,515)
Unrestricted	15,419,626	(73,856)	15,345,770
Total net assets	$ 177,437,517	$ 3,040,340	$ 180,477,857

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

Benton County
Statement of Activities
For the Year Ended June 30, 2005

	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Assets: Governmental Activities	Net (Expense) Revenue and Change in Net Assets: Business-type Activities	Net (Expense) Revenue and Change in Net Assets: Total
Governmental Activities:							
General Government	$ 5,143,165	$ 54,999	$ 1,198,360	$ 754,707	$ (3,135,099)	$ -	$ (3,135,099)
Public Safety	9,105,331	398,277	2,022,130	-	(6,684,924)	-	(6,684,924)
Public Works	7,587,964	1,102,578	3,588,642	1,122,297	(1,774,447)	-	(1,774,447)
Health Services	14,988,561	851,776	13,553,847	-	(582,938)	-	(582,938)
Justice Services	3,129,024	234,772	667,363	-	(2,226,889)	-	(2,226,889)
Community Services	1,934,643	345,889	1,631,715	486,874	529,835	-	529,835
Cultural & Educational	4,630,541	597,825	1,434,893	3,877	(2,593,946)	-	(2,593,946)
Animal Control	174,402	120,788	-	-	(53,614)	-	(53,614)
Parks & Natural Resources	658,406	18,311	80,902	-	(559,193)	-	(559,193)
Interest on long-term debt	1,131,042	-	-	-	(1,131,042)	-	(1,131,042)
Total governmental activities	48,483,079	# 3,725,215	24,177,852	2,367,755	(18,212,257)	-	(18,212,257)
Business-type activities							
Water and sewer	211,437	110,629	-	4,696	-	(96,112)	(96,112)
Health services	4,397,827	779,330	1,735,940	-	-	(1,882,557)	(1,882,557)
Real estate rental	51,959	205,505	-	-	-	153,546	153,546
Total business-type activities	4,661,223	1,095,464	1,735,940	4,696	-	(1,825,123)	(1,825,123)
Total primary government	$ 53,144,302	$ 4,820,679	$ 25,913,792	$ 2,372,451	(18,212,257)	(1,825,123)	(20,037,380)
		General revenues:					
		Property taxes			14,872,817	-	14,872,817
		Unrestricted investment earnings			469,605	8,298	477,903
		Fines			403	-	403
		Gain on sale of capital assets			10,160	-	10,160
		Grants and contributions not restricted to specific programs			4,465,339	89,485	4,554,824
		Transfers			(2,378,522)	2,378,522	-
		Total general revenues and transfers			17,439,802	2,476,305	19,916,107
		Change in net assets			(772,455)	651,182	(121,273)
		Net assets - beginning			178,209,972	2,389,158	180,599,130
		Net assets - ending			$ 177,437,517	$ 3,040,340	$ 180,477,857

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

BENTON COUNTY, OREGON

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2005

	General	Road	Block Grant	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 9,887,244	$ 911,424	$ 361,433	$ 6,262,237	$ 17,422,338
Receivable:					
Accounts	567,230	51,610	7,500	9,461	635,801
Taxes and assessments	402,979	-	-	111,116	514,095
Intergovernmental	474,982	468,095	-	20,189	963,266
Deposits	1,202	-	-	-	1,202
Due from other funds	-	-	220,000	-	220,000
Loans receivable	-	9,864	706,079	-	715,943
Inventory	-	306,903	-	6,402	313,305
Prepaids	35,372	3,610	-	485	39,467
Total assets	$ 11,369,009	$ 1,751,506	$ 1,295,012	$ 6,409,890	$ 20,825,417
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 802,694	$ 283,796	$ 7,500	$ 174,267	$ 1,268,257
Accrued payroll costs	804,970	135,512	-	39,539	980,021
Due to other funds	-	-	-	220,000	220,000
Due to other governments	33,671	-	-	-	33,671
Other accrued liabilities	79,997	4,961	-	-	84,958
Interest payable	-	-	-	13,963	13,963
Deferred revenue	302,275	9,864	680,834	91,483	1,084,456
Total liabilities	2,023,607	434,133	688,334	539,252	3,685,326
Fund balances:					
Reserved for inventory	-	306,903	-	6,402	313,305
Reserved for prepaids	35,372	3,610	-	485	39,467
Reserved for debt service	-	-	-	688,452	688,452
Reserved for capital projects	-	-	-	1,141,754	1,141,754
Unreserved, reported in					
General Fund	9,310,030	-	-	-	9,310,030
Special revenue funds	-	1,006,860	606,678	4,033,545	5,647,083
Total fund balances	9,345,402	1,317,373	606,678	5,870,638	17,140,091
Total liabilities and fund balances	$ 11,369,009	$ 1,751,506	$ 1,295,012	$ 6,409,890	20,825,417

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

BENTON COUNTY, OREGON

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

June 30, 2005

Total fund balance	$ 17,140,091
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of $98,574,193	152,337,642
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	1,068,268
The pension assets resulting from contributions in excess of annual required contribution in 2004 are not financial resources and therefore are not reported in the funds. (See Note V-F)	14,068,535
Internal service funds are used by management to charge the costs of fleet management, management information systems, mail, photocopy, property management, central administration, worker's compensation, and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	10,302,998
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(2,693,696)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(14,786,321)
Net assets of governmental activities	$177,437,517

BENTON COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2005

	General	Road	Block Grant	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and assessments	$ 11,479,038	$ 2,496	$ -	$ 3,502,789	$ 14,984,323
Licenses and permits	1,381,119	-	-	-	1,381,119
Intergovernmental	20,115,811	4,692,737	510,093	4,176,867	29,495,508
Fines	403	-	-	-	403
Charges for services	2,942,613	950,045	-	1,200,459	5,093,117
Interest	298,786	21,089	9,907	137,326	467,108
Miscellaneous	68,369	18,851	10,000	173,641	270,861
Total revenues	36,286,139	5,685,218	530,000	9,191,082	51,692,439
EXPENDITURES					
Current:					
General government	4,705,716	-	-	440,318	5,146,034
Public works	-	6,448,690	-	1,086,820	7,535,510
Public safety	7,880,077	-	-	177,957	8,058,034
Health services	15,061,149	-	-	769,470	15,830,619
Justice services	3,169,170	-	-	69,295	3,238,465
Community services	965,638	-	884,707	786,505	2,636,850
Cultural and educational services	511,281	-	-	4,088,394	4,599,675
Animal control	184,944	-	-	-	184,944
Parks and natural resources	603,094	-	-	-	603,094
Debt service:					
Principal	-	-	-	172,338	172,338
Interest	-	-	-	1,131,042	1,131,042
Capital outlay	-	-	-	381,495	381,495
Total expenditures	33,081,069	6,448,690	884,707	9,103,634	49,518,100
Excess (deficiency) of revenues over (under) expenditures	3,205,070	(763,472)	(354,707)	87,448	2,174,339
OTHER FINANCING SOURCES (USES)					
Loans/bond sales/leases	-	-	50,452	-	50,452
Transfers in	19,593	73,500	-	1,801,682	1,894,775
Transfers out	(3,545,737)	(120,824)	-	(46,354)	(3,712,915)
Total other financing sources and (uses)	(3,526,144)	(47,324)	50,452	1,755,328	(1,767,688)
Net change in fund balance	(321,074)	(810,796)	(304,255)	1,842,776	406,651
Fund balances - beginning	9,666,476	2,128,169	910,933	4,027,862	16,733,440
Fund balances - ending	$ 9,345,402	$ 1,317,373	$ 606,678	$ 5,870,638	$ 17,140,091

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

BENTON COUNTY, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2005

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 16)	$	406,651
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.		(172,406)
Internal service funds are used by management to charge the costs of fleet management, management information systems, mail, photocopy, property management, central administration, worker's compensation, and telephone services to individual funds. The net revenue of the internal service funds is reported with governmental activities.		(180,782)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(457,426)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		279,901
The net effect of various miscellaneous transactions involving capital assets (for example: sales, trade-ins, and donations) is to increase net assets.		(471,226)
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		(177,167)
Change in net assets of governmental activities	$	(772,455)

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

BENTON COUNTY, OREGON

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2005

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Alsea CSD	Alpine CSD	Cascade View CSD	South Third CSD	Health Center	Enterprise Operations	Totals Current Year	
ASSETS								
Current assets:								
Cash and investments	$ 43,842	$ 17,035	$ -	$ 79,162	$ -	$ 92,758	$ 232,797	$ 2,485,807
Accounts receivable	4,592	3,995	2,398	2,502	300,472	-	313,959	108,961
Inventories	-	-	-	-	18,961	-	18,961	111,536
Prepaid expenses	600	814	-	-	5,084	-	6,498	91,920
Due from other governments	-	-	-	4,696		-	4,696	-
Other receivables	-	-	-	-	-	-	-	11,416
Restricted								
Cash and investments	3,461	-	-	-	-	-	3,461	-
Assessments receivable	4,603	-	-	-	-	-	4,603	-
Total current assets	57,098	21,844	2,398	86,360	324,517	92,758	584,975	2,809,640
Noncurrent assets:								
Assessments receivable	-	-	-	157,940	-	-	157,940	-
Prepaid pension assets	-	-	-	-	1,351,086	-	1,351,086	2,947,414
Accumulated amortization	-	-	-	-	(8,552)	-	(8,552)	(33,253)
Net prepaid pension assets	-	-	-	157,940	1,342,534	-	1,500,474	2,914,161
Capital assets:								
Land	-	33,848	-	-	-	-	33,848	412,579
Buildings	-	-	-	-	86,885	797,620	884,505	9,551,561
Machinery and equipment	3,742	1,871	1,871	-	7,520	5,427	20,431	6,628,141
Utility system	860,796	437,341	250,000	1,638,274	-	-	3,186,411	-
Construction in progress	-	-	-	-	-	-	-	-
Less accumulated depreciation	(542,758)	(182,974)	(100,748)	(27,256)	(2,520)	(47,469)	(903,725)	(8,023,654)
Total capital assets (net of accumulated depreciation)	321,780	290,086	151,123	1,611,018	91,885	755,578	3,221,470	8,568,627
Total noncurrent assets	321,780	290,086	151,123	1,768,958	1,434,419	755,578	4,721,944	11,482,788
Total assets	378,878	311,930	153,521	1,855,318	1,758,936	848,336	5,306,919	14,292,428

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

BENTON COUNTY, OREGON

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS, continued

June 30, 2005

	Business-type Activities - Enterprise Funds							Activities - Internal Service Funds
	Alsea CSD	Alpine CSD	Cascade View CSD	South Third CSD	Health Center	Enterprise Operations	Totals Current Year	
LIABILITIES								
Current liabilities								
Accounts payable	371	163	1,972	1,653	314,474	10,550	329,183	281,649
Accrued payroll	-	-	-	-	109,353	-	109,353	232,168
Loans payable	-	-	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-	-	2,589
Deferred revenue	-	144	-	520	-	-	664	-
Total current liabilities	371	307	1,972	2,173	423,827	10,550	439,200	516,406
Current liabilities payable from restricted assets:								
Bonds payable	$ 736	$ -	$ -	$ -	$ -	$ -	$ 736	$ -
Notes payable	-	-	-	-	-	-	-	-
Leases payable	-	-	-	-	-	-	-	9,617
Compensated absences	-	-	-	-	43,181	-	43,181	95,409
Customer deposits	920	-	-	-	-	-	920	-
Total current liabilities payable from restricted assets	1,656	-	-	-	43,181	-	44,837	105,026
Long-term liabilities:								
PERS bonds payable	-	-	-	-	1,351,086	-	1,351,086	3,044,702
Notes payable	-	-	-	-	-	-	-	-
Leases payable	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	10,691	-	10,691	323,296
Deferred revenue	-	-	-	157,940	-	-	157,940	-
Bonds payable	27,829	-	-	234,996	-	-	262,825	-
Total long-term liabilities	27,829	-	-	392,936	1,361,777	-	1,782,542	3,367,998
Total liabilities	29,856	307	1,972	395,109	1,828,785	10,550	2,266,579	3,989,430
NET ASSETS								
Invested in capital net of related debt	293,215	290,086	151,123	1,532,309	91,885	755,578	3,114,196	8,559,010
Unrestricted	55,807	21,537	426	(72,100)	(161,734)	82,208	(73,856)	1,743,988
Total net assets	$ 349,022	$ 311,623	$ 151,549	$ 1,460,209	$ (69,849)	$ 837,786	$ 3,040,340	$ 10,302,998

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

BENTON COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

For the Year Ended June 30, 2005

	Business-type Activities - Enterprise Funds							Governmental Activities Internal Service Funds
	Alsea CSD	Alpine CSD	Cascade View CSD	South Third CSD	Health Center	Enterprise Operations	Totals	
OPERATING REVENUES								
Charges for services								
Sales	$ 40,593	$ 23,058	$ 28,618	$ 18,360	$ 779,330	$205,505	$1,095,464	$ 9,736,009
Intergovernmental	-	-	-	-	1,656,517		1,656,517	-
Miscellaneous	-	-	-	-	79,423	-	79,423	116,136
Total operating revenues	40,593	23,058	28,618	18,360	2,515,270	205,505	2,831,404	9,852,145
OPERATING EXPENSES								
Personal services	-	-	-	-	2,071,202	-	2,071,202	4,326,320
Materials and services	55,907	19,084	30,118	18,540	2,315,553	31,002	2,470,204	4,684,814
Depreciation/amortization	33,216	10,817	10,187	21,795	11,072	20,957	108,044	725,232
Total operating expenses	89,123	29,901	40,305	40,335	4,397,827	51,959	4,649,450	9,736,366
Operating income	(48,530)	(6,843)	(11,687)	(21,975)	(1,882,557)	153,546	(1,818,046)	115,779
NONOPERATING REVENUE (EXPENSES)								
Interest expense	(1,317)	-	-	(10,456)	-	-	(11,773)	(2,347)
Intergovernmental revenues	-	-	-	4,696	-	-	4,696	-
Assessments received	-	-	-	89,485	-	-	89,485	-
Interest on special assessments	305	-	-	-	-	-	305	-
Investment earnings	618	414	40	4,344	130	2,447	7,993	22,738
Income before contributions and transfers	(48,924)	(6,429)	(11,647)	66,094	(1,882,427)	155,993	(1,727,340)	136,170
Transfers in	-	-	-	-	1,881,205	668,353	2,549,558	644,056
Transfers out	-	-	-	-	(68,627)	(102,409)	(171,036)	(961,008)
Change in net assets	(48,924)	(6,429)	(11,647)	66,094	(69,849)	721,937	651,182	(180,782)
Total net assets - beginning	397,946	318,052	163,196	1,394,115	-	115,849	2,389,158	10,483,780
Total net assets - ending	$ 349,022	$ 311,623	$ 151,549	$1,460,209	$ (69,849)	$837,786	$3,040,340	$ 10,302,998

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

BENTON COUNTY, OREGON

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2005

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Alsea CSD	Alpine CSD	Cascade View CSD	South Third CSD	Health Center	Enterprise Operations	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	$ 40,121	$ 20,580	$ 28,051	$ 17,938	$ 478,858	$ 205,505	$ 791,053	$ 9,830,561
Grants	-	-	-	-	1,656,517		1,656,517	-
Miscellaneous donations	-	-	-	-	79,423		79,423	-
Payments to suppliers	(55,946)	(19,095)	(28,634)	(133,043)	(2,025,124)	(20,451)	(2,282,293)	(4,662,694)
Payroll costs	-	-	-	-	(1,907,977)	-	(1,907,977)	(4,125,464)
Net cash provided (used) by operating activities	(15,825)	1,485	(583)	(115,105)	(1,718,303)	185,054	(1,663,277)	1,042,403
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Principal paid on non-capital debt	-	-	-	-	-	-	-	(34,783)
Transfer of PERS debt	-	-	-	-	-	-	-	104,508
Transfers in	-	-	-	-	1,881,205	-	1,881,205	318,395
Transfers out	-	-	-	-	(68,627)	(102,409)	(171,036)	(961,008)
Net cash provided (used) by noncapital financing activities	-	-	-	-	1,812,578	(102,409)	1,710,169	(572,888)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Increase in fixed assets	-	-	-	-	(94,405)	(5,428)	(99,833)	(704,361)
Decrease in fixed assets	-	-	-	-	-	-	-	785,356
Grants/loans received	-	-	-	114,898	-	-	114,898	-
Assessments received	-	-	-	92,602	-	-	92,602	-
Principal paid on capital debt	(704)	-	-	(4,004)	-	-	(4,708)	(15,690)
Interest paid on capital debt	(1,317)	-	-	(10,456)	-	-	(11,773)	(2,347)
Net cash provided (used) by capital and related financing activities	(2,021)	-	-	193,040	(94,405)	(5,428)	91,186	62,958
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest	618	414	40	1,227	130	2,447	4,876	22,738
Principal received on outstanding loans	2,808	-	-	-	-	-	2,808	29,249
Net cash from investing activities	3,426	414	40	1,227	130	2,447	7,684	51,987
Net increase (decrease) in cash and cash equivalents	(14,420)	1,899	(543)	79,162	-	79,664	145,762	584,460
Cash and investments - beginning	61,723	15,136	543	-	-	13,094	90,496	1,901,347
Cash and investments - ending	$ 47,303	$ 17,035	$ -	$ 79,162	$ -	$ 92,758	$ 236,258	$ 2,485,807
Reconciliation of cash reported on Statement of Net Assets:								
Cash and investments	$ 43,842	$ 17,035	$ -	$ 79,162	$ -	$ 92,758	$ 232,797	$ 2,580,354
Restricted cash and investments	3,461	-	-	-	-	-	3,461	-
Cash reported on Statement of Net Assets	$ 47,303	$ 17,035	$ -	$ 79,162	$ -	$ 92,758	$ 236,258	$ 2,580,354

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

BENTON COUNTY, OREGON

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS, continued

For the Year Ended June 30, 2005

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Alsea CSD	Alpine CSD	Cascade View CSD	South Third CSD	Health Center	Enterprise Operations	Totals	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	$ (48,530)	$ (6,843)	$ (11,687)	$ (21,975)	$ (1,882,557)	$ 153,547	$ (1,818,045)	$ 115,779
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation/amortization expense	33,216	10,817	10,187	21,795	11,072	20,957	108,044	725,232
Change in assets and liabilities:								
Receivables	(431)	(2,226)	(443)	(862)	(300,472)	-	(304,434)	(21,584)
Prepaids	175	-	-	-	(5,084)	-	(4,909)	(71,689)
Inventories	-	-	-	-	(18,961)	-	(18,961)	8,765
Deferred revenues	(211)	(252)	(124)	440	-	-	(147)	-
Compensated absences	-	-	-	-	53,872	-	53,872	57,556
Payables	(44)	(11)	1,484	(114,503)	423,827	10,550	321,303	228,344
Net cash provided (used) by operating activities	$ (15,825)	$ 1,485	$ (583)	$ (115,105)	$ (1,718,303)	$ 185,054	$ (1,663,277)	$ 1,042,403

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

BENTON COUNTY, OREGON

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

June 30, 2005

	Trust Funds	Agency Funds
ASSETS		
Cash and investments	$ 739,943	$ 2,638,127
Receivables		
Accounts	5,915	158,834
Accrued interest	-	38,264
Contracts	4,263	-
Property taxes	-	2,127,302
Due from other governments	6,917	-
Prepaids	75	8,100
Prepaid pension asset (net of amortization)	-	567,269
Fixed assest (net of depreciation)	-	23,121
Total assets	757,113	5,561,017
LIABILITIES		
Accounts payable	13,064	948,734
Accrued payroll costs	-	35,116
Due to other governmental agencies	-	2,337,493
Due to other agencies	-	1,668,792
Other liabilities	6,578	-
Pension bonds payable	-	570,882
Deferred revenue	4,263	-
Total liabilities	23,905	5,561,017
NET ASSETS		
Held in trust	$ 733,208	$ -

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

REQUIRED SUPPLEMENTAL INFORMATION

I. Summary of significant accounting policies

The financial statements of Benton County, Oregon (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The County implemented the new government-wide financial reporting model for the year ended June 30, 2003. In addition, the County is also providing the retroactive infrastructure reporting information associated with the new reporting model. The more significant of the County's accounting policies are described below:

A. Organization and Operation: Benton County, Oregon is governed by the Board of Commissioners, which is composed of three members elected at large.

In January 1973, voters approved an amendment to the County charter to operate on a home rule basis. The current county departments are:

- Administrative Services Department – within this department are the functions prescribed by state law for the county treasurer, tax collector, and county clerk
- Health Department – performs the functions of the county health officer
- Public Works Department – performs the functions of the county surveyor and the county engineer
- Law Enforcement Department – performs the functions of the county sheriff
- Juvenile Department
- Community Development
- Natural Areas and Parks Department
- District Attorney
- Department of Assessment – performs the functions of the county assessor

The County provides a number of services for the public including: public safety, highway maintenance, sanitation, health and social services, public improvements, planning, zoning and general administrative services.

B. Description of the Reporting Entity: The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations.

Blended component units:

- North Albany County Service District (a debt service fund)
- Alsea County Service District (an enterprise fund)
- Alpine County Service District (an enterprise fund)
- Cascade View County Service District (an enterprise fund)
- West Llewellyn County Service District (a special revenue fund)
- South Third County Service District (an enterprise fund)
- Library Services District (a special revenue fund)

Activities of all component units are included in these financial statements on a blended basis because the County Commissioners serve as the governing body of these Districts.

I. Summary of significant accounting policies, continued

C. Government-wide and Fund Financial Statements

Government-wide financial statements: The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Eliminations have been made to minimize the double-counting of internal activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major individual governmental funds and major individual enterprise funds, each are reported as separate columns in the fund financial statements. Remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund –This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road Fund – The expenditures of the road fund are restricted under Article IX of the Constitution of the State of Oregon for construction, reconstruction, improvement, repair, maintenance, operation, use and policing of public highways, roads and streets within the County.

Block Grant Fund – This fund accounts for residual funds from low-income loans made through HUD's Block Grant program.

Additionally, the government reports the following fund types:

Special Revenue Funds – These funds are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities.

Debt Service Funds – These funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Capital Projects Funds – These funds account for expenditures on major construction projects or equipment acquisition. The principal source of revenues is transfers from the General Fund or grants.

Proprietary Funds - These funds account for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis. Internal service funds account for central administrative "overhead" services, rental of County space, costs of fleet services, personal computer support, mail and photocopy services, and worker's compensation coverage provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

I. Summary of significant accounting policies, continued

C. Government-wide and Fund Financial Statements, continued

Fund Financial Statements, continued

Fiduciary Funds - These funds are used to account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. Benton County currently has two Fiduciary Funds, Tax Title Land Fund and Trust Fund.

Agency Funds - These funds are used to account for the collection and distribution of property taxes to the various taxing units within the County's jurisdiction and to account for funds held for Benton County Historical Society and Accountable Behavior Health Alliance (ABHA).

D. Measurement focus, basis of accounting, and financial statement presentation

Government-wide, Proprietary Fund, and Fiduciary Fund Financial Statements - 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.

The County applies all applicable GASB pronouncements, as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, and does not apply FASB guidance issued subsequent to November 30, 1989 unless specifically adopted by the GASB.

Governmental Fund Financial Statements – All governmental fund types are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. All transactions occurring in the governmental fund financial statements are recorded using the modified accrual basis of accounting, except for:

- Revenues from grants, which are recorded as earned.
- Principal and interest on general long-term debt which are recorded when due.
- Significant revenues that were measurable and available at June 30, 2005 under the modified accrual basis of accounting were as follows:
- Federal and state grants (to the extent that revenues are recorded as eligible expenditures are incurred. State, County and local shared revenues.
- Property taxes collected within 60 days of year-end.

I. Summary of significant accounting policies, continued

D. Measurement focus, basis of accounting, and financial statement presentation, continued

Governmental Fund Financial Statements , continued - As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the various enterprise funds and of the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support Benton County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds, however, are unlike all other types funds, reporting only assets and liabilities.

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

E. Assets, liabilities, and net assets or equity

1. Cash and investments

Cash includes amounts in demand deposits, cash on hand and amounts in investment pools that have the general characteristics of demand deposit accounts.

The County's investments consist of investments in the State or Oregon Local Government Investment Pool, savings accounts, certificates of deposit, and U.S. Government securities held under repurchase agreements, all of which are authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated to each fund based on each fund's portions of the total investment balance calculated on a monthly basis

As allowed by GASB Statement No. 31, the County reports all short-term, highly liquid money market investments and participating interest-earning investment contracts with a remaining maturity at time of purchase of three months or less at amortized cost. Investments with a remaining maturity at time of purchase of more than three months are valued at fair value

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

I. Summary of significant accounting policies, continued

E. Assets, liabilities, and net assets or equity, continued

2. Receivables

Accounts receivable – Receivables in governmental funds and proprietary funds are recorded as revenue when earned.

Taxes and assessments – Property taxes receivable in governmental funds, which have been collected within 60 days of year-end, are considered measurable and available, and are recognized as revenues in the funds. All other property taxes receivable in the governmental funds are offset by deferred revenues and, accordingly, have not been recorded as revenues. Assessments receivable, which represent minor improvements benefiting specific property owners, are financed by and recorded in governmental funds. The receivables are offset by a deferred revenue account and are recorded as income as they become measurable and available.

Property tax receivables are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary.

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes is due November 15th, the second one-third on February 15th, and the remaining one-third on May 15. A three percent discount is allowed if full payment is made by November 15 and a two percent discount is allowed if two-thirds payment is made by November 15. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the tax due date.

Intergovernmental – Receivables for federal and state grants and shared revenues are recorded as revenue in all funds as earned.

Deposits – Deposits represent amounts held by others as agents of the County, which remains the property of, and will be returned to, the County.

3. Due from other funds.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds".

4. Loans receivable

Loans receivable are amounts due from entities outside of the County. The amounts are offset by a deferred revenue account.

5. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Summary of significant accounting policies, continued

E. Assets, liabilities, and net assets or equity, continued

6. Prepaids

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.

7. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no construction period interest this fiscal year.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	75
Land improvements	25
Public domain infrastructure	50
Roads	100
Vehicles	5 to 7
Heavy equipment	10
Office equipment	5
Computer equipment	5

8. Compensated absences

Accumulated vested compensated absences are accrued in the government-wide and proprietary fund financial statements as earned by employees. In governmental funds only, the amounts, if any, expected to be liquidated with expendable available resources are accrued as liabilities of the funds. Typically governmental funds with personnel are responsible for liquidating this liability. (i.e. General, Road, Internal Service Funds).

I. Summary of significant accounting policies, continued

E. Assets, liabilities, and net assets or equity, continued

9. Long-term obligations

All County long-term debt is included in the government-wide financial statements. Long-term debt directly related to and expected to be paid from proprietary funds is also included in those funds. Unmatured long-term debt information is shown in Note F.

10. Fund equity

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

11. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. The details of this $160,297,426 difference are as follows:

Capital assets, not reported in the funds	$152,337,642
Long-term liabilities	(14,786,321)
Deferred revenues	1,068,268
Pre-paid pension assets	14,068,535
Internal service fund net assets	10,302,998
Compensated absences	(2,693,696)
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	$160,297,426

II. Reconciliation of government-wide and fund financial statements, continued

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $(172,406) difference are as follows:

Additions to capital assets	$2,910,914
Capital outlay expenditures, not capitalized	914,652
Depreciation expense	(3,997,972)
Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (172,406)

Another element of that reconciliation states "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this $(471,226) difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold or retired.	$(635,830)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	164,604
Net adjustment to increase *net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities*	$(471,226)

II. Reconciliation of government-wide and fund financial statements, continued

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities, continued

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $279,901 difference are as follows:

Principal repayments:	
General obligation debt	$ 279,901
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 279,901

Another element of that reconciliation states, "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." The details of this $(177,167) difference are as follows:

Amortization of pre-paid pension asset	$ (89,021)
Compensated absences	(88,146)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (177,167)

III. Stewardship, compliance, and accountability

A. Budgetary information

The County budgets all governmental, proprietary and expendable trust funds as required by state law. No budgets were adopted for the West Lewellyn County Service District Special Revenue Fund and the North Albany Assessment Special Revenue Fund as no activity was originally anticipated in these funds. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The County adopts its budget on a program basis, within each fund, using the modified accrual basis of accounting for governmental funds and fiduciary funds and the accrual basis of accounting for the proprietary funds. The nine major programs of the County are as follows:

- General government
- Public safety
- Public works
- Health services
- Animal control
- Justice services
- Community services
- Cultural services
- Parks and natural resources

III. Stewardship, compliance, and accountability, continued

A. Budgetary information, continued

Additionally, the County budgets for the following other activities within each fund:

- Capital outlay
- Debt service
- Interfund transfers and loans

For administrative purposes, the County allocates the program budget among its various funds and uses more detailed information for the programs mentioned above.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance or by Board authorization of unanticipated revenues received. Original and supplemental budgets require hearings before the public, publication in the newspapers, and approval by the County Commissioners. Once approved, budgets may be modified by transfers of appropriations between the levels of control. During the year, there were numerous resolutions and supplemental budgets approved by the County Commissioners modifying the original budget as adopted. Budget appropriations lapse at year-end.

Budget amounts shown in the general-purpose financial statements reflect the original budget amounts and 41 appropriation transfers, including 17 supplemental budgets. Revised appropriations are noted below. Total appropriations by fund are too numerous to list and are presented in each individual fund's Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.

Appropriation Category	Original Appropriation Amount	Increase	Decrease	Amended Appropriation Amount
General Fund				
General government	11,802,969	484,567	526,507	11,761,029
Public safety	8,324,602	289,526	122,138	8,491,990
Health	19,617,310	1,566,247	3,821,537	17,362,020
Justice services	3,694,311	35,400	-	3,729,711
Community services	948,502	-	-	948,502
Cultural & Educational Program	515,848	-	-	515,848
Animal Control	214,955	14,900	-	229,855
Parks & Natural Resources	645,737	-	-	645,737
Fair Fund				
Cultural & Educational Program	912,756	40,430	20,771	932,415
Oregon Health Plan				
Health	1,594,542	16,309	16,309	1,594,542
Court security fund				
Justice services	245,000	245,000	245,000	245,000
Special transportation fund				
Community services	1,333,381	125,000	-	1,458,381
Debt service fund				
Debt service	1,290,000	60,225	-	1,350,225
Management services fund				
General government	2,442,782	131,944	119,044	2,455,682
Internal service fund				
General government	5,068,812	35,000	35,000	5,068,812
Health management services fund				
Health	-	3,476,934	-	3,476,934
Health center fund				
Health	-	4,958,090	-	4,958,090

III. Stewardship, compliance, and accountability, continued

B. Reconciliation of Budgetary Basis to GAAP Basis Fund Balance

The budget of the County, as required by Oregon Local Budget Law, is prepared differently, in some respects, from generally accepted accounting principles. The following is a reconciliation of fund balances prepared on a budgetary basis and fund balances as prepared in accordance with generally accepted accounting principles (GAAP).

	General Fund	Road Fund	Block Grant Fund	Nonmajor Special Rev Funds
Fund balance - budgetary basis	$ 9,882,672	$ 1,112,818	$ 371,740	$ 4,063,994
Reserved fund balances	-	306,903	-	6,402
Accrued payroll	(587,904)	(102,348)	-	(56,930)
Loans outstanding	-	-	234,938	-
Residual equity transfer	-	-	-	26,966
Health billings receivable	50,634	-	-	-
Fund balance - GAAP basis	$ 9,345,402	$ 1,317,373	$ 606,678	$ 4,040,432

C. Excess of expenditures over appropriations

For the year ended June 30, 2005, expenditures exceeded appropriations in the General Fund, community services by $46,599, in the Cemetery Operations Fund, general government by $7,862, in the General Capital Improvement Fund, capital projects by $70,575 and in the Road Improvement Fund, capital projects by $32,564. These over expenditures were funded by available fund balance.

D. Deficit fund equity

At June 30, 2005, there were deficits in the following funds:

Fair Fund	$(21,750)
General Capital Improvement Fund	(85,183)

The accumulated deficit in the Fair fund is due to timing of expenditures for the annual fair in August, funds were expended prior to fiscal year end. The deficit in the General Capital Improvement Fund is the result of interfund borrowing which was not repaid at year-end. All deficits will be eliminated in 2005-06.

IV. Detailed notes on all funds

A. Deposits and investments

At year-end, the County's carrying amount of deposits was $2,752,471 and the bank balance was $3,235,381. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of $100,000 applies to the deposits in each depository. Where balances exceed $100,000, ORS 295.025 requires the depositor to obtain certificates of participation (COP's) in the amount of the excess deposit. Oregon Revised Statutes require the depository institution to maintain on deposit with a collateral pool manager securities having a value of not less than 25% of the outstanding COP's issued by the pool manager. Of the bank balance, $3,235,381 was covered by federal depository insurance or by collateral held by the County's agent in the County's name.

Cash on hand	$ 5,175
Deposits with financial institutions	2,752,471
Investments	20,764,827
Total cash and investments	$ 23,522,473

Cash and investments on government-wide Statement of Net Assets	$20,144,403
Cash and investments on Statement of Fiduciary Net Assets	3,378,070
	$ 23,522,473

At year-end, the County held $20,764,827 of investments. State statutes authorize the County to invest primarily in general obligations of the US Government and its agencies, certain bonded obligations of Oregon municipalities, bank re-purchase agreements, bankers' acceptances, certain commercial papers and the State Treasurer's investment pool. The County's formal investment policy does not further restrict its investment choices.

IV. Detailed notes on all funds, continued

A. Deposits and investments, continued

Investment Type	Time to Maturity	Concentration % of Portfolio	Reported Amount
Local Government Investment Pool	Ave 3 months	76.7%	$ 15,931,495
Certificates of Deposit (CD's)	5.5 months	4.9%	1,022,193
Federally Backed Mortgages	Ave 8 months	18.4%	3,811,139
Subtotal for Portfolio Percentages		100.0%	20,764,827
Cash on Hand			5,175
Deposits			2,752,471
Subtotal for Cash and Deposits			2,757,646
Total Cash and Investments, June 30, 2005			**23,522,473**

Credit Risk

The County participates in the Oregon State Treasurer's Local Government Investment Pool (LGIP), an open-ended, no-load diversified portfolio created under ORS 294.805 to 294.895. The State Treasurer and the Oregon Investment Council with the advice of the Oregon Short Term Fund Board administer the LGIP. The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon's Audits Division of the Secretary of State's Office audits the LGIP annually.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 90 days.

Concentration of Credit Risk

The County has concentrations in the following investments: Local Government Investment Pool, Certificates of Deposit, and US Agency Securities. These investments represent 77%, 5%, and 18% of the County's investments, respectively.

IV. Detailed notes on all funds, continued

B. Receivables

Receivables as of year-end for the County's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, are as follows:

	Property taxes/ Assessments	Accounts	Inter-governmental	Deposits	Total
Governmental activities					
General Fund	$ 402,979	$ 567,230	$ 474,982	$ 1,202	$ 1,446,393
Road Fund	-	51,610	468,095	-	519,705
Block Grant Fund	-	7,500	-	-	7,500
Nonmajor governmental funds	111,116	9,461	20,189	-	140,766
Internal service funds	-	108,961	-	5,000	113,961
	514,095	744,762	963,266	6,202	2,228,325
Business-type activities:					
County health center	-	300,472	-	-	300,472
County service districts	162,543	13,487	4,696	-	180,726
	$ 676,638	$ 1,058,721	$ 967,962	$ 6,202	$ 2,709,523

There are no significant receivable balances not expected to be collected within one year. The allowance for uncollectible accounts is not significant.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Property Taxes	Unearned Revenue	Special Assessments	Loans Receivable	Total
Governmental Funds:					
General Fund	$ 286,087	$ 16,188	$ -	$ -	$ 302,275
Road Fund	-	-	9,864	-	9,864
Block Grant Fund	-	-	-	680,834	680,834
Nonmajor governmental fund	91,483	-	-	-	91,483
	377,570	16,188	9,864	680,834	1,084,456
Business-type activities:					
County service districts	-	664	-	-	664
	$ 377,570	$ 16,852	$ 9,864	$ 680,834	$ 1,085,120

IV. Detailed notes on all funds, continued

C. Capital assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	Balance July 1, 2004	Increases	Decreases	Balance June 30, 2005
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 7,018,741	$ 20,000	$ (109,469)	$ 6,929,272
Construction in progress	208,421	159,140	(208,421)	159,140
Total capital assets, not being depreciated	7,227,162	179,140	(317,890)	7,088,412
Capital assets, being depreciated:				
Land improvements	1,319,923	236,040	-	1,555,963
Buildings	12,691,976	716,753	(795,658)	12,613,071
Machinery and equipment	9,670,685	1,448,772	(1,119,336)	10,000,121
Infrastructure	233,807,062	2,439,487	-	236,246,549
Total capital assets, being depreciated	257,489,646	4,841,052	(1,914,994)	260,415,704
Less accumulated depreciation for:				
Land improvements	(517,564)	(47,541)	-	(565,105)
Buildings	(4,556,688)	(284,710)	128,597	(4,712,801)
Machinery and equipment	(5,377,727)	(774,005)	683,099	(5,468,633)
Infrastructure	(92,253,635)	(3,597,673)	-	(95,851,308)
Total accumulated depreciation	(102,705,614)	(4,703,929)	811,696	(106,597,847)
Total capital assets, being depreciated, net	154,784,032	137,123	(1,103,298)	153,817,857
Governmental activities capital assets, net	$ 162,011,194	$ 316,263	$ (1,421,188)	$ 160,906,269

	Balance July 1, 2004	Increases	Decreases	Balance June 30, 2005
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 33,848	$ -	$ -	$ 33,848
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	33,848	-	-	33,848
Capital assets, being depreciated:				
Buildings	129,267	755,238	-	884,505
Machinery and equipment	7,484	12,948	-	20,432
Infrastructure	3,186,412	-	-	3,186,412
Total capital assets, being depreciated	3,323,163	768,186	-	4,091,349
Less accumulated depreciation for:				
Buildings	(26,137)	(22,487)	-	(48,624)
Machinery and equipment	(2,619)	(1,739)	-	(4,358)
Infrastructure	(775,478)	(75,267)	-	(850,745)
Total accumulated depreciation	(804,234)	(99,493)	-	(903,727)
Total capital assets, being depreciated, net	2,518,929	668,693	-	3,187,622
Business-type activities capital assets, net	$ 2,552,777	$ 668,693	$ -	$ 3,221,470

IV. Detailed notes on all funds, continued

C. Capital assets, continued

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

Governmental activities:	
General government	$ 122,996
Public safety	72,781
Public works, including infrastructure	3,616,284
Health services	141
Justice services	2,220
Community services	100,256
Cultural and recreational services	33,417
Parks & natural resources	49,877
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	705,957
Total depreciation expense - governmental activities	$ 4,703,929
Business-type activities:	
Water and sewer	$ 78,536
Rental properties	20,957
Total depreciation expense - business-type activities	$ 99,493

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2005, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Block Grant Fund	General Capital Improvement Fund	$220,000

The $220,000 payable from the General Capital Improvement Fund was used for the construction of a RV campground at the fairgrounds and will be repaid before September 30, 2007.

IV. Detailed notes on all funds, continued

E. Interfund transfers:

	Transfers Out						
Transfers In:	General Fund	Nonmajor Gov't Funds	Internal Svc. Funds	Road Fund	General LT Debt/ Fixed Assets	Business-type Activities	Total
General Fund	$ -	$ 11,731	$ -	$ -		$ 7,862	$ 19,593
Road Fund	73,500	-	-	-		-	73,500
Nonmajor gov't funds	1,294,913	34,623	292,655	120,824	(104,507)	163,174	1,801,682
Enterprise funds	1,858,929	-	668,353	-	22,276	-	2,549,558
Internal service funds	318,395	-	-	-	325,661	-	644,056
	$ 3,545,737	$ 46,354	$ 961,008	$ 120,824	$ 243,430	$ 171,036	$ 5,088,389

Most of the transfers are regular occurring operational transfers. The exceptions to the norm are the following: The General Fund transferred $668,353 in fixed assets to the Enterprise Operations Fund and $325,661 in fixed assets to the Health Clinic Fund.

F. Long-term debt

General Obligation Bonds

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and to refinance the cost of future pension obligations. General obligation bonds have been issued for both governmental and business-type activities. During the year, no new debt was issued.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding and bond payable transactions during the year are as follows:

Bonds Payable	Interest Rate	Balance July 1, 2004	Bonds Issued	Bond Maturities	Balance June 30, 2005
Governmental activities					
North Albany County Service District bonds	5.0%	$ 833,959	$ -	$115,173	$ 718,786
Pension Obligation PERS bonds	7.0%	11,590,522	-	51,136	11,539,386
Pension Obligation PERS bonds	4.9 to 6.1 %	7,490,000	-	-	7,490,000
		19,914,481	-	166,309	19,748,172
Business-type activities:					
South Third County Service District bonds	4.375%	239,000	-	4,004	234,996
Alsea County Service District bonds	4.50%	29,270	-	705	28,565
		268,270	-	4,709	263,561
		$ 20,182,751	$ -	$171,018	$ 20,011,733

IV. Detailed notes on all funds, continued

F. Long-term debt, continued

Bonded debt service requirements at June 30, 2005 (including interest payments of $23,981,232 have the following maturities:

Fiscal Year Ending June 30,	North Albany County Service District Bonds	Pension Obligation Bonds	Alsea County Service District Bonds	South Third CSD Bonds	Total
2006	$ 169,113	$ 1,174,228	$ 2,021	$ 14,460	$ 1,359,822
2007	164,385	1,204,228	2,021	14,460	1,385,094
2008	164,254	1,239,228	2,021	14,460	1,419,963
2009	163,993	1,279,228	2,021	14,460	1,459,702
2010	142,362	1,339,228	2,021	14,460	1,498,071
2011-2015	-	7,703,765	10,105	72,300	7,786,170
2016-2020	-	9,663,480	10,105	72,300	9,745,885
2021-2025	-	12,081,132	10,105	72,300	12,163,537
2026-2030	-	7,038,742	5,990	72,300	7,117,032
2031-2035	-	-	-	57,690	57,690
	$ 804,107	$ 42,723,259	$ 46,410	$ 419,190	$ 43,992,966

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2005, was as follows:

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005	Due within one year
Governmental activities					
Bonds payable:					
General obligation bonds	$ 19,914,511	$ -	$ 172,338	$ 19,742,173	$ 212,631
Other liabilities:					
Notes payable	34,783	-	34,783	-	-
Capital leases payable	39,180	-	18,745	20,435	12,838
Compensated absences	2,966,699	3,112,401	2,966,699	3,112,401	502,342
	22,955,173	3,112,401	3,192,565	22,875,009	727,811
Business-type activities:					
South Third County Service District bonds	239,000	-	4,004	234,996	4,179
Alsea County Service District bonds	29,270	-	705	28,565	736
	268,270	-	4,709	263,561	4,915
	$ 23,223,443	$ 3,112,401	$3,197,274	$ 23,138,570	$ 732,726

IV. Detailed notes on all funds, continued

F. Long-term debt, continued

Full Faith and Credit Bonds

In May of 2004, Benton County joined with nine other local governments in a joint pension bond sale. The sale took advantage of low interest rates to refinance the County's unfunded actuarial liability (UAAL) accumulated as of December 31, 2002. The County issued $7,490,000 in debt. The County estimates that by funding the actuarial liability, the County will save approximately $53,000 per year for twenty-four years between the amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. Debt service for these bonds is recorded in the Debt Service Fund.

In March of 2002, Benton County joined with ten other local governments in a joint pension bond sale. The sale took advantage of low interest rates to refinance the County's unfunded actuarial liability (UAAL) accumulated as of December 31, 2001. The County issued $11,662,750 in debt. The County estimates that by funding the actuarial liability, the County will save approximately $70,000 per year for twenty-eight years between the amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. Debt service for these bonds is recorded in the Debt Service Fund.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end $418,705 of internal service funds compensated absences and $9,617 of other long-term debt are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the funds that incur the costs.

Notes and Capital Leases:

The County has also entered into two capital leases to purchase a tractor and photocopy equipment. At June 30, 2005, leases payable consist of the following:

Lease payable to Fleet Capital Leasing in monthly installments of $1,404, including interest at 6.36%, due January 2006, secured by photocopying equipment	$ 9,617
Lease payable to Kubota Leasing in monthly installments of $310, including interest at 5.25%, due September 2008, secured by a Kubota tractor	$ 10,818
Total capital leases payable	$ 20,435

IV. Detailed notes on all funds, continued

F. Long-term debt, continued

Notes and Capital Leases, continued:

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2005 were as follows:

Year ending June 30	Governmental Activities Leases Payable
2006	13,547
2007	3,719
2008	3,719
2009	621
Total minimum lease payments	21,606
Less: amount representing interest	1,171
Present value of minimum lease payment	$ 20,435

G. Restricted assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

Customer deposits - Alsea County Service District	$ 920
Revenue bond future debt service account – Alsea County Service District	2,541
Restricted cash and investments	3,461
Assessment receivable	4,603
Total restricted assets	$8,064

V. Other information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County has set up a joint trust fund with Valley Landfills, Inc. to be used for any future environmental kind of clean up or damage control that may be required in the future as a result of landfill operations. As of June 30, 2005 the County was not liable for any closure or post closure care for the landfill operation.

There have been no settlements in excess of insurance coverage for the year ended June 30, 2005, or the five preceding fiscal years.

B. Subsequent events

Benton County adopted its first biennial budget for the fiscal period beginning July 1, 2005 and ending June 30, 2007. The move to biennial budgeting is expected to produce these benefits:

- Increase program and service stability over a longer period of time.
- Reduce time spent on annual budgeting, allowing an increased focus on program management and operations.
- Match the county budget period to the state biennium budget period.
- Use time in the "off" budget year to focus on long-term fiscal and program strategy.

C. Contingent liabilities

The County is party to various legal proceedings generally incidental to its business. Although the ultimate disposition of these proceedings is not presently determinable, management is vigorously defending the claims and does not believe that adverse determination in any or all of such proceedings will have a material adverse effect upon the financial condition of the County.

Amounts received or receivable from grant 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 expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

V. Other information, continued

D. Other post employment benefits

As the result of union negotiations, the County has agreed to provide medical, dental, and vision insurance to qualified retirees as follows:

1. Only full-time regular employees are eligible for full benefits in accordance with this agreement. Regular part-time employees who work at least 20 hours per week are eligible for prorated benefits, provided the employee pays the difference between the prorated benefit and the full benefit.
2. The retiree must have completed a minimum of fifteen (15) continuous years of employment with the County and must be eligible for retirement from PERS, even if less than 58 years of age.
3. The retiree must be fully eligible for and either receiving or have applied for retirement benefits from the Public Employee Retirement System (PERS).
4. Insurance coverage is limited to the employee and spouse for AFSCME and ONA members, non-represented employees hired prior to March 1, 2000 and deputies are limited to employee only, the coverage is for a period not to exceed seven years, retirees can elect when coverage begins.
5. The County's share of insurance premiums is fixed according to premium rates, which are current on the day of retirement. Premium increases occurring during retirement are the responsibility of the retiree
6. The County will pay insurance premiums according to years of service as follows:

a. 15 through 19 years of service	25% of premium cost
b. 20 through 24 years of service	50% of premium cost
c. 25 through 29 years of service	75% of premium cost
d. 30 or more years of service	100% of premium cost

As of June 30, 2005, there were 17 participants currently eligible to receive benefits. For the fiscal year ended June 30, 2005, the County incurred $29,088 of expenditures. The county funds this benefit on a "pay-as-you-go" basis.

E. Deferred Compensation Plan

Benton County has a deferred compensation plan available to its employees wherein they may execute an individual agreement with the County for amounts earned by them to not be paid until a future date when they are terminated by reason of death, permanent disability, retirement or separation. The deferred compensation plan is qualified under IRC Section 457 and has been approved by the Internal Revenue Service.

Monies accumulated by the County under its deferred compensation plan have been deposited with the International City Management Association Retirement Corporation (ICMA) and the Nationwide Retirement Solutions. These deposits are not subject to the collateral requirements of Oregon law.

Amounts accumulated by the County under an approved deferred compensation plan are, under Oregon law, excluded from resources for budgetary purposes. According to the County's interpretation of GASB issued Statement No. 32, Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans, the plan assets were removed from the balance sheet of the County as of June 30, 2001.

V. Other information, continued

F. Employee retirement systems and pension plans

Defined Benefit Pension Plan

Accounting and Reporting Standards:

GASB Statement 27, Accounting for Pension Plans by State and Local Government Employers, establishes standards for the measurement, recognition, and display of pension expenditures/expense and related liabilities, assets, note disclosures, and required supplementary information in the financial reports of state and local governmental employers. Employers that participate in agent multiple-employer defined benefit pension plans (agent employers) measure and disclose an amount for annual pension cost on the accrual basis of accounting, regardless of the amount recognized as pension expenditures/expense on the modified accrual or accrual basis. The Annual Required Contribution ("ARC") is defined as the employer's required contributions for the year, calculated in accordance with certain parameters. The parameters include requirement for the frequency and timing of actuarial valuations, as well as for the actuarial methods and assumptions that are acceptable for financial reporting. When the methods and assumptions used in determining a plan's funding requirements meet the parameters, the same methods and assumptions are required for financial reporting by both a plan and its participating employers. A Net Pension Obligation ("NPO"), which may be either positive (liability) or negative (asset), is defined as the cumulative difference between annual pension cost and the employer's contributions to a plan, including the pension liability or asset at transition, if any. Starting fiscal year 2003, the County began reporting a negative NPO, or net pension asset, on the statement of net assets as the result of a supplemental employer payment made April 1, 2002 against the estimated unfunded actuarial liability with Oregon Public Employee Retirement System ("OPERS").

June 30, 2004 net pension asset	$ 19,012,959
Pension assets transferred to agency funds	(570,881)
Amortization FYE June 30, 2005	(116,848)
June 30, 2005 net pension asset	$18,325,230

Plan Description

The County is a participating employer in the Oregon Public Employees Retirement System (OPERS), an agent multiple-employer public employee retirement system, established under Oregon Revised Statutes 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon. OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. All County employees are eligible to participate in OPERS after six months of employment. Benefits are established by state statute. OPERS is a component unit of the State of Oregon and issues a comprehensive annual financial report which may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700 or by calling (503) 598-7377.

V. Other information, continued

F. Employee retirement systems and pension plans, continued

Defined Benefit Pension Plan, continued

Funding Policy

Employer contributions are required by state statute and made at actuarially determined rates as adopted by the Oregon Public Employees Retirement Board (OPERB). Covered employees are required by state statute to contribute 6% of their annual salary to the system, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The County has elected to contribute the 6% "pick-up" or $956,185 (5.93% of covered payroll), of the employees' contribution as an outcome of labor negotiations.

In addition to the 6% "pick-up", the County contributed $693,612 to OPERS for the fiscal year ended June 30, 2005. This contribution rate was determined as part of the December 31, 2002 actuarial evaluation that was recalculated to reflect the impact of recently passed legislation (House Bills 2001, 2003, and 2004).

Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the Public Employees Retirement Board. PERS members are required to contribute 6% of their annual covered salary. The County "picks up" this 6% employee contribution for all employee groups. The County's annual required contribution rate, originally 11.81% based on a December 31, 1999 actuarial valuation was reduced by the Retirement Board to 7.24% effective April 1, 2002 upon the issuance of a pension bond to finance an estimated unfunded actuarial liability of $10,542,805. Effective July 1, 2003, the County's rate increased to 8.51% due to the 2003 Legislative Assembly's adoption of a number of amendments to the benefits structure of OPERS which resulted in decreasing the rate and the County's unfunded actuarial liability as of December 31, 2002. In May 2004, the County issued another pension bond to finance an estimated unfounded actuarial liability of $7,118,373. As a result of this issuance, the County's rate decreased from 6.88% to 4.13% effective July 1, 2004.

Beginning in 2000, local government employers had the option of remaining individually rated or joining a local government employer's rate pool. Beginning January 1, 2002, local governments could elect to join the State and Local Government rating pool. The County made the election to join this pool effective January 1, 2002. Beginning July 1, 2003, the County's contribution rate will consist of the group rate plus an amount required to pay the amortized unfunded liability.

The Oregon Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing PERS, PO Box 23700, Tigard, OR 97281-3700.

Three-Year Trend Information:

	Employer Contributions		
Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2004	$ 810,460	100%	-
2003	$ 1,380,906	100%	-
2002	$ 2,161,420	100%	-

V. Other information, continued

F. Employee retirement systems and pension plans, continued

Defined Benefit Pension Plan, continued

All OPERS participating employers are required by law to submit the contributions as adopted by the Retirement Board. For the fiscal year ended June 30, 2005, the County's annual pension expenditures/expense exclusive of the 6% "pick-up" was $810,460. This amount consisted of $693,612 (4.3% of the annual covered payroll) and $116,848 in amortization of pension assets. The County's contributions were equal to the annual required contributions, which were less than the annual pension cost as a result of the pension obligation bond amortization.

Contributions made	$ 693,612
Annual pension cost	810,460
Decrease in pension assets	(116,848)
Pension assets, beginning of year	19,012,959
Pension assets transferred to agency funds	(570,881)
Pension assets, end of year	$ 18,325,230

The County's pension liability and required contribution rate was determined using the entry age cost method. The unfounded actuarial liability created by this method, including gains and losses, is amortized as a level percentage of salary over a period commencing on the valuation date and ending on December 31, 2007. The actuarial assumptions include an investment return of 8.5% per year, projected salary increases of 4.0%, health cost inflation, graded from 9% in 2003 to 5% in 2011, and a consumer price inflation component of 3.0%.

The actuarial value of OPERS assets are reported at fair market value, less a reserve equal to a pro-rata portion of the investment gains (losses) over the four-year period ending on the valuation date. Investment gains (losses), effective January 1, 2000, are recognized at the rate of 25% per year. The actuarial value of assets is limited to a 10% corridor above and below the fair market value.

The Oregon Legislative Assembly created a second level or "Tier" of OPERS benefits that modifies service and disability retirement allowances payable to persons who established PERS membership on or after January 1, 1996 ("Tier Two" members). Future interest credits are assumed at 8.5% for Tire One.

Effective August 29, 2003, the Oregon Legislative Assembly passed HB 2020 which created a successor retirement plan to PERS, effective for all new hires after passage of the bill, and to any inactive PERS Tier One or Tier Two members who return to employment following a six month or greater break in service. The new plan, named the Oregon Public Service Retirement Plan (OPSRP), is administered by the PERS Board and incorporates both a defined benefit and a defined contribution portion within the same plan. The contribution rates for OPSRP are 8.04% and 11.65% of covered payroll for general service employees and for police & fire employees respectively.

Annual pension cost (APC) for the years ending June 30, 2003, 2001, and 1999 is as follows:

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Percent	Covered Payroll	Unfunded Actuarial Liability as a Percentage of Covered Payroll
12/31/2003	$ 88,797,435	$ 93,024,943	$ 3,227,507	97%	$ 15,192,269	21%
12/31/2001	$ 88,722,604	$ 85,645,526	$ (3,077,078)	104%	$ 14,107,101	-22%
12/31/1999	$ 76,402,426	$ 81,729,880	$ 5,327,454	93%	$ 12,765,261	42%

BENTON COUNTY, OREGON

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	$ 11,040,500	$ 11,040,500	$ 11,479,038	$ 438,538 00
Licenses & permits	1,369,402	1,369,402	1,381,119	11,717.00
Intergovernmental	20,756,840	19,315,801	20,115,811	800,010.00
Charges for services	3,895,806	3,418,249	3,232,703	(185,546)
Fines and forfeitures	1,753	1,753	403	(1,350)
Miscellaneous	466,633	305,677	351,431	45,754
Total revenues	37,530,934	35,451,382	36,560,505	1,109,123
Expenditures				
General government	5,841,871	5,801,921	4,788,483	1,013,438
Public safety	8,100,609	8,322,034	8,093,693	228,341
Health services	19,617,310	15,960,148	15,329,774	630,374
Justice services	3,691,274	3,726,674	3,265,517	461,157
Community services	928,502	928,502	975,101	(46,599)
Cultural and educational services	512,448	512,448	511,281	1,167
Animal control	214,955	229,855	187,700	42,155
Parks and natural resources	645,737	645,737	624,657	21,080
Total expenditures	39,552,706	36,127,319	33,776,206	2,351,113
Excess (deficiency) of revenues over expenditures	(2,021,772)	(675,937)	2,784,299	3,460,236
Other financing sources (uses)				
Operating transfers in	40,517	40,517	35,317	(5,200)
Operating transfers out	(966,569)	(2,838,398)	(2,855,390)	(16,992)
Interfund loans	(50,000)	(50,000)	-	50,000
Loan repayments	50,000	50,000	-	(50,000)
Total other financing sources (uses)	(926,052)	(2,797,881)	(2,820,073)	(22,192)
Excess (deficiency) of revenues and other Financing sources over (under) expenditures and other financing uses	(2,947,824)	(3,473,818)	(35,774)	3,438,044
Beginning fund balance	8,142,783	8,142,783	9,918,446	1,775,663
Ending fund balance	$ 5,194,959	$ 4,668,965	$ 9,882,672	$ 5,213,707

BENTON COUNTY, OREGON

GENERAL ROAD FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues				
Taxes & Assessments	$ 7,274	$ 7,274	$ 2,496	(4,778)
Intergovernmental	5,399,369	5,399,369	4,692,737	(706,632)
Charges for services	824,052	824,052	950,045	125,993
Miscellaneous	24,700	24,700	39,940	15,240
Total revenues	6,255,395	6,255,395	5,685,218	(570,177)
Expenditures				
Public works				
Personal services	2,670,133	2,670,133	2,573,481	96,652
Materials and services	2,628,459	2,628,459	2,545,210	83,249
Capital outlay	2,565,980	2,565,980	1,497,711	1,068,269
Other	236,549	236,549	-	236,549
Total expenditures	8,101,121	8,101,121	6,616,402	1,484,719
Excess (deficiency) of revenues over expenditures	(1,845,726)	(1,845,726)	(931,184)	914,542
Other financing sources (uses)				
Transfers in	73,500	73,500	73,500	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,772,226)	(1,772,226)	(857,684)	914,542
Beginning fund balance	2,034,184	2,034,184	1,970,502	(63,682)
Ending fund balance	$ 261,958	$ 261,958	$ 1,112,818	$ 850,860

BENTON COUNTY, OREGON

BLOCK GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)

For the Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues				
Intergovernmental	$ 470,000	$ 470,000	$ 510,093	$ 40,093
Donations	-	-	10,000	10,000
Interest	3,500	3,500	9,907	6,407
Total revenues	473,500	473,500	530,000	56,500
Expenditures				
Community services				
Materials and services	221,032	221,032	365,543	(144,511)
Capital outlay	595,660	595,660	519,164	76,496
Total expenditures	816,692	816,692	884,707	(68,015)
Excess (deficiency) of revenues over expenditures	(343,192)	(343,192)	(354,707)	(11,515)
Other financing sources (uses)				
Loans made	(230,468)	(230,468)	-	230,468
Loan repayments	186,000	186,000	50,452	(135,548)
Total other financing sources (uses)	(44,468)	(44,468)	50,452	94,920
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(387,660)	(387,660)	(304,255)	83,405
Beginning fund balance	387,660	387,660	675,995	288,335
Ending fund balance	$ -	$ -	$ 371,740	$ 371,740

BENTON COUNTY, OREGON

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF PENSION FUNDING PROGRESS

June 30, 2005

Plan year ending December 31,	Net assets available for benefits	Pension benefit obligation	Percentage funded	Excess of net assets over pension benefit obligation	Annual covered payroll (1)	Excess of net assets over pension benefit obligation as a percentage of covered payroll
1991	17,548,713	9,871,133	178%	7,677,580	8,008,239	96%
1992	18,361,115	11,631,937	158%	6,729,178	8,621,795	78%
1993	22,420,165	23,946,691	94%	(1,526,526)	9,446,509	-16%
1994	N/A	N/A	N/A	N/A	9,873,810	N/A
1995	29,095,919	32,467,539	90%	(3,371,620)	10,947,295	-31%
1996	N/A	N/A	N/A	N/A	11,743,846	N/A
1997	41,607,121	45,829,789	91%	(4,222,668)	11,936,837	-35%
1998	N/A	N/A	N/A	N/A	12,002,256	N/A
1999	76,402,426	81,729,880.0	93%	(5,327,454)	12,765,261	-42%
2000	N/A	N/A	N/A	N/A	14,131,034	N/A
2001	87,633,816	91,484,325.0	96%	(3,850,509)	14,107,101	-27%
2002	N/A	N/A	N/A	N/A		N/A
2003					16,225,627	
2004					15,370,948	

(1) - Information on a fiscal year basis

N/A - Information not available

Isolated analysis of the dollar amount of net assets available for benefits, pension benefit obligation and unfunded pension benefit obligation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of Benton County's PERS funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS Trends in unfunded pension obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

SUPPLEMENTAL INFORMATION

MAJOR GOVERNMENTAL FUNDS

General Fund - To account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

Road Fund – To account for the maintenance of highways, roads and streets within the County. Financing is provided by the State of Oregon highway tax apportionment and federal forest reserves revenues.

Block Grant Fund – To account for the residual funds from low-income loans through HUD's Block Grant program. Some funds are restricted to use in future low-income housing programs, others are unrestricted.

BENTON COUNTY, OREGON

GENERAL FUND
COMPARATIVE BALANCE SHEETS

June 30, 2005 and 2004

	2005	2004
ASSETS		
Cash and investments	$ 9,887,244	$ 9,873,887
Property taxes receivable	402,979	471,399
Accounts receivable (net of uncollectibles)	567,230	753,604
Deposits	1,202	7,702
Due from other governmental agencies	474,982	433,877
Prepaid expenses	35,372	21,500
Total assets	$ 11,369,009	$ 11,561,969
LIABILITIES		
Accounts payable	$ 802,694	$ 445,528
Accrued payroll and payroll taxes	804,970	595,161
Other accrued liabilities	79,997	39,178
Due to other governmental agencies	33,671	52,028
Deferred revenue	302,275	763,598
Total liabilities	2,023,607	1,895,493
FUND EQUITY		
Fund balances		
Reserved for prepaid expenses	35,372	21,500
Unreserved, undesignated	9,310,030	9,644,976
Total fund equity	9,345,402	9,666,476
Total liabilities and fund equity	$ 11,369,009	$ 11,561,969

BENTON COUNTY, OREGON

GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Years Ended June 30, 2005 and 2004

	2005	2004
Revenues		
Taxes	$ 11,479,038	$ 12,577,180
Licenses and permits	1,381,119	1,456,837
Intergovernmental	20,115,811	20,489,042
Charges for services	2,942,613	3,872,066
Fines and forfeitures	403	1,467
Miscellaneous	367,155	658,899
Total revenues	36,286,139	39,055,491
Expenditures		
General government	4,705,716	4,443,861
Public safety	7,880,077	7,163,075
Health services	15,061,149	17,743,251
Justice services	3,169,170	2,894,083
Community services	965,638	815,849
Cultural services	511,281	496,786
Animal control	184,944	214,596
Parks and natural resources	603,094	612,551
Total expenditures	33,081,069	34,384,052
Excess (deficiency) of revenues over expenditures	3,205,070	4,671,439
Other financing sources (uses)		
Transfers in	19,593	142,301
Transfers out	(3,545,737)	(1,977,412)
Total other financing sources (uses)	(3,526,144)	(1,835,111)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(321,074)	2,836,328
Beginning fund balance	9,666,476	6,830,148
Ending fund balance	$ 9,345,402	$ 9,666,476

BENTON COUNTY, OREGON

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Taxes	$ 11,040,500	$ 438,538	$ 11,479,038	$ -	$ 11,479,038
Licenses & permits	1,369,402	11,717	1,381,119	-	1,381,119
Intergovernmental	19,315,801	800,010	20,115,811	-	20,115,811
Charges for services	3,418,249	(185,546)	3,232,703	(290,090)	2,942,613
Fines and forfeitures	1,753	(1,350)	403	-	403
Miscellaneous	305,677	45,754	351,431	15,724	367,155
Total revenues	35,451,382	1,109,123	36,560,505	(274,366)	36,286,139
Expenditures					
General government	5,801,921	1,013,438	4,788,483	(82,767)	4,705,716
Public safety	8,322,034	228,341	8,093,693	(213,616)	7,880,077
Health services	15,960,148	630,374	15,329,774	(268,625)	15,061,149
Justice services	3,726,674	461,157	3,265,517	(96,347)	3,169,170
Community services	928,502	(46,599)	975,101	(9,463)	965,638
Cultural and educational services	512,448	1,167	511,281	-	511,281
Animal control	229,855	42,155	187,700	(2,756)	184,944
Parks and natural resources	645,737	21,080	624,657	(21,563)	603,094
Total expenditures	36,127,319	2,351,113	33,776,206	(695,137)	33,081,069
Excess (deficiency) of revenues over expenditures	(675,937)	3,460,236	2,784,299	420,771	3,205,070
Other financing sources (uses)					
Operating transfers in	40,517	(5,200)	35,317	(15,724)	19,593
Operating transfers out	(2,838,398)	(16,992)	(2,855,390)	(690,347)	(3,545,737)
Interfund loans	(50,000)	50,000	-	-	-
Loan repayments	50,000	(50,000)	-	-	-
Total other financing sources (uses)	(2,797,881)	(22,192)	(2,820,073)	(706,071)	(3,526,144)
Excess (deficiency) of revenues and other Financing sources over (under) expenditures and other financing uses	(3,473,818)	3,438,044	(35,774)	(285,300)	(321,074)
Beginning fund balance	8,142,783	1,775,663	9,918,446	(251,970)	9,666,476
Prior period adjustment (Note)	-	-	-	-	-
Ending fund balance	$ 4,668,965	$ 5,213,707	$ 9,882,672	$ (537,270)	$ 9,345,402

BENTON COUNTY, OREGON

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended June 30, 2005

		Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
General government						
Personal services		$ 3,291,450	$ 203,985	$ 3,087,465	$ (139,061)	$ 2,948,404
Materials and services		1,985,296	324,550	1,660,746		1,660,746
Capital outlay		24,625	15,172	9,453	56,293	65,746
Other		6,459,648	5,109,034	1,350,614	95,770	1,446,384
Total general government	**	11,761,019	5,652,741	6,108,278	13,002	6,121,280
Public safety						
Personal services		5,504,145	72,646	5,431,499	(213,617)	5,217,882
Materials and services		2,637,145	117,249	2,519,896	-	2,519,896
Capital outlay		180,744	38,445	142,299	-	142,299
Other		169,956	59,569	110,387.00	275,041	385,428.00
Total public safety	**	8,491,990	287,909	8,204,081	61,424	8,265,505
Health services						
Personal services		3,502,227	232,362	3,269,865	(268,626)	3,001,239
Materials and services		12,457,921	398,011	12,059,910	-	12,059,910
Other		1,401,872	0	1,401,872	169,867	1,571,739
Total health services	**	17,362,020	630,373	16,731,647	(98,759)	16,632,888
Justice services						
Personal services		2,265,392	173,666	2,091,726	(96,347)	1,995,379
Materials and services		1,459,682	285,991	1,173,691	-	1,173,691
Capital outlay		1,600	1,600	-	-	-
Other		3,037	2,937	100	113,531	113,631.00
Total justice services	**	3,729,711	464,194	3,265,517	17,184	3,282,701
Community services						
Personal services		211,675	2,169	209,506	(9,462)	200,044
Materials and services		716,827	(48,768)	765,595	-	765,595
Other		20,000	-	20,000	10,319	30,319
Total community services	**	948,502	(46,599)	995,101	857	995,958
Cultural and educaional services						
Materials and services		512,448	1,168 00	511,280	-	511,280
Other		3,400	64	3,336	-	3,336
Total cultural and educational services	**	515,848	1,232	514,616	-	514,616
Animal control						
Personal services		102,005	35,576	66,429	(2,756)	63,673
Materials and services		104,850	7,587	97,263	-	97,263
Other		23,000	(1,008)	24,008	3,272	27,280
Total animal control	**	229,855	42,155	187,700	516	188,216
Parks and natural resources						
Personal services		481,152	23,354	457,798	(21,563)	436,235
Materials and services		161,985	(1,503)	163,488	-	163,488
Capital outlay		2,600	(771)	3,371	22,547	25,918
Total parks and natural resources	**	645,737	21,080	624,657	984	625,641
Total expenditures		$ 43,684,682	$ 7,053,085	$ 36,631,597	$ (4,792)	$ 36,626,805

**Legal appropriation level

BENTON COUNTY, OREGON

GENERAL ROAD FUND

COMPARATIVE BALANCE SHEETS

June 30, 2005 and June 30, 2004

ASSETS	2005	2004
Cash and investments	$ 911,424	$ 1,613,330
Accounts receivable	51,610	141,961
Loans receivable	9,864	11,184
Due from other govermental agencies	468,095	603,836
Inventories	306,903	261,235
Prepaid expenses	3,610	694
Total assets	$ 1,751,506	$ 2,632,240
LIABILITIES		
Accounts payable	$ 283,796	$ 376,463
Accrued payroll and payroll taxes	135,512	103,568
Customer deposits	4,961	12,856
Deferred revenue	9,864	11,184
Total liabilities	434,133	504,071
FUND EQUITY (DEFICIT)		
Fund balance		
Reserved for prepaid expenses	3,610	694
Reserved for inventory	306,903	261,235
Unreserved	1,006,860	1,866,240
Total fund equity (deficit)	1,317,373	2,128,169
Total liabilities and fund equity	$ 1,751,506	$ 2,632,240

BENTON COUNTY, OREGON

GENERAL ROAD FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

June 30, 2005 and June 30, 2004

	2005	2004
Revenues		
Taxes and special assessments	$ 2,496	$ 7,301
Intergovernmental	4,692,737	5,051,075
Charges for services	950,045	594,910
Miscellaneous	39,940	72,604
Total revenues	5,685,218	5,725,890
Expenditures		
Public works		
Personal services	2,451,437	2,364,917
Materials and services	2,499,542	2,243,539
Capital outlay	1,497,711	1,221,931
Other	-	-
Total expenditures	6,448,690	5,830,387
Excess of revenues over (under) expenditures	(763,472)	(104,497)
Other financing sources (uses)		
Operating transfers out	(120,824)	(75,569)
Operating transfers in	73,500	178,800
Total other financing sources (uses)	(47,324)	103,231
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(810,796)	(1,266)
Beginning fund balance (deficits)	2,128,169	2,129,435
Ending fund balance (deficits)	$ 1,317,373	$ 2,128,169

BENTON COUNTY, OREGON

GENERAL ROAD FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Budget Basis	GAAP Adjustments	GAAP Basis
Revenues					
Taxes & Assessments	$ 7,274	$ (4,778)	$ 2,496	-	2,496
Intergovernmental	5,399,369	(706,632)	4,692,737	-	4,692,737
Charges for services	824,052	125,993	950,045	-	950,045
Miscellaneous	24,700	15,240	39,940	-	39,940
Total revenues	6,255,395	(570,177)	5,685,218	-	5,685,218
Expenditures					
Public works					
Personal services	2,670,133	96,652	2,573,481	(122,044)	2,451,437
Materials and services	2,628,459	83,249	2,545,210	(45,668)	2,499,542
Capital outlay	2,565,980	1,068,269	1,497,711	-	1,497,711
Contingency	236,549	236,549	-	-	-
Total expenditures	8,101,121	1,484,719	6,616,402	(167,712)	6,448,690
Excess (deficiency) of revenues over expenditures	(1,845,726)	914,542	(931,184)	167,712	(763,472)
Other financing sources (uses)					
Transfers out	-	-	-	(120,824)	(120,824)
Transfers in	73,500	-	73,500	-	73,500
Total other financing sources (uses)	73,500	-	73,500	(120,824)	(47,324)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,772,226)	914,542	(857,684)	46,888	(810,796)
Beginning fund balance	2,034,184	(63,682)	1,970,502	157,667	2,128,169
Ending fund balance	$ 261,958	$ 850,860	$ 1,112,818	$ 204,555	$1,317,373

BENTON COUNTY, OREGON

BLOCK GRANT FUND

COMPARATIVE BALANCE SHEETS

June 30, 2005 and June 30, 2004

	2005	2004
ASSETS		
Cash and investments	$ 361,433	$ 541,137
Accounts receivable	7,500	20,245
Notes receivable - block grants	680,834	1,029,250
Loans receivable	25,245	25,245
Due from other funds	220,000	220,000
Due from other govermental agencies	-	106,625
Total assets	$ 1,295,012	$ 1,942,502
LIABILITIES		
Accounts payable	$ 7,500	$ 2,319
Deferred revenue	680,834	1,029,250
Total liabilities	688,334	1,031,569
FUND EQUITY (DEFICIT)		
Fund balance		
Unreserved	606,678	910,933
Total fund equity (deficit)	606,678	910,933
Total liabilities and fund equity	$ 1,295,012	$ 1,942,502

BENTON COUNTY

BLOCK GRANT FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

June 30, 2005 and June 30, 2004

	2005	2004
Revenues		
Intergovernmental	$ 510,093	$ 189,290
Donations	10,000	226,410
Interest	9,907	5,056
Total revenues	530,000	420,756
Expenditures		
Community services		
Materials and services	365,543	224,476
Capital Outlay	519,164	-
Total expenditures	884,707	224,476
Excess of revenues over (under) expenditures	(354,707)	196,280
Other financing sources (uses)		
Loans	50,452	75,198
Total other financing sources (uses)	50,452	75,198
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(304,255)	271,478
Beginning fund balance (deficits)	910,933	639,455
Ending fund balance (deficits)	$ 606,678	$ 910,933

BENTON COUNTY, OREGON

BLOCK GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For theYear Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ 470,000	$ 40,093	$ 510,093	$ -	$ 510,093
Donations	-	10,000	10,000	-	10,000
Interest	3,500	6,407	9,907	-	9,907
Miscellaneous	-	-	-	-	-
Total revenues	473,500	56,500	530,000	-	530,000
Expenditures					
Community services					
Materials and services	221,032	(144,511)	365,543	-	365,543
Capital outlay	595,660	76,496	519,164	-	519,164
Total expenditures	816,692	(68,015)	884,707	-	884,707
Excess (deficiency) of revenues over expenditures	(343,192)	(11,515)	(354,707)	-	(354,707)
Other financing sources (uses)					
Loans made	(230,468)	230,468	-	-	-
Loan repayments	186,000	(135,548)	50,452	-	50,452
ıl other financing sources (uses)	(44,468)	94,920	50,452	-	50,452
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financin	(387,660)	83,405	(304,255)	-	(304,255)
Beginning fund balance	387,660	288,335	675,995	234,938	910,933
Ending fund balance	$ -	$ 371,740	$ 371,740	$ 234,938	$ 606,678

BENTON COUNTY, OREGON

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2005

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
ASSETS				
Cash and investments	$ 4,141,876	$ 699,742	$ 1,420,619	$ 6,262,237
Receivable				
Accounts	7,175	2,286	-	9,461
Taxes	106,472	4,644	-	111,116
Intergovernmental	20,189	-	-	20,189
Due from other funds	-	-	-	-
Inventory	6,402	-	-	6,402
Prepaids	485	-	-	485
Total assets	$ 4,282,599	$ 706,672	$ 1,420,619	$ 6,409,890
LIABILITIES				
Accounts payable	$ 114,965	$ 437	$ 58,865	$ 174,267
Accrued payroll costs	39,539	-	-	39,539
Due to other funds	-	-	220,000	220,000
Interest payable	-	13,963	-	13,963
Deferred revenue	87,663	3,820	-	91,483
Total liabilities	242,167	18,220	278,865	539,252
FUND BALANCES				
Reserved for inventory	6,402	-	-	6,402
Reserved for prepaids	485	-	-	485
Reserved for debt service	-	688,452	-	688,452
Reserved for capital projects	-	-	1,141,754	1,141,754
Unreserved	4,033,545	-	-	4,033,545
Total fund balances	4,040,432	688,452	1,141,754	5,870,638
Total liabilities and fund balances	$ 4,282,599	$ 706,672	$ 1,420,619	$ 6,409,890

BENTON COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2005

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
REVENUES				
Taxes	$ 3,343,245	$ 159,544	$ -	$ 3,502,789
Intergovernmental	3,529,487	-	647,380	4,176,867
Charges for services	1,099,064	36,223	65,172	1,200,459
Interest	90,277	24,053	22,996	137,326
Miscellaneous	44,141	-	129,500	173,641
Total revenues	8,106,214	219,820	865,048	9,191,082
EXPENDITURES				
Current:				
General government	437,041	3,277	-	440,318
Public safety	1,086,820	-	-	1,086,820
Public works	177,957	-	-	177,957
Health services	769,470	-	-	769,470
Justice services	69,295	-	-	69,295
Community services	786,505	-	-	786,505
Cultural and educational services	4,088,394	-	-	4,088,394
Debt service:				
Principal	-	172,338	-	172,338
Interest	-	1,131,042	-	1,131,042
Capital outlay	-	-	381,495	381,495
Total expenditures	7,415,482	1,306,657	381,495	9,103,634
Excess (deficiency) of revenues over (under) expenditures	690,732	(1,086,837)	483,553	87,448
OTHER FINANCING SOURCES (USES)				
Transfers in	219,500	1,131,537	423,679	1,774,716
Transfers out	(38,554)	(7,800)	-	(46,354)
Total other financing sources and (uses)	180,946	1,123,737	423,679	1,728,362
Net change in fund balances	871,678	36,900	907,232	1,815,810
Fund balances - beginning	3,141,788	651,552	234,522	4,027,862
Residual equity transfer	26,966	-	-	26,966
Fund balances - ending	$ 4,040,432	$ 688,452	$ 1,141,754	$ 5,870,638

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

County School Fund - To account for the distribution to the school districts within the County's jurisdiction of State of Oregon Common School Fund and County School Fund monies.

Fair Fund - To account for the operations of the Benton County Fair and the facilities located at the fairgrounds.

Health and Safety Enhancement Fund - To account for the property revenues received from a five-year local option tax levy.

Library Services District Fund - To account for the operating costs of the public library jointly supported by the City of Corvallis and by the County.

Land Corner Preservation Fund - To account for revenues from recordings and land title transactions dedicated for use in maintaining markers as set by County ordinance.

VALIANT Drug Enforcement Fund (Valley Interagency Narcotics Team) - To account for forfeited assets and other revenues dedicated to enforcement of narcotics laws, and to account for distribution of assets to member agencies as outlined, by interagency agreement and state statute.

Oregon Health Plan Fund - To account for the operations of the Oregon Health Plan administered by the County for the State of Oregon to provide health services to individuals not otherwise covered by health insurance.

Court Security Fund - To account for funds collected to increase courtroom security.

Special Transportation Fund - To account for the proceeds and distributions of a one-cent cigarette tax under ORS 391.800 through 391.830 which funds County programs for transportation of the elderly and handicapped.

Adult Corrections Program – To account for serial levy to fund rental of jail beds.

Title III Projects Fund – To account for Title III funds of the "Secure Rural Schools and Community Self- Determination Act of 2000".

Cemetery Operations Fund – To account for the operations of Crystal Lake Cemetery.

West Lewellyn County Service District Fund - To account for the assessment of property taxes to pay for the cost of a study done to determine the feasibility of extending water services.

BENTON COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 2005

	County School	Fair	Health & Safety Enhancement	Library Services District	Land Corner Preservation	VALIANT Drug Enforcement
ASSETS						
Cash and investments	$ -	$ 18,153	$ -	$ 58,914	$ 362,070	$ 17,483
Accounts receivable	-	-	-	-	-	-
Property taxes receivable	-	-	-	60,240	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	6,402	-
Prepaids	-	-	-	-	-	-
Total assets	$ -	$ 18,153	$ -	$ 119,154	$ 368,472	$ 17,483
LIABILITIES						
Accounts payable	$ -	$ 24,031	$ -	$ 220	$ 2,295	$ 16,850
Accrued payroll costs	-	15,872	-	-	6,412	-
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Deferred revenue	-	-	-	49,733	-	-
Total liabilities	-	39,903	-	49,953	8,707	16,850
FUND BALANCES						
Reserved for inventory	-	-	-	-	6,402	-
Reserved for Oregon Health Plan	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-
Unreserved	-	(21,750)	-	69,201	353,363	633
Total fund balances	-	(21,750)	-	69,201	359,765	633
Total liabilities and fund balances	$ -	$ 18,153	$ -	$ 119,154	$ 368,472	$ 17,483

Oregon Health Plan	Court Security	Special Transportation	Adult Corrections	Title III Projects Fund	Cemetery Operations	West Lewellyn CSD	Total
$1,639,665	$172,490	$ 478,882	$ 1,221,063	$ 68,867	$ 103,539	$ 750	$4,141,876
-	5,802	1,373	-	-	-	-	7,175
-	-	-	46,232	-	-	-	106,472
-	-	-	-	-	-	-	-
-	-	20,189	-	-	-	-	20,189
-	-	-	-	-	-	-	6,402
485	-	-	-	-	-	-	485
$1,640,150	$178,292	$ 500,444	$ 1,267,295	$ 68,867	$ 103,539	$ 750	$4,282,599
$ 1,314	$ 958	$ 6,111	$ 62,985	$ -	$ 201	$ -	$ 114,965
4,446	5,558	-	7,251	-	-	-	39,539
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	37,930	-	-	-	87,663
5,760	6,516	6,111	108,166	-	201	-	242,167
-	-	-	-	-	-	-	6,402
-	-	-	-	-	-	-	-
485	-	-	-	-	-	-	485
1,633,905	171,776	494,333	1,159,129	68,867	103,338	750	4,033,545
1,634,390	171,776	494,333	1,159,129	68,867	103,338	750	4,040,432
$1,640,150	$178,292	$ 500,444	$ 1,267,295	$ 68,867	$ 103,539	$ 750	$4,282,599

BENTON COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2005

	County School	Fair	Health & Safety Enhancement	Library Services District	Land Corner Preservation	VALIANT Drug Enforcement	Oregon Health Plan	Court Security
REVENUES								
Taxes	$ -	$ -	$ -	$1,880,629	$ -	$ -	$ -	$ -
Intergovernmental	1,340,130	41,176	-	20,636	-	-	1,110,144	60,121
Charges for services	-	597,825	-	-	152,534	-	-	-
Interest	2,964	179	-	3,676	7,956		31,526	3,806
Miscellaneous	-	36,828	-	-	-	-	-	-
Total revenues	1,343,094	676,008	-	1,904,941	160,490	-	1,141,670	63,927
EXPENDITURES								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	177,957	-	-	-
Health services	-	-	-	-	-	-	769,470	-
Justice services	-	-	-	-	-	-	-	69,295
Community services	-	-	-	-	-	-	-	-
Cultural and educational	1,343,094	895,577	-	1,849,723	-	-	-	-
Total expenditures	1,343,094	895,577	-	1,849,723	177,957	-	769,470	69,295
Excess (deficiency) of revenues over (under) expenditures	-	(219,569)	-	55,218	(17,467)	-	372,200	(5,368)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	219,500	-	-	-	-	-	-
Transfers out	-	(9,387)	-	-	(5,641)	-	(3,812)	(3,514)
Leases	-	-	-	-	-	-	-	-
Loans repaid	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	210,113	-	-	(5,641)	-	(3,812)	(3,514)
Net change in fund balances	-	(9,456)	-	55,218	(23,108)	-	368,388	(8,882)
Fund balances - beginning	-	(12,294)	(26,966)	13,983	382,873	633	1,266,002	180,658
Residual equity transfer	-	-	26,966	-	-	-	-	-
Fund balances - ending	$ -	$(21,750)	$ -	$ 69,201	$ 359,765	$ 633	$1,634,390	$ 171,776

Special Transportation	Adult Corrections	Title III Projects	Cemetery Operations	West Lewellyn CSD	2005 Total	2004 Total
$ -	$1,462,616	$ -	$ -	$ -	$3,343,245	$3,290,326
651,957	2,061	301,062	2,200	-	3,529,487	3,113,776
339,289	-	-	9,416	-	1,099,064	1,105,838
7,064	26,228	4,547	2,314	17	90,277	41,520
7,020	-	-	293	-	44,141	91,289
1,005,330	1,490,905	305,609	14,223	17	8,106,214	7,642,749
-	-	411,281	25,760	-	437,041	353,852
-	1,086,820	-	-	-	1,086,820	1,297,826
-	-	-	-	-	177,957	176,198
-	-	-	-	-	769,470	902,957
-	-	-	-	-	69,295	377,978
786,505	-	-	-	-	786,505	911,619
-	-	-	-	-	4,088,394	4,061,587
786,505	1,086,820	411,281	25,760	-	7,415,482	8,082,017
218,825	404,085	(105,672)	(11,537)	17	690,732	(439,268)
-	-	-	-	-	219,500	772,990
-	(12,243)	-	(3,957)	-	(38,554)	(50,841)
-	-	-	-	-	-	16,060
-	-	-	-	-	-	(4,650)
-	(12,243)	-	(3,957)	-	180,946	733,559
218,825	391,842	(105,672)	(15,494)	17	871,678	294,291
275,508	767,287	174,539	118,832	733	3,141,788	2,849,473
-	-	-	-	-	26,966	(1,976)
$ 494,333	$1,159,129	$ 68,867	$ 103,338	$ 750	$4,040,432	$3,141,788

BENTON COUNTY, OREGON

COUNTY SCHOOL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ 1,615,300.00	$ (275,170)	$ 1,340,130	-	$ 1,340,130
Interest	15,000	(12,036)	2,964	-	2,964
Total revenues	1,630,300	(287,206)	1,343,094	-	1,343,094
Expenditures					
Cultural services					
Other	1,630,300	287,206	1,343,094	-	1,343,094
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Beginning fund balance	-	-	-	-	-
Ending fund balance	$ -	$ -	$ -	$ -	$ -

BENTON COUNTY, OREGON

FAIR FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ 40,050	$ 1,126	$ 41,176	$ -	$ 41,176
Charges for services	605,866	(8,041)	597,825	-	597,825
Interest	-	179	179	-	179
Miscellaneous	66,999	(30,171)	36,828	-	36,828
Total revenues	712,915	(36,907)	676,008	-	676,008
Expenditures					
Cultural services					
Personal services	250,334	(19,584)	269,918	(9,535)	260,383
Materials and services	653,711	29,276	624,435	-	624,435
Capital outlay	16,370	5,611	10,759	-	10,759
Total expenditures	920,415	15,303	905,112	(9,535)	895,577
Excess (deficiency) of revenues over expenditures	(207,500)	(21,604)	(229,104)	9,535	(219,569)
Other financing sources (uses)					
Leases	-	-	-		-
Transfers in	219,500	-	219,500	-	219,500
Transfers out	-	-	-	(9,387)	(9,387)
Loans repaid	(12,000)	12,000	-	-	-
Total other financing sources (uses)	207,500	12,000	219,500	(9,387)	210,113
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(9,604)	(9,604)	148	(9,456)
Beginning fund balance	-	-	-	(12,294)	(12,294)
Ending fund balance	$ -	$ (9,604)	$ (9,604)	$ (12,146)	$ (21,750)

BENTON COUNTY, OREGON

HEALTH AND SAFETY ENHANCEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Miscellaneous	$ -	$ -	$ -	$ -	$ -
Expenditures					
Other	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Beginning fund balance	-	-	-	(26,966)	(26,966)
Residual equity transfer	-	-	-	26,966	26,966
Ending fund balance	$ -	$ -	$ -	$ -	$ -

BENTON COUNTY, OREGON

LIBRARY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Taxes	$ 1,822,600	$ 58,029	$ 1,880,629	$ -	$ 1,880,629
Intergovernmental	9,300	11,336	20,636		20,636
Interest	3,000	676	3,676	-	3,676
Total revenues	1,834,900	70,041	1,904,941	-	1,904,941
Expenditures					
Cultural and educational services					
Materials and services	1,854,900	5,177	1,849,723	-	1,849,723
Excess (deficiency) of revenues over expenditures	(20,000)	75,218	55,218	-	55,218
Beginning fund balance	20,000	(6,017)	13,983	-	13,983
Ending fund balance	$ -	$ 69,201	$ 69,201	$ -	$ 69,201

BENTON COUNTY, OREGON

LAND CORNER PRESERVATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental services	$ -	-		$ -	$ -
Charges for services	160,000	(7,466)	152,534	-	152,534
Interest	4,000	3,956	7,956	-	7,956
Miscellaneous	-	-		-	-
Total revenues	164,000	(3,510)	160,490	-	160,490
Expenditures					
Public works					
Personal services	131,208	(7,154)	138,362	(5,515)	132,847
Materials and services	55,268	14,769	40,499	4,611	45,110
Capital outlay	2,000	2,000	-	-	-
Other	25,000	25,000	-	-	-
Total expenditures	213,476	34,615	178,861	(904)	177,957
Excess (deficiency) of revenues over (under) expenditures	(49,476)	31,105	(18,371)	904	(17,467)
Other financing sources (uses)					
Transfers out	-	-	-	(5,641)	(5,641)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(49,476)	31,105	(18,371)	(4,737)	(23,108)
Beginning fund balance	300,000	76,220	376,220	6,653	382,873
Ending fund balance	$ 250,524	$ 107,325	$ 357,849	$ 1,916	$ 359,765

BENTON COUNTY, OREGON

VALIANT DRUG ENFORCEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures					
Public safety					
Materials and services	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Beginning fund balance	-	633	633	-	633
Ending fund balance	$ -	$ 633	$ 633	$ -	$ 633

BENTON COUNTY, OREGON

OREGON HEALTH PLAN FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ 822,599	$ 287,545	$ 1,110,144	$ -	$ 1,110,144
Interest	13,000	18,526	31,526	-	31,526
Miscellaneous	50,000	(50,000)	-	-	-
Total revenues	885,599	256,071	1,141,670	-	1,141,670
Expenditures					
Health Services					
Personal services	78,552	1,557	76,995	(3,250)	73,745
Materials and services	1,515,990	978,730	537,260	-	537,260
Capital outlay	-	(158,465)	158,465	-	158,465
Total expenditures	1,594,542	821,822	772,720	(3,250)	769,470
Excess (deficiency) of revenues over (under) expenditures	(708,943)	1,077,893	368,950	3,250	372,200
Other financing sources (uses)					
Transfers out	-	-	-	(3,812)	(3,812)
Loans repaid	75,000	-	75,000	(75,000)	-
Total other financing sources (uses)	75,000	-	75,000	(78,812)	(3,812)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(633,943)	1,077,893	443,950	(75,562)	368,388
Beginning fund balance	633,943	559,765	1,193,708	72,294	1,266,002
Ending fund balance	$ -	$ 1,637,658	$ 1,637,658	$ (3,268)	$ 1,634,390

BENTON COUNTY, OREGON

COURT SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ 54,000	$ 6,121	$ 60,121	$ -	$ 60,121
Interest	1,000	2,806	3,806	-	3,806
Total revenues	55,000	8,927	63,927	-	63,927
Expenditures					
Justice services					
Personal services	72,542	10,817	61,725	506	62,231
Materials and services	6,330	3,341	2,989	-	2,989
Capital outlay	30,000	25,925	4,075	-	4,075
Other	136,128	136,128	-	-	-
Total expenditures	245,000	176,211	68,789	506	69,295
Excess (deficiency) of revenues over (under) expenditures	(190,000)	185,138	(4,862)	(506)	(5,368)
Other financing sources (uses)					
Transfers out	-	-	-	(3,514)	(3,514)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(190,000)	185,138	(4,862)	(4,020)	(8,882)
Beginning fund balance	190,000	(8,877)	181,123	(465)	180,658
Ending fund balance	$ -	$ 176,261	$ 176,261	$ (4,485)	$ 171,776

BENTON COUNTY, OREGON

SPECIAL TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ 1,162,835	$ (510,878)	$ 651,957	$ -	$ 651,957
Charges for services	41,599	297,690	339,289	-	339,289
Interest	541	6,523	7,064	-	7,064
Miscellaneous	-	7,020	7,020	-	7,020
Total revenues	1,204,975	(199,645)	1,005,330	-	1,005,330
Expenditures					
Community services					
Materials and services	696,641	47,827	648,814	-	648,814
Capital outlay	480,712	343,021	137,691	-	137,691
Other	-	-	-	-	-
Total expenditures	1,177,353	390,848	786,505	-	786,505
Excess (deficiency) of revenues over (under) expenditures	27,622	191,203	218,825	-	218,825
Other financing sources (uses)					
Loan	50,000	(50,000)	-	-	-
Loan repayment	(51,500)	51,500	-	-	-
Total other financing sources (uses)	(1,500)	1,500	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	26,122	192,703	218,825	-	218,825
Beginning fund balance	203,406	72,102	275,508	-	275,508
Ending fund Balance	$ 229,528	$ 264,805	$ 494,333	$ -	$ 494,333

BENTON COUNTY, OREGON

ADULT CORRECTIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ -	$ 2,061	$ 2,061	-	$ 2,061
Taxes	1,428,000	34,616	1,462,616		1,462,616
Interest	15,000	11,228	26,228	-	26,228
Total revenues	1,443,000	47,905	1,490,905	-	1,490,905
Expenditures					
Public Safety					
Personal services	314,550	34,377	280,173	(16,785)	263,388
Materials and services	1,034,527	232,099	802,428	-	802,428
Capital outlay	-	(21,004)	21,004	-	21,004
Contingency	693,170	693,170	-	-	-
Total expenditures	2,042,247	938,642	1,103,605	(16,785)	1,086,820
Excess (deficiency) of revenues over (under) expenditures	(599,247)	986,547	387,300	16,785	404,085
Other financing sources (uses)					
Transfer out	(360)	-	(360)	(11,883)	(12,243)
Loan repayment	-	-	-		-
Total other financing sources (uses)	(360)	-	(360)	(11,883)	(12,243)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(599,607)	986,547	386,940	4,902	391,842
Beginning fund balance	620,000	157,767	777,767	(10,480)	767,287
Ending fund Balance	$ 20,393	$ 1,144,314	$ 1,164,707	$ (5,578)	$ 1,159,129

BENTON COUNTY, OREGON

TITLE III
PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ 299,600	$ 1,462	$ 301,062	$ -	$ 301,062
Interest	3,000	1,547	4,547	-	4,547
Total Revenues	302,600	3,009	305,609	-	305,609
Expenditures					
General Government					
Materials & services	322,600	(68,681)	391,281	-	391,281
Capital outlay	150,000	130,000	20,000	-	20,000
Other		-	-	-	-
Total Expenditures	472,600	61,319	411,281	-	411,281
Excess (deficiency) of revenues over (under) expenditures	(170,000)	64,328	(105,672)	-	(105,672)
Beginning fund balance	170,000	4,539	174,539	-	174,539
Ending fund balance	$ -	$ 68,867	$ 68,867	$ -	$ 68,867

BENTON COUNTY, OREGON

CEMETERY OPERATIONS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ -	$ 2,200	$ 2,200	$ -	$ 2,200
Charges for Services	10,100	(684)	9,416	-	9,416
Interest	2,600	(286)	2,314	-	2,314
Miscellaneous	-	293	293	-	293
Total Revenues	12,700	1,523	14,223	-	14,223
Expenditures					
General Government					
Personnel services	-	(947)	947	(33)	914
Materials & Services	7,481	(11,938)	19,419	-	19,419
Capital outlay	10,450	5,023	5,427	-	5,427
Total Expenditures	17,931	(7,862)	25,793	(33)	25,760
Excess (deficiency) of revenues over (under) expenditures	(5,231)	(6,339)	(11,570)	33	(11,537)
Other financing sources (uses)					
Transfers out	(3,931)	-	(3,931)	(26)	(3,957)
Total other financing sources (uses)	(3,931)	-	(3,931)	(26)	(3,957)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(9,162)	(6,339)	(15,501)	7	(15,494)
Beginning fund balance	135,000	(16,160)	118,840	(8)	118,832
Ending fund balance	$ 125,838	$ (22,499)	$ 103,339	$ (1)	$ 103,338

BENTON COUNTY, OREGON

WEST LEWELLYN SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Interest	$ -	$ 17	$ 17	$ -	$ 17
Beginning fund balance	-	733	733	-	733
Ending fund balance	$ -	$ 750	$ 750	$ -	$ 750

NONMAJOR DEBT SERVICE FUNDS

Debt Service Fund – To account for the repayment of bonded debt obligations of the governmental funds of the County.

North Albany County Service District Debt Service Fund – To account for the repayment of bonded debt for North Albany County Service District.

BENTON COUNTY

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

June 30, 2005

	Bonded Debt Service	NACSD Debt Service	Total
ASSETS			
Cash and investments	$ 485,045	$ 214,697	$ 699,742
Receivables			
Accounts	-	2,286	2,286
Taxes	-	4,644	4,644
Total assets	$ 485,045	$ 221,627	$ 706,672
LIABILITIES			
Accounts payable	$ -	$ 437	$ 437
Interest payable	-	13,963	13,963
Deferred revenue	-	3,820	3,820
Total liabilities	-	18,220	18,220
FUND BALANCES			
Unreserved	485,045	203,407	688,452
Total fund balance	485,045	203,407	688,452
Total liabilities and fund balance	$ 485,045	$ 221,627	$ 706,672

BENTON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended June 30, 2005

	Bonded Debt Service	NACSD Debt Service	Total
REVENUES			
Taxes	$ 9	$ 159,535	$ 159,544
Charges for services	36,223	-	36,223
Interest	20,070	3,983	24,053
Total revenues	56,302	163,518	219,820
EXPENDITURES			
Current			
General government	850	2,427	3,277
Debt Service			-
Principal	51,165	121,173	172,338
Interest	1,093,054	37,988	1,131,042
Total expenditures	1,145,069	161,588	1,306,657
Excess (deficiency) of revenues over expenditures	(1,088,767)	1,930	(1,086,837)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,131,537	-	1,131,537
Transfers out	(7,800)	-	(7,800)
Total other financing sources (uses)	1,123,737	-	1,123,737
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	34,970	1,930	36,900
Fund balances - beginning	450,075	201,477	651,552
Fund balances - ending	$ 485,045	$ 203,407	$ 688,452

BENTON COUNTY, OREGON

BONDED DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Taxes and special assessments	$ -	$ 9	$ 9	$ -	$ 9
Charges for services	1,120,000	47,760	1,167,760	(1,131,537)	36,223
Miscellaneous	68,225	(48,155)	20,070	-	20,070
Total revenues	1,188,225	(386)	1,187,839	(1,131,537)	56,302
Expenditures					
Debt service					
Materials and services	-	(850)	850	-	850
Principal and interest	1,144,220	1	1,144,219	-	1,144,219
Total expenditures	1,144,220	(849)	1,145,069	-	1,145,069
Excess (deficiency) of revenues over expenditures	44,005	(1,235)	42,770	(1,131,537)	(1,088,767)
Other financing sources (uses)					
Transfers in	-	-	-	1,131,537	1,131,537
Transfers out	(13,000)	5,200	(7,800)	-	(7,800)
Total other financing sources (uses)	(13,000)	5,200	(7,800)	1,131,537	1,123,737
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	31,005	3,965	34,970	-	34,970
Beginning fund balance	175,000	275,075	450,075	-	450,075
Ending fund balance	$ 206,005	$ 279,040	$ 485,045	$ -	$ 485,045

BENTON COUNTY, OREGON

NORTH ALBANY COUNTY SERVICE DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Taxes	$ 164,370	$ (4,835)	$ 159,535	$ -	$ 159,535
Miscellaneous	2,500	1,483	3,983	-	3,983
Total revenues	166,870	(3,352)	163,518	-	163,518
Expenditures					
Debt service					
Materials and services	4,500	2,073	2,427	-	2,427
Principal and interest	164,592	5,431	159,161	-	159,161
Total expenditures	169,092	7,504	161,588	-	161,588
Excess (deficiency) of revenues over (under) expenditures	(2,222)	4,152	1,930	-	1,930
Beginning fund balance	235,000	(4,861)	230,139	(28,662)	201,477
Ending fund balance	$ 232,778	$ (709)	$ 232,069	$ (28,662)	$ 203,407

NONMAJOR CAPITAL PROJECTS FUNDS

General Capital Improvement Fund - To account for miscellaneous capital improvement projects.

Road Improvement Fund - To account for capital improvements for the road department.

Building Development Fund – To account for the accumulation of funds for the future purchase or construction of buildings.

BENTON COUNTY, OREGON

NONMAJOR CAPITAL PROJECTS FUND

COMBINING BALANCE SHEET

June 30, 2005

	General Capital Improvements	Road Improvements	Building Development Reserve	Total
ASSETS				
Cash and investments	$ 134,817	$ 572,640	$ 713,162	$ 1,420,619
Total assets	$ 134,817	$ 572,640	$ 713,162	$ 1,420,619
LIABILITIES				
Accounts payable	$ -	$ 58,865	$ -	$ 58,865
Due to other funds	220,000	-	-	220,000
Total liabilities	220,000	58,865	-	278,865
FUND BALANCES				
Unreserved	(85,183)	513,775	713,162	1,141,754
Total liabilities and fund balance	$ 134,817	$ 572,640	$ 713,162	$ 1,420,619

BENTON COUNTY, OREGON

NONMAJOR CAPITAL PROJECTS FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2005

	General Capital Improvements	Road Improvements	Building Development Reserve	Total
REVENUES				
Intergovernmental	$ 78,380	$ 569,000	$ -	$ 647,380
Charges for services	-	65,172	-	65,172
Interest	-	12,167	10,829	22,996
Miscellaneous	129,500	-	-	129,500
Total revenues	207,880	646,339	10,829	865,048
EXPENDITURES				
Capital outlay	248,931	132,564	-	381,495
Excess (deficiency) of revenues over (under) expenditures	(41,051)	513,775	10,829	483,553
OTHER FINANCING SOURCES (USES)				
Transfers in	178,632	-	245,047	423,679
Net change in fund balances	137,581	513,775	255,876	907,232
Fund balances - beginning	(222,764)	-	457,286	234,522
Fund balances - ending	$ (85,183)	$ 513,775	$ 713,162	$ 1,141,754

BENTON COUNTY, OREGON

GENERAL CAPITAL IMPROVEMENTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ 64,250	$ 14,130	$ 78,380	$ -	$ 78,380
Charges for services	-	-	-	-	-
Miscellaneous	20,000	109,500	129,500	-	129,500
Total revenues	84,250	123,630	207,880	-	207,880
Expenditures					
Materials and services	-	(13,943)	13,943	-	13,943
Capital outlay	178,356	(56,632)	234,988	-	234,988
Total expenditures	178,356	(70,575)	248,931	-	248,931
Excess (deficiency) of revenues over (under) expenditures	(94,106)	53,055	(41,051)	-	(41,051)
Other financing sources (uses)					
Transfers in	178,632	-	178,632	-	178,632
Loan repayment	(75,000)	-	(75,000)	75,000	-
Total other finances sources (uses)	103,632	-	103,632	75,000	178,632
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	9,526	53,055	62,581	75,000	137,581
Beginning fund balance	62,856	9,380	72,236	(295,000)	(222,764)
Ending fund balance	$ 72,382	$ 62,435	$ 134,817	$ (220,000)	$ (85,183)

BENTON COUNTY, OREGON

ROAD IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Intergovernmental	$ 569,000	$ -	$ 569,000	$ -	$ 569,000
Charges for services	-	65,172	65,172	-	65,172
Interest	8,160	4,007	12,167	-	12,167
Total revenues	577,160	69,179	646,339	-	646,339
Expenditures					
Materials and services	100,000	(29,874)	129,874	-	129,874
Capital outlay	-	(2,690)	2,690	-	2,690
Total expenditures	100,000	(32,564)	132,564	-	132,564
Excess (deficiency) of revenues over (under) expenditures	477,160	36,615	513,775	-	513,775
Beginning fund balance	-	-	-	-	-
Ending fund balance	$ 477,160	$ 36,615	$ 513,775	$ -	$ 513,775

BENTON COUNTY, OREGON

BUILDING DEVELOPMENT RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Interest	$ 5,000	$ 5,829	$ 10,829	$ -	$ 10,829
Expenditures					
Materials and services	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	5,000	5,829	10,829	-	10,829
Other financing sources (uses)					
Transfers in	150,500	94,547	245,047	-	245,047
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	155,500	100,376	255,876	-	255,876
Beginning fund balance	458,000	(714)	457,286	-	457,286
Ending fund balance	$ 613,500	$ 99,662	$ 713,162	$ -	$ 713,162

ENTERPRISE FUNDS

Alsea County Service District – To account for water and sewer utility functions provided by the District, a dependent, but legally separate municipal entity.

Alpine County Service District – To account for sewer utility functions provided by the District, a dependent, but legally separate municipal entity.

Cascade County Service District – To account for water utility functions provided by the District, a dependent, but legally separate municipal entity.

South Third County Service District – To account for sewer utility functions provided by the District, a dependent, but legally separate municipal entity.

Enterprise Operations Fund – To account for leasing of county owned property to private vendors.

Health Center Fund – To account for the operations of the County Health Clinic.

BENTON COUNTY, OREGON

ALSEA COUNTY SERVICE DISTRICT

COMBINING STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
ASSETS		
Current assets		
Cash and investments	$ 43,842	$ 58,432
Prepaids	600	775
Accounts receivable	4,592	4,162
Total current assets	49,034	63,369
Restricted assets		
Cash and investments	3,461	3,291
Assessments receivable	4,603	7,106
Total restricted assets	8,064	10,397
Noncurrent assets		
Capital assets		
Infrastructure	860,796	860,796
Interest revenue	3,742	3,742
Less accumulated depreciation	(542,758)	(509,542)
Total capital assets (net of accumulated depreciation)	321,780	354,996
Total assets	378,878	428,762
LIABILITIES		
Current liabilities		
Accounts payable	371	585
Deferred revenue	-	211
Total current liabilities	371	796
Liabilities payable from restricted assets		
Bonds payable, current portion	736	650
Customer deposits	920	750
Total liabilities payable from restricted assets	1,656	1,400
Non-current liabilities		
Bonds payable, net of current portion	27,829	28,620
Total non-current liabilities	27,829	28,620
Total liabilities	29,856	30,816
NET ASSETS		
Invested in capital assets net of related debt	293,215	325,726
Unrestricted	55,807	72,220
Total net assets	$ 349,022	$ 397,946

BENTON COUNTY, OREGON

ALSEA COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Years Ended June 30, 2005 and 2004

	2005	2004
Operating Revenues		
Charges for services	$ 40,593	$ 42,648
Operating Expenses		
Materials and services	55,907	37,353
Capital outlay (depreciation)	33,216	33,216
Total operating expenses	89,123	70,569
Operating loss	(48,530)	(27,921)
Nonoperating revenues (expenses)		
Interest expense	(1,317)	(1,347)
Interest on special assessments	305	452
Interest revenue	618	796
Income before contributions and transfers	(48,924)	(28,020)
Change in net assets	(48,924)	(28,020)
Total net assets - beginning	397,946	425,966
Total net assets - ending	$ 349,022	$ 397,946

BENTON COUNTY, OREGON

ALSEA COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF CASH FLOWS

Years Ended June 30, 2005 and 2004

	2005	2004
Cash flows from operating activities		
Receipts from customers	$ 40,121	$ 41,453
Payments to suppliers	(55,946)	(37,172)
Net cash provided by operating activities	(15,825)	4,281
Cash flows from capital and related financing activities		
Payments received on special assessments	2,808	2,437
Payment to redeem bonds	(704)	(673)
Payment for interest	(1,317)	(1,347)
Net cash provided by (used for) capital and related financing activities	787	417
Cash flows from investing activities		
Interest received	618	796
Interest revenue		
Net increase	(14,420)	5,494
Cash balance, beginning of year	61,723	56,229
Cash balance, end of year	$ 47,303	$ 61,723

BENTON COUNTY, OREGON

ALSEA COUNTY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Special assessments	$ 1,400	$ 808	$ 2,208	$ (1,903)	$ 305
Charges for services	41,936	(629)	41,307	(715)	40,592
Miscellaneous	750	468	1,218	(600)	618
Total revenues	44,086	647	44,733	(3,218)	41,515
Expenses					
Utility services	45,869	(10,036)	55,905	-	55,905
Debt service	2,577	554	2,023	(705)	1,318
Capital outlay (depreciation)	-	-	-	33,216	33,216
Other - contingency	50,897	50,897	-	-	-
Interest revenue					
Total expenses	99,343	41,415	57,928	32,511	90,439
Excess (deficiency) of revenues over (under) expenses	(55,257)	42,062	(13,195)	(35,729)	(48,924)
Other financing sources (uses)					
Transfers in	10,355	-	10,355	(10,355)	-
Transfers out	(10,355)	-	(10,355)	10,355	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenses and other financing sources (uses)	(55,257)	42,062	(13,195)	(35,729)	(48,924)
Net assets - beginning	56,969	8,861	65,830	332,116	397,946
Net assets - ending	$ 1,712	$ 50,923	$ 52,635	$ 296,387	$ 349,022

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	2004	2004
ASSETS		
Current assets		
Cash and investments	$ 17,035	$ 15,136
Prepaid expenses	814	814
Accounts receivable	3,995	1,769
Total current assets	21,844	17,719
Noncurrent assets		
Capital assets		
Land	33,848	33,848
Utility system	437,341	437,341
Equipment	1,871	1,871
Less accumulated depreciation	(182,974)	(172,157)
Total capital assets (net of accumulated depreciation)	290,086	300,903
Total assets	311,930	318,622
LIABILITIES		
Current liabilities		
Accounts payable	163	174
Deferred revenue	144	396
Total current liabilities	307	570
NET ASSETS		
Invested in capital assets	290,086	300,903
Unrestricted	21,537	17,149
Total net assets	$ 311,623	$ 318,052

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2005 and 2004

	2005	2004
Operating Revenues		
Charges for services	$ 23,058	$ 20,674
Operating Expenses		
Personal services	-	1,486
Materials and services	19,084	16,599
Capital outlay (depreciation)	10,817	10,816
Total operating expenses	29,901	28,901
Operating loss	(6,843)	(8,227)
Nonoperating revenues		
Interest revenue	414	181
Change in net assets	(6,429)	(8,046)
Total net assets - beginning	318,052	326,098
Total net assets - ending	$ 311,623	$ 318,052

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF CASH FLOWS

Years Ended June 30, 2005 and 2004

	2004	2004
Cash flows from operating activities		
Receipts from customers	$ 20,580	$ 22,332
Payments to suppliers	(19,095)	(16,510)
Payroll costs	-	(1,589)
Net cash provided by operating activities	1,485	4,233
Cash flows from investing activities		
Interest received	414	181
Net increase	1,899	4,414
Cash balance, beginning of year	15,136	10,722
Cash balance, end of year	$ 17,035	$ 15,136

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS-
BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 21,100	$ 1,958	$ 23,058	$ -	$ 23,058
Miscellaneous	250	164	414	-	414
Total revenues	21,350	2,122	23,472	-	23,472
Expenses					
Materials and services	19,263	179	19,084	-	19,084
Capital outlay (depreciation)	-	-	-	10,817	10,817
Other - contingency	19,187	19,187	-	-	-
Total expenses	38,450	19,366	19,084	10,817	29,901
Excess (deficiency) of revenues over expenses	(17,100)	21,488	4,388	(10,817)	(6,429)
Net assets - beginning	17,100	(54)	17,046	301,006	318,052
Net assets - ending	$ -	$ 21,434	$ 21,434	$ 290,189	$ 311,623

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
ASSETS		
Current assets		
Cash and investments	$ -	$ 543
Accounts receivable	2,398	1,955
Total current assets	2,398	2,498
Noncurrent assets		
Capital assets		
Infrastructure	250,000	250,000
Equipment	1,871	1,871
Less accumulated depreciation	(100,748)	(90,561)
Total capital assets (net of accumulated depreciation)	151,123	161,310
Total assets	153,521	163,808
LIABILITIES		
Current liabilities		
Accounts payable	1,972	488
Deferred revenue	-	124
Total current liabilities	1,972	612
NET ASSETS		
Invested in capital assets	151,123	161,310
Unrestricted	426	1,886
Total net assets	$ 151,549	$ 163,196

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2005 and 2004

	2005	2004
Operating Revenues		
Charges for services	$ 28,618	$ 25,382
Operating Expenses		
Materials and services	30,118	28,981
Capital outlay (depreciation)	10,187	10,187
Total operating expenses	40,305	39,168
Operating loss	(11,687)	(13,786)
Nonoperating revenues		
Interest revenue	40	34
Change in net assets	(11,647)	(13,752)
Total net assets - beginning	163,196	176,948
Total net assets - ending	$ 151,549	$ 163,196

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF CASH FLOWS

Years Ended June 30, 2005 and 2004

	2005	2004
Cash flows from operating activities		
Receipts from customers	$ 28,051	$ 26,803
Payments to suppliers	(28,634)	(29,112)
Net cash provided by operating activities	(583)	(2,309)
Cash flows from investing activities		
Interest received	40	34
Net increase	(543)	(2,275)
Cash balance, beginning of year	543	2,818
Cash balance, end of year	$ -	$ 543

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 28,300	$ 318	$ 28,618	$ -	$ 28,618
Miscellaneous	200	(160)	40	-	40
Total revenues	28,500	158	28,658	-	28,658
Expenses					
Materials and services	31,204	1,086	30,118	-	30,118
Capital outlay (depreciation)	-	-	-	10,187	10,187
Total expenses	31,204	1,086	30,118	10,187	40,305
Excess (deficiency) of revenues over (under) expenses	(2,704)	1,244	(1,460)	(10,187)	(11,647)
Other financing sources (uses)					
Transfers in	700	(700)	-	-	-
Transfer out	(700)	700	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenses and other financing sources (uses)	(2,704)	1,244	(1,460)	(10,187)	(11,647)
Net assets - beginning	2,704	(818)	1,886	161,310	163,196
Net assets - ending	$ -	$ 426	$ 426	$ 151,123	$ 151,549

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
ASSETS		
Current assets		
Cash and investments	$ 79,162	$ -
Accounts receivables	2,502	1,640
Due from other governments	4,696	114,898
Total current assets	86,360	116,538
Noncurrent assets		
Assessments receivable	157,940	-
Sewer system	1,638,274	1,638,274
Accumulated depreciation	(27,256)	(5,461)
Total noncurrent assets	1,768,958	1,632,813
Total assets	1,855,318	1,749,351
LIABILITIES		
Current liabilities		
Accounts payable	1,653	116,156
Non-current liabilities		
Loans payable	234,996	239,000
Deferred revenue	158,460	80
Total non-current liabilities	393,456	239,080
Total liabilities	395,109	355,236
NET ASSETS		
Invested in capital assets, net of related debt	1,532,309	1,277,657
Unrestricted	(72,100)	116,458
Total net assets	$ 1,460,209	$ 1,394,115

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2005 and 2004

	2005	2004
Operating Revenues		
Charges for services	$ 18,360	$ 6,760
Operating Expenses		
Materials and services	18,540	6,824
Depreciation	21,795	5,461
Total operating expenses	40,335	12,285
Operating income	(21,975)	(5,525)
Nonoperating revenues/expenses		
Intergovernmental	4,696	1,325,372
Assessments received	89,485	-
Interest revenue	4,344	701
Interest expense	(10,456)	-
Change in net assets	66,094	1,320,548
Total net assets - beginning	1,394,115	73,567
Total net assets - ending	$ 1,460,209	$ 1,394,115

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF CASH FLOWS

Years Ended June 30, 2005 and 2004

	2005	2004
Cash flows from operating activities		
Charges for services	$ 17,938	$ 5,200
Payments to suppliers	(133,043)	84,588
Net cash provided by (used for) operating activities	(115,105)	89,788
Cash flows from capital and related financing activities		
Grant proceeds	114,898	1,224,908
Assessments received	92,602	478,000
Loans repaid	(4,004)	(239,000)
Interest expense	(10,456)	-
Increase in fixed assets	-	(1,563,846)
Net cash used in capital and related financing activities	193,040	(99,938)
Cash flows from investing activities		
Interest received	1,227	701
Net increase (decrease)	79,162	(9,449)
Cash balance, beginning of year	-	9,449
Cash balance, end of year	$ 79,162	$ -

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS-
BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 23,955	$ (5,595)	$ 18,360	$ -	$ 18,360
Intergovernmental	-	4,696	4,696	-	4,696
Interest	44	1,183	1,227	3,117	4,344
Total revenues	23,999	284	24,283	3,117	27,400
Expenses					
Materials and services	18,155	(386)	18,541	10,455	28,996
Depreciation	-	-	-	21,795	21,795
Operating contingency	5,844	5,844	-	-	-
Total expenses	23,999	5,458	18,541	32,250	50,791
Excess (deficiency) of revenues over (under) expenses	-	5,742	5,742	(29,133)	(23,391)
Other financing sources (uses)					
Assessments received	23,000	69,602	92,602	(3,117)	89,485
Loans repaid	(17,000)	2,540	(14,460)	14,460	-
Total other financing sources (uses)	6,000	72,142	78,142	11,343	89,485
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	6,000	77,884	83,884	(17,790)	66,094
Net assets - beginning	-	302	302	1,393,813	1,394,115
Net assets - ending	$ 6,000	$ 78,186	$ 84,186	$ 1,376,023	$ 1,460,209

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
ASSETS		
Current assets		
Cash and investments	$ 92,758	$ 13,094
Noncurrent assets		
Capital assets		
Buildings	797,620	129,267
Equipment	5,427	-
Less accumulated depreciation	(47,469)	(26,512)
Total capital assets (net of accumulated depreciation)	755,578	102,755
Total assets	848,336	115,849
LIABILITIES		
Current liabilities		
Accounts payable	10,550	-
Total liabilities	10,550	-
NET ASSETS		
Invested in capital assets net of related debt	755,578	102,755
Unrestricted	82,208	13,094
Total net assets	$ 837,786	$ 115,849

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Year Ended June 30, 2005 and 2004

	2005	2004
Operating Revenues		
Charges for services	$ 205,505	$ 37,098
Operating Expenditures		
Materials and services	31,001	3,030
Depreciation	20,957	4,546
Total operating expenses	51,958	7,576
Operating income	153,547	29,522
Nonoperating revenues (expenses)		
Donations received	-	-
Interest revenue	2,447	282
Income before operating transfers	155,994	29,804
Operating transfers in	668,353	-
Operating transfers out	(102,409)	(38,862)
Change in net assets	721,938	(9,058)
Total net assets - beginning	115,849	124,907
Total net assets - ending	$ 837,787	$ 115,849

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

Years Ended June 30, 2005 and 2004

	2005	2004
Cash flows from operating activities		
Receipts from customers	$ 205,505	$ 37,098
Payments to suppliers	(20,451)	(3,030)
Net cash provided by operating activities	185,054	34,068
Cash flows from capital and related financing activities		
Assets purchased	(5,428)	-
Net cash used in capital and related financing activities	(5,428)	-
Cash flows from noncapital financing activities		
Operating transfers out	(102,409)	(38,862)
Net cash provided by (used for) capital and related financing activities	(102,409)	(38,862)
Cash flows from investing activities		
Interest received	2,447	282
Net increase	79,664	(4,512)
Cash balance, beginning of year	13,094	17,606
Cash balance, end of year	$ 92,758	$ 13,094

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 187,859	$ 17,646	$ 205,505	$ -	$ 205,505
Miscellaneous	2,000	447	2,447	-	2,447
Total revenues	189,859	18,093	207,952	-	207,952
Expenses					
Materials and services	52,318	21,317	31,001	-	31,001
Capital outlay (depreciation)	17,500	12,073	5,427	15,530	20,957
Contingency	25,000	25,000	-	-	-
Total expenses	94,818	58,390	36,428	15,530	51,958
Excess (deficiency) of revenues over (under) expenses	95,041	76,483	171,524	(15,530)	155,994
Other financing uses					
Opeating transferd in	-	-	-	668,353	668,353
Operating transfers out	(102,609)	200	(102,409)	-	(102,409)
Excess (deficiency) of revenues over (under) expenses and other uses	(7,568)	76,683	69,115	(15,530)	721,938
Net assets - beginning	51,000	(37,906)	13,094	102,755	115,849
Net assets - ending	$ 43,432	$ 38,777	$ 82,209	$ 87,225	$ 837,787

BENTON COUNTY, OREGON

BENTON COUNTY HEALTH CENTER FUND

STATEMENT OF NET ASSETS

June 30, 2005

	2005
ASSETS	
Current assets	
Cash and investments	$ -
Accounts receivable (net of doubtful accouts)	300,472
Inventory	18,961
Prepaid expenses	5,084
Total current assets	324,517
Noncurrent assets	
Prepaid pension assets	1,351,086
Accumulated amortization	(8,552)
Net prepaid pension assets	1,342,534
Capital assets	
Building Improvements	86,885
Equipment	7,520
Less accumulated depreciation	(2,520)
Total capital assets (net of accumulated depreciation	91,885
Total assets	1,758,936
LIABILITIES	
Current liabilities	
Accounts payable	314,474
Accrued payroll	109,353
Accrued compensated absences	43,181
Total current liabilities	467,008
Long-term liabilities	
Pension bonds payable	1,351,086
Accrued compensated absences	10,691
Total long-term liabilities	1,361,777
Total liabilities	1,828,785
NET ASSETS	
Invested in capital net of related debt	91,885
Unrestricted	(161,734)
Total net assets	$ (69,849)

BENTON COUNTY, OREGON

BENTON COUNTY HEALTH CENTER FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Year Ended June 30, 2005

	2005
Operating Revenues	
Charges for services	$ 779,330
Intergovernmental	1,656,517
Miscellaneous revenues	79,423
Total operating revenues	2,515,270
Operating Expenses	
Personal services	2,071,202
Materials and services	2,315,553
Depreciation	2,520
Amortization	8,552
Total operating expenses	4,397,827
Operating income	(1,882,557)
Nonoperating revenues	
Interest revenue	130
Income before operating transfers	(1,882,427)
Transfers	
Transfers out	(68,627)
Transfers in	1,881,205
Net transfers	1,812,578
Change in net assets	(69,849)
Total net assets - beginning	-
Total net assets - ending	$ (69,849)

BENTON COUNTY, OREGON

BENTON COUNTY HEALTH CENTER FUND

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2005

	2005
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 478,858
Grants	1,656,517
Miscellaneous donations	79,423
Payments to suppliers	(2,025,124)
Payroll costs	(1,907,977)
Net cash provided (used) by operating activities	(1,718,303)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers out	(68,627)
Operating transfers in	1,881,205
Net cash provided by noncapital financing activities	1,812,578
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Increase in fixed assets	(94,405)
Net cash used by capital and related financing activities	(94,405)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	130
Net cash from investing activities	130
Net increase (decrease) in cash and investments	-
Cash and investments - beginning	-
Cash and investments - ending	$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ (1,882,557)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation/amortization expense	11,072
Change in assets and liabilities:	
Receivables	(300,472)
Inventories	(18,961)
Prepaids	(5,084)
Compensated absences	53,872
Payables	423,827
Net cash provided (used) by operating activities	$ (1,718,303)

BENTON COUNTY, OREGON

BENTON COUNTY HEALTH CENTER

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 2,347,838	$ (1,568,508)	$ 779,330	$ -	$ 779,330
Intergovernmental	1,571,323	85,194	1,656,517	-	1,656,517
Interest earnings	-	130	130	-	130
Miscellaneous	80,000	(577)	79,423	-	79,423
Total revenue	3,999,161	(1,483,761)	2,515,400	-	2,515,400
Expenses					
Personal services	2,615,481	529,524	2,085,957	(14,755)	2,071,202
Materials and services	2,234,708	(116,740)	2,351,448	(35,895)	2,315,553
Capital outlay	107,901	71,665	36,236	(36,236)	-
Depreciation and amortization	-	-	-	11,072	11,072
Total expenditures	4,958,090	484,449	4,473,641	(75,814)	4,397,827
Excess (deficiency) of revenues over (under) expenses	(958,929)	(999,312)	(1,958,241)	75,814	(1,882,427)
Other financing sources (uses)					
Transfers out	-	-	-	(68,627)	(68,627)
Transfers in	958,929	900,000	1,858,929	22,276	1,881,205
Total other financing sources (uses)	958,929	900,000	1,858,929	(46,351)	1,812,578
Excess (deficiency) of revenues and other financing sources over (under) expenses and other financing uses	-	(99,312)	(99,312)	29,463	(69,849)
Net assets - beginning	-	-	-	-	-
Net assets - ending	$ -	$ (99,312)	$ (99,312)	$ 29,463	$ (69,849)

INTERNAL SERVICE FUNDS

Intergovernmental Service Fund – To account for the rental of County space, costs of fleet services, personal computer support, mail and photocopy services provided to various operating departments of the County. Charges made to the budgets of the "user" departments support these services.

Management Service Fund – To account for the costs of central administrative "overhead" services. Services include: finance, budget, human resources, information resources and legal counsel. Charges made to the budgets of the "user" departments support these services.

Health Management Fund – To account for the administrative services of the County Health Department which are allocated to the different funds of the Health Department.

Employee Benefit Trust Fund – To account for the costs of workers compensation, employee assistance programs, unemployment, and retirement payoffs. Charges made to the budgets of the "user" departments support these services.

BENTON COUNTY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

June 30, 2005

	Intergovernmental Service	Management Service	Health Management	Employee Benefits Trust	Totals
ASSETS					
Current assets:					
Cash and investments	$ 1,369,609	$ 225,492	$ 226,357	$ 664,349	$ 2,485,807
Accounts receivable	89,866	-	19,095	-	108,961
Inventories	98,133	-	13,403	-	111,536
Deposits receivable	5,000	-	-	-	5,000
Note receivable	6,416	-	-	-	6,416
Prepaid expenses	61,848	29,739	333	-	91,920
Total current assets	1,630,872	255,231	259,188	664,349	2,809,640
Noncurrent assets:					
Prepaid pension assets	769,302	960,231	1,217,881	-	2,947,414
Accumulated amortization	(11,350)	(14,193)	(7,710)	-	(33,253)
Net prepaid pension assets	757,952	946,038	1,210,171	-	2,914,161
Capital assets:					
Land	412,579	-	-	-	412,579
Land improvements	39,308	-	-	-	39,308
Buildings	9,512,253	-	-	-	9,512,253
Machinery and equipment	5,819,800	482,680	325,661	-	6,628,141
Work in progress	-	-	-	-	-
Less accumulated depreciation	(7,886,800)	(104,534)	(32,320)	-	(8,023,654)
Total capital assets (net of accumulated depreciation)	7,897,140	378,146	293,341	-	8,568,627
Total noncurrent assets	8,655,092	1,324,184	1,503,512	-	11,482,788
Total assets	10,285,964	1,579,415	1,762,700	664,349	14,292,428
LIABILITIES					
Current liabilities:					
Accounts payable	$ 142,990	$ 60,969	$ 46,615	$ 31,075	281,649
Payroll payable	54,709	64,799	112,660	-	232,168
Deposits payable	560	2,029	-	-	2,589
Notes payable	-	-	-	-	-
Leases payable	9,617	-	-	-	9,617
Accrued compensated absences	25,999	29,594	39,816	-	95,409
Total current liabilities	233,875	157,391	199,091	31,075	621,432
Long-term liabilities:					
PERS bonds payable	799,234	1,027,587	1,217,881	-	3,044,702
Notes payable	-	-	-	-	-
Leases payable	-	-	-	-	-
Accrued compensated absences	202,201	108,651	12,444	-	323,296
Total long-term liabilities	1,001,435	1,136,238	1,230,325	-	3,367,998
Total liabilities	1,235,310	1,293,629	1,429,416	31,075	3,989,430
NET ASSETS					
Invested in capital net of related debt	7,887,523	378,146	293,341	-	8,559,010
Unrestricted	1,163,131	(92,360)	39,943	633,274	1,743,988
Total net assets	$ 9,050,654	$ 285,786	$ 333,284	$ 633,274	$ 10,302,998

BENTON COUNTY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

For the Year Ended June 30, 2005

	Intergovernmental Service	Management Service	Health Management	Employee Benefits Trust	Totals
OPERATING REVENUES					
Charges for sales and services					
Charges for services	$ 2,802,431	$ 1,818,182	$ 3,237,333	$ 363,337	$ 8,221,283
Space rental	1,150,556	-	-	-	1,150,556
Sale of materials	364,170	-	-	-	364,170
Miscellaneous	8,529	989	106,618	-	116,136
Total operating revenues	4,325,686	1,819,171	3,343,951	363,337	9,852,145
OPERATING EXPENSES					
Personal services	1,054,175	1,261,450	1,999,708	10,987	4,326,320
Materials and services	2,456,476	808,960	1,226,022	193,356	4,684,814
Depreciation/amortization	631,429	53,773	40,030	-	725,232
Total operating expenses	4,142,080	2,124,183	3,265,760	204,343	9,736,366
Operating income	183,606	(305,012)	78,191	158,994	115,779
NONOPERATING REVENUES (EXPENSES)					
Interest expense	(2,347)	-	-	-	(2,347)
Investment earnings	4,658	2,525	1,431	14,124	22,738
Income before contributions and transfers	185,917	(302,487)	79,622	173,118	136,170
Transfers in	-	311,979	325,661	6,416	644,056
Transfers out	(752,986)	(136,023)	(71,999)	-	(961,008)
Change in net assets	(567,069)	(126,531)	333,284	179,534	(180,782)
Net assets - beginning	9,617,723	412,317	-	453,740	10,483,780
Net assets - ending	$ 9,050,654	$ 285,786	$ 333,284	$ 633,274	$10,302,998

BENTON COUNTY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2005

	Intergovernmental Service	Management Service	Health Management	Employee Benefits Trust	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 4,323,197	$ 1,819,171	$ 3,324,856	$ 363,337	$9,830,561
Payments to suppliers	(2,498,383)	(780,133)	(1,193,144)	(191,034)	(4,662,694)
Payroll costs	(1,020,076)	(1,259,614)	(1,834,787)	(10,987)	(4,125,464)
Net cash provided (used) by operating activities	804,738	(220,576)	296,925	161,316	1,042,403
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Principal paid on non-capital debt	(34,783)	-	-	-	(34,783)
Transfer of PERS debt	33,181	71,327	-	-	104,508
Operating transfers out	(752,986)	(136,023)	(71,999)	-	(961,008)
Operating transfers in	-	311,979	-	6,416	318,395
Net cash provided by noncapital financing activities	(754,588)	247,283	(71,999)	6,416	(572,888)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Decrease in fixed assets	785,356	-	-	-	785,356
Increase in fixed assets	(704,361)	-	-	-	(704,361)
Principal paid on capital debt	(15,690)	-	-	-	(15,690)
Interest paid on capital debt	(2,347)	-	-	-	(2,347)
Net cash used by capital and related financing activities	62,958	-	-	-	62,958
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	4,658	2,525	1,431	14,124	22,738
Principal received on outstanding loans	29,249	-	-	-	29,249
Net cash from investing activities	33,907	2,525	1,431	14,124	51,987
Net increase (decrease) in cash and investments	147,015	29,232	226,357	181,856	584,460
Cash and investments - beginning	1,222,594	196,260	-	482,493	1,901,347
Cash and investments - ending	$ 1,369,609	$ 225,492	$ 226,357	$ 664,349	$2,485,807
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ 183,606	$ (305,012)	$ 78,191	$ 158,994	$ 115,779
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation/amortization expense	631,429	53,773	40,030	-	725,232
Change in assets and liabilities:					
Receivables	(2,489)	-	(19,095)	-	(21,584)
Inventories	9,098	-	(333)	-	8,765
Prepaids	(48,550)	(9,736)	(13,403)	-	(71,689)
Compensated absences	16,444	(11,148)	52,260	-	57,556
Payables	15,200	51,547	159,275	2,322	228,344
Net cash provided (used) by operating activities	$ 804,738	$ (220,576)	$ 296,925	$ 161,316	$1,042,403

BENTON COUNTY, OREGON

INTERGOVERNMENTAL SERVICE FUND

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
ASSETS		
Current assets		
Cash and investments	$ 1,369,609	$ 1,222,594
Accounts receivable	89,866	87,377
Inventories	98,133	107,231
Prepaid expenses	61,848	13,298
Deposit receivable	5,000	5,000
Note receivable	6,416	35,665
Total current assets	1,630,872	1,471,165
Noncurrent assets		
Prepaid pension asset	769,302	861,874
Accumulated amortization	(11,350)	(6,291)
Net prepaid pension assets	757,952	855,583
Capital assets		
Land	412,579	412,579
Land improvements	39,308	39,308
Buildings	9,512,253	10,258,210
Equipment	5,819,800	5,659,917
Work in progress	-	14,948
Less accumulated depreciation	(7,886,800)	(7,780,457)
Total capital assets (net of accumulated depreciation	7,897,140	8,604,505
Total assets	10,285,964	10,931,253
LIABILITIES		
Current liabilities		
Accounts payable	142,990	145,445
Accrued payroll	54,709	37,054
Deposits	560	560
Leases payable	9,617	15,690
Current portion of notes payable	-	26,164
Accrued compensated absences	25,999	22,922
Total current liabilities	233,875	247,835
Long-term liabilities		
Pension bonds payable	799,234	858,625
Leases payable, net of current portion	-	9,617
Notes payable, net of current portion	-	8,619
Accrued compensated absences	202,201	188,834
Total long-term liabilities	1,001,435	1,065,695
Total liabilities	1,235,310	1,313,530
NET ASSETS		
Invested in capital net of related debt	7,887,523	8,579,198
Unrestricted	1,163,131	1,038,525
Total net assets	$ 9,050,654	$ 9,617,723

BENTON COUNTY, OREGON

INTERGOVERNMENTAL SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Years Ended June 30, 2005 and 2004

	2004	2004
Operating Revenues		
Charges for services	$ 2,802,431	$ 2,441,380
Space rental	1,150,556	1,176,424
Sale of materials	364,170	334,526
Miscellaneous	8,529	11,207
Total operating revenue	4,325,686	3,963,537
Operating Expenses		
Personal services	1,054,175	1,012,579
Materials and services	2,456,476	1,934,467
Depreciation	626,370	643,672
Amortization	5,059	4,273
Total operating expenses	4,142,080	3,594,991
Operating income	183,606	368,546
Nonoperating revenues (expenses)		
Interest revenue	4,658	4,978
Interest expense	(2,347)	(5,190)
Net nonoperating revenues	2,311	(212)
Income (loss) before operating transfers	185,917	368,334
Interfund transfers		
Operating transfers in	-	1,231
Operating transfers out	(752,986)	(121,721)
Net interfund transfers	(752,986)	(120,490)
Change in net assets	(567,069)	247,844
Total net assets - beginning	9,617,723	9,369,879
Total net assets - ending	$ 9,050,654	$ 9,617,723

BENTON COUNTY, OREGON

INTERGOVERNMENTAL SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 4,323,197	$ 3,922,001
Payments to suppliers	(2,498,383)	(1,899,435)
Payroll costs	(1,020,076)	(1,018,591)
Net cash provided (used) by operating activities	804,738	1,003,975
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on non-capital debt	(34,783)	(43,547)
Operating transfers out	33,181	(121,721)
Operating transfers in	(752,986)	1,231
Net cash provided by noncapital financing activities	(754,588)	(164,037)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Decrease in fixed assets	785,356	41,317
Increase in fixed assets	(704,361)	(651,110)
Principal paid on capital debt	(15,690)	-
Interest paid on capital debt	(2,347)	(5,190)
Net cash used by capital and related financing activities	62,958	(614,983)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	4,658	4,978
Principal received on outstanding loans	29,249	26,164
Net cash from investing activities	33,907	31,142
Net increase (decrease) in cash and investments	147,015	256,097
Cash and investments - beginning	1,222,594	966,497
Cash and investments - ending	$ 1,369,609	$ 1,222,594
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 183,606	$ 368,546
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization expense	631,429	647,945
Change in assets and liabilities:		
Receivables	(2,489)	(41,536)
Inventories	9,098	(14,829)
Prepaids	(48,550)	(11,283)
Compensated absences	16,444	(760)
Payables	15,200	55,892
Net cash provided (used) by operating activities	$ 804,738	$ 1,003,975

BENTON COUNTY, OREGON

INTERGOVERNMENTAL SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 3,467,280	$ 485,707	$ 3,952,987	$ -	$ 3,952,987
Sale of materials & equipment	521,351	(55,126)	466,225	(102,055)	364,170
Miscellaneous	45,979	(34,242)	11,737	-	11,737
Total revenues	4,034,610	396,339	4,430,949	(102,055)	4,328,894
Expenses					
Personal services	1,145,546	56,363	1,089,183	(35,008)	1,054,175
Materials and services	2,145,783	(79,686)	2,225,469	231,007	2,456,476
Capital outlay	1,066,563	117,698	948,865	(948,865)	-
Depreciation and amortization	-	-	-	631,429	631,429
Debt service	24,755	379	24,376	(22,029)	2,347
Operating - contingency	290,723	290,723	-	-	-
Total expenses	4,673,370	385,477	4,287,893	(143,466)	4,144,427
Excess (deficiency) of revenues over (under) expenses	(638,760)	781,816	143,056	41,411	184,467
Other financing sources (uses)					
Transfers out	-	-	-	(752,986)	(752,986)
Transfers in	94,547	(94,547)	-	-	0
Loans repayment	24,755	5,945	30,700	(29,250)	1,450
Total other financing sources (uses)	119,302	(88,602)	30,700	(782,236)	(751,536)
Excess (deficiency) of revenues and other financing sources over (under) expenses and other financing uses	(519,458)	693,214	173,756	(740,825)	(567,069)
Net assets - beginning	914,900	381,087	1,295,987	8,321,745	9,617,732
Ending Retained Earnings	$ 395,442	$ 1,074,301	$ 1,469,743	$ 7,580,920	$ 9,050,663

BENTON COUNTY, OREGON

MANAGEMENT SERVICES FUND

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
ASSETS		
Current assets		
Cash and investments	$ 225,492	$ 196,260
Prepaid expenses	29,739	20,002
Total current assets	255,231	216,262
Noncurrent assets		
Prepaid pension assets	960,231	1,053,401
Accumulated amortization	(14,193)	(7,688)
Net prepaid pension assets	946,038	1,045,713
Capital assets		
Equipment	482,680	482,680
Accumulated depreciation	(104,534)	(57,265)
Net fixed assets	378,146	425,415
Total assets	1,579,415	1,687,390
LIABILITIES		
Current liabilities		
Accounts payable	60,969	24,435
Accrued payroll	64,799	51,815
Other accrued liabilities	2,029	-
Accrued compensated absences	29,594	43,565
Total current liabilities	157,391	119,815
Long-term liabilities		
Pension bonds payable	1,027,587	1,049,430
Accrued compensated absences	108,651	105,828
Total long-term liabilities	1,136,238	1,155,258
Total liabilities	1,293,629	1,275,073
NET ASSETS		
Invested in capital net of related debt	378,146	425,415
Unrestricted	(92,360)	(13,098)
Total net assets	$ 285,786	$ 412,317

BENTON COUNTY, OREGON

MANAGEMENT SERVICES FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2005 and 2004

	2005	2004
Operating Revenues		
Charges for services	$ 1,754,984	$ 1,849,906
Intergovernmental	63,198	-
Miscellaneous revenues	989	20,466
Total operating revenues	1,819,171	1,870,372
Operating Expenses		
Personal services	1,241,814	1,336,441
Materials and services	808,960	724,100
Amortization	6,505	5,222
Depreciation	47,268	47,710
Total operating expenses	2,104,547	2,113,473
Operating loss	(285,376)	(243,101)
Nonoperating revenues		
Interest revenue	2,525	1,108
Income before operating transfers	(282,851)	(241,993)
Interfund transfers		
Operating transfers out	(155,659)	(42,990)
Operating transfers in	311,979	251,780
Net transfers	156,320	208,790
Change in net assets	(126,531)	(33,203)
Net assets - beginning	412,317	445,520
Net assets - ending	$ 285,786	$ 412,317

BENTON COUNTY, OREGON

MANAGEMENT SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 1,754,984	$ 1,870,691
Grants	63,198	-
Miscellaneous revenues	989	
Payments to suppliers	(780,133)	(736,898)
Payroll costs	(1,239,978)	(1,305,024)
Net cash provided (used) by operating activities	(200,940)	(171,231)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on non-capital debt	(21,843)	(1,505)
Change in prepaid pension asset	93,170	-
Operating transfers out	(155,659)	(42,990)
Operating transfers in	311,979	251,780
Net cash provided by noncapital financing activities	227,647	207,285
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Increase in fixed assets	-	(9,572)
Net cash used by capital and related financing activities	-	(9,572)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	2,525	1,108
Net cash from investing activities	2,525	1,108
Net increase (decrease) in cash and investments	29,232	27,590
Cash and investments - beginning	196,260	168,670
Cash and investments - ending	$ 225,492	$ 196,260
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (285,376)	$ (243,101)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization expense	53,773	52,932
Change in assets and liabilities:		
Receivables	-	319
Prepaids	(9,737)	(17,274)
Compensated absences	(11,148)	28,066
Payables	51,547	7,827
Net cash provided (used) by operating activities	$ (200,941)	$ (171,231)

BENTON COUNTY, OREGON

MANAGEMENT SERVICES FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL

For the year ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 2,010,560	$ (255,576)	$ 1,754,984	$ -	$ 1,754,984
Intergovernmental	-		63,198	-	63,198
Interest earnings	2,000	525	2,525	-	2,525
Miscellaneous	-	989	989	-	989
Total revenue	2,012,560	(254,062)	1,821,696	-	1,821,696
Expenses					
Personal services	1,335,963	(5,636)	1,341,599	(99,785)	1,241,814
Materials and services	930,035	121,553	808,482	478	808,960
Capital outlay	5,008	4,530	478	(478)	-
Depreciation and amortization	-	-	-	53,773	53,773
Contingency	75,000	75,000	-	-	-
Total expenditures	2,346,006	195,447	2,150,559	(46,012)	2,104,547
Excess (deficiency) of revenues over (under) expenses	(333,446)	4,583	(328,863)	46,012	(282,851)
Other financing sources (uses)					
Operating transfers out	-	-	-	(155,659)	(155,659)
Operating transfers in	311,879	100	311,979	-	311,979
Total other financing sources (uses)	311,879	100	311,979	(155,659)	156,320
Excess (deficiency) of revenues and other financing sources over (under) expenses and other financing uses	(21,567)	4,683	(16,884)	(109,647)	(126,531)
Net assets - beginning	131,243	60,585	191,828	220,489	412,317
Net assets - ending	$ 109,676	$ 65,268	$ 174,944	$ 110,842	$ 285,786

BENTON COUNTY, OREGON

HEALTH MANAGEMENT SERVICES FUND

STATEMENT OF NET ASSETS

June 30, 2005

	2005
ASSETS	
Current assets	
Cash and investments	$ 226,357
Accounts receivable	19,095
Inventory	13,403
Prepaid expenses	333
Total current assets	259,188
Noncurrent assets	
Prepaid pension assets	1,217,881
Accumulated amortization	(7,710)
Net prepaid pension assets	1,210,171
Capital assets	
Equipment	325,661
Less accumulated depreciation	(32,320)
Total capital assets (net of accumulated depreciation	293,341
Total assets	1,762,700
LIABILITIES	
Current liabilities	
Accounts payable	46,615
Accrued payroll	112,660
Accrued compensated absences	39,816
Total current liabilities	199,091
Long-term liabilities	
Pension bonds payable	1,217,881
Accrued compensated absences	12,444
Total long-term liabilities	1,230,325
Total liabilities	1,429,416
NET ASSETS	
Invested in capital net of related debt	293,341
Unrestricted	39,943
Total net assets	$ 333,284

BENTON COUNTY, OREGON

HEALTH MANAGEMENT SERVICES FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Year Ended June 30, 2005

	2005
Operating Revenues	
Charges for services	$ 2,985,273
Intergovernmental	252,060
Miscellaneous revenues	106,618
Total operating revenues	3,343,951
Operating Expenses	
Personal services	1,981,973
Materials and services	1,226,022
Depreciation	32,320
Amortization	7,710
Total operating expenses	3,248,025
Operating income	95,926
Nonoperating revenues	
Interest revenue	1,431
Income before operating transfers	97,357
Transfers	
Operating transfer out	(89,734)
Capital transfer in	325,661
Net transfers	235,927
Change in net assets	333,284
Net assets - beginning	-
Net assets - ending	$ 333,284

BENTON COUNTY, OREGON

HEALTH MANAGEMENT SERVICES FUND

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2005

	2005
Cash flows from operating activities	
Receipts from customers	$ 2,966,178
Grants	252,060
Miscellaneous receipts	106,618
Payment to suppliers	(1,193,144)
Payroll costs	(1,817,052)
Net cash provided by (used for) operating activities	314,660
Cash flows from noncapital financing activities	
Operating transfers out	(89,734)
Net cash provided by noncapital financing activities	(89,734)
Cash flows from investing activities	
Interest received	1,431
Net cash provided by investing activities	1,431
Net increase	226,357
Cash balance, beginning of year	-
Cash balance, end of year	$ 226,357
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income	$ 95,926
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation/amortization expense	40,030
Change in assets and liabilities:	
Receivables	(19,095)
Prepaids	(333)
Inventory	(13,403)
Compensated absences	52,260
Payables	159,275
Net cash provided (used) by operating activities	$ 314,660

BENTON COUNTY, OREGON

HEALTH MANAGEMENT SERVICES FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 3,162,402	$ (177,129)	$ 2,985,273	$ -	$ 2,985,273
Intergovernmental	214,532	37,528	252,060	-	252,060
Interest earnings	-	1,431	1,431	-	1,431
Miscellaneous	100,000	6,618	106,618	-	106,618
Total revenue	3,476,934	(131,552)	3,345,382	-	3,345,382
Expenses					
Personal services	2,024,998	5,552	2,019,446	(37,473)	1,981,973
Materials and services	1,451,936	233,574	1,218,362	7,660	1,226,022
Capital outlay	-	(7,660)	7,660	(7,660)	-
Depreciation and amortization	-	-	-	40,030	40,030
Total expenditures	3,476,934	231,466	3,245,468	2,557	3,248,025
Excess (deficiency) of revenues over (under) expenses	-	99,914	99,914	(2,557)	97,357
Other financing sources (uses)					
Operating transfer out	-	-	-	(89,734)	(89,734)
Capital transfers in	-	-	-	325,661	325,661
Total other financing sources (uses)	-	-	-	235,927	235,927
Excess (deficiency) of revenues and other financing sources over (under) expenses and other financing uses	-	99,914	99,914	233,370	333,284
Net assets - beginning	-	-	-	-	-
Net assets - ending	$ -	$ 99,914	$ 99,914	$ 233,370	$ 333,284

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
ASSETS		
Current assets		
Cash and investments	$ 664,349	$ 482,493
Total current assets	664,349	482,493
Total assets	664,349	482,493
LIABILITIES		
Current liabilities		
Accounts payable	31,075	28,753
Total current liabilities	31,075	28,753
Total liabilities	31,075	28,753
NET ASSETS		
Unrestricted	633,274	453,740
Total net assets	$ 633,274	$ 453,740

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2005 and 2004

	2005	2004
Operating Revenues		
Charges for services	$ 352,168	$ 486,432
Miscellaneous revenues	11,169	6,738
Total revenues	363,337	493,170
Opeating Expenses		
Personal services	10,987	90,719
Materials and services	193,356	227,908
Total operating expenses	204,343	318,627
Operating income	158,994	174,543
Nonoperating revenues		
Interest revenue	14,124	5,543
Income before operating transfers	173,118	180,086
Transfers		
Transfers in	6,416	48,494
Net transfers	6,416	48,494
Change in net assets	179,534	228,580
Net assets - beginning	453,740	225,160
Net assets - ending	$ 633,274	$ 453,740

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2005 and 2004

	2004	2004
Cash flows from operating activities		
Receipts from customers	$ 158,994	$ 493,942
Payments to suppliers		(294,335)
Payroll costs		(92,263)
Net cash provided by (used for) operating activities	158,994	107,344
Cash flows from noncapital financing activities		
Operating transfers in	6,416	48,494
Net cash provided by noncapital financing activities	6,416	48,494
Cash flows from investing activities		
Interest received	14,124	5,543
Net cash provided by investing activities	14,124	5,543
Net increase	179,534	161,381
Cash balance, beginning of year	482,493	321,112
Cash balance, end of year	662,027	482,493

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL

Year Ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 444,547	$ (92,379)	$ 352,168	$ -	$ 352,168
Miscellaneous	-	25,293	25,293	-	25,293
Total revenue	444,547	(67,086)	377,461	-	377,461
Expenses					
Personal services	96,147	85,160	10,987	-	10,987
Materials and services	739,000	545,644	193,356	-	193,356
Total expenditures	835,147	630,804	204,343	-	204,343
Excess (deficiency) of revenues over (under) expenses	(390,600)	563,718	173,118	-	173,118
Other financing sources					
Transfers in	-	6,416	6,416	-	6,416
Total other financing sources (uses)	-	6,416	6,416	-	6,416
Excess (deficiency) of revenues and other financing sources over (under) expenses and other financing uses	(390,600)	570,134	179,534	-	179,534
Net assets - beginning	635,600	(181,860)	453,740	-	453,740
Net assets - ending	$ 245,000	$ 388,274	$ 633,274	$ -	$ 633,274

FIDUCIARY FUNDS

Trust Fund – Accounts for assets held by the County in a trustee capacity for private organizations and individuals to be used for beautification of the County Courthouse, and promotion of open space.

Tax Title Land Fund – Accounts for the management of tax foreclosed properties.

Agency Funds – Accounts for assets held by the County on an interim basis, the County has no management responsibility for these assets.

BENTON COUNTY, OREGON

TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 44,800	$ 2,398	$ 47,198	$ -	$ 47,198
Intergovernmental	208,880	3,105	211,985	-	211,985
Miscellaneous	194,700	(81,195)	113,505	56,293	169,798
Total revenue	448,380	(75,692)	372,688	56,293	428,981
Expenditures					
Public safety	31,244	4,626	26,618	-	26,618
Justice services	55,300	28,295	27,005	-	27,005
Trust	371,383	269,495	101,888	15,724	117,612
Total expenditures	457,927	302,416	155,511	15,724.0	171,235
Excess (deficiency) of revenues over (under) expenditures	(9,547)	226,724	217,177	40,569	257,746
Other financing sources (uses)					
Operating transfers out	(15,724)	-	(15,724)	15,724	-
Operating transfers in	45,918	10,375	56,293	(56,293)	-
Total other financing sources (uses)	30,194	10,375	40,569	(40,569)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	20,647	237,099	257,746	-	257,746
Beginning fund balance	336,370	(56,622)	279,748	-	279,748
Ending fund balance	$ 357,017	$ 180,477	$ 537,494	$ -	$ 537,494

BENTON COUNTY, OREGON

TAX TITLE LAND FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

	Budget	Variance Favorable (Unfavorable)	Actual Budget Basis	Actual GAAP Adjustments	Actual GAAP Basis
Revenues					
Charges for services	$ 2,500	$ 164	$ 2,664	$ -	$ 2,664
Miscellaneous	3,000	1,658	4,658	-	4,658
Tax foreclosure sales	10,000	(5,385)	4,615	-	4,615
Total revenue	15,500	(3,563)	11,937	-	11,937
Expenditures					
Materials and services	205,500	191,736	13,764	-	13,764
Excess (deficiency) of revenues over (under) expenditures	(190,000)	188,173	(1,827)	-	(1,827)
Beginning fund balance	190,000	7,542	197,542	-	197,542
Ending fund balance	$ -	$ 195,715	$ 195,715	$ -	$ 195,715

BENTON COUNTY, OREGON

COMBINING STATEMENT OFASSETS AND LIABILITIES

AGENCY FUNDS

June 30, 2005

	ABHA Fund	Historical Fund	Property Tax Distribution	Totals
ASSETS				
Cash and investments	$ 2,337,230	$ 159,876	$ 141,020	$ 2,638,126
Receivables				
Accounts	158,535	-	300	158,835
Accrued interest	-	-	38,264	38,264
Property taxes	-	-	2,127,302	2,127,302
Prepaids	8,100	-	-	8,100
Prepaid pension asset (net of amortization)	340,361	226,908	-	567,269
Fixed assets (net of depreciation)	23,121	-	-	23,121
Total assets	$ 2,867,347	$ 386,784	$ 2,306,886	$ 5,561,017
LIABILITIES				
Accounts payable	941,595	7,139	-	948,734
Accrued payroll costs	32,489	2,627	-	35,116
Due to other governmental agencies	30,607	-	2,306,886	2,337,493
Due to other agencies	1,520,127	148,665	-	1,668,792
Pension bonds payable	342,529	228,353	-	570,882
Total liabilities	$ 2,867,347	$ 386,784	$ 2,306,886	$ 5,561,017

BENTON COUNTY, OREGON

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the year ended June 30, 2005

	Balance July 1, 2004	Increase	Decrease	Balance July 1, 2005
ASSETS				
Cash and investments	$ 2,402,355	$ 168,781,097	$ 168,545,325	$ 2,638,127
Accounts receivable	168,502	7,765	171,945	4,322
Due from other governments	-	154,512	-	154,512
Property taxes receivable	2,246,980	65,832,335	65,952,014	2,127,301
Prepaid pension assets	-	570,882	-	570,882
Less accumulated amortization	-	(3,613)	-	(3,613)
Accrued interest	33,739	82,672	78,147	38,264
Other assets	22,472	23,545	14,796	31,221
	$ 4,874,048	$ 235,449,196	$ 234,762,227	$ 5,561,017
LIABILITIES				
Due to other governmental agencies	$ 4,240,183	$ 227,397,897	$ 227,631,796	$ 4,006,284
Accounts payable	618,762	13,066,554	12,736,582	948,734
Accrued payroll costs	15,103	699,724	679,710	35,117
Pension bonds payable	-	570,882	-	570,882
	$ 4,874,048	$ 241,735,057	$ 241,048,088	$ 5,561,017

CAPITAL ASSETS
USED IN THE OPERATIONS
OF GOVERNMENTAL FUNDS

BENTON COUNTY

CAPITAL ASSETS USED IN THE OPRATION OF GOVERMENTAL FUNDS
SCHEDULE BY SOURCE

June 30, 2005 and 2004

	2005	2004
Governmental Funds Capital Assets		
Land	$ 6,516,693	$ 6,606,162
Land improvements	1,516,655	1,280,615
Buildings	3,100,818	2,433,766
Machinery and equipment	3,371,980	3,528,088
Infrastructure	236,246,549	233,807,062
Work in progress	159,140	193,473
Total governmental funds capital assets	$ 250,911,835	$ 247,849,166
Investments in Governmental Funds Capital Assets by Source		
General Fund	$ 2,020,717	$ 2,435,349
Road Fund	236,685,512	234,111,900
Fair Fund	1,451,601	1,444,286
Block Grant Fund	550,217	-
Oregon Health Plan Fund	8,465	-
Court Security Fund	62,086	51,817
Title III Projects Fund	20,000	-
Adult Corrections Programs Fund	30,381	9,377
Special Transportation Fund	935,155	895,672
Cemetary Fund	58,173	52,745
Capital Projects Fund	1,769,684	1,512,038
Trust Fund	6,846,349	6,812,267
Tax Title Land Fund	473,495	520,715
	$ 250,911,835	$ 247,846,166

This schedule presents only the capital asset balances related to governmental funds Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

BENTON COUNTY, OREGON

CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENT FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2005

	Land	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Work in Progress	Total
General government	$ 473,495	$ 13,701	$ -	$ 1,297,319	$ -	$ -	1,784,515
Public safety	-	-	362,708	727,363	-	-	1,090,071
Public works	44,650	91,788	12,563	361,394	236,219,766	-	236,730,161
Health services	-	-	-	8,465	-	135,923	144,388
Justice services	-	17,028	55,559	6,191	-	-	78,778
Community services	-	-	602,963	935,155	-	-	1,538,118
Cultural services	20,000	751,507	1,160,239	24,465	18,494	23,217	1,997,922
Parks and natural resources	5,978,548	642,631	906,786	11,628	8,289	-	7,547,882
Total general fixed assets	$ 6,516,693	$ 1,516,655	$ 3,100,818	$ 3,371,980	$ 236,246,549	$ 159,140	$ 250,911,835

This schedule presents only the capital asset balances related to governmental funds Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets

BENTON COUNTY, OREGON

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

Year ended June 30, 2005

	General Fixed Assets July 1, 2004	Increases	Decreases	General Fixed Assets June 30, 2005
General government	$ 1,809,556	$ 22,179	$ 47,220	$ 1,784,515
Public safety	1,138,206	62,747	110,882	1,090,071
Public works	234,156,549	2,573,612	-	236,730,161
Health services	337,011	144,388	337,011	144,388
Justice services	39,918	38,860	-	78,778
Community services	948,418	779,527	189,827	1,538,118
Cultural services	1,739,601	276,751	18,430	1,997,922
Parks & natural resources	7,679,907	92,107	224,132	7,547,882
Total general fixed assets	$ 247,849,166	$ 3,990,171	$ 927,502	$ 250,911,835

Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets

OTHER FINANCIAL SCHEDULES

BENTON COUNTY, OREGON

SCHEDULE OF LONG-TERM DEBT

June 30, 2005

	Benton County	North Albany	Totals 2005	Totals 2004
Amount available in debt service fund	$ 88,447	$ 227,329	$ 315,776	$ 315,776
Amount to be provided for retirement of general long-term debt	16,678,783	485,457	17,164,240	20,310,105
	$16,767,230	$712,786	$17,480,016	$20,625,881
General long-term debt payable				
General obligation bonds payable - NACSD	$ -	$ 712,786	$ 712,786	$ 833,960
Pension bonds payable	14,062,716	-	14,062,716	17,172,497
Leases payable	10,818	-	10,818	13,873
Sick leave	1,533,966	-	1,533,966	1,481,621
Vacation leave	1,002,789	-	1,002,789	970,865
Compensation leave	156,941	-	156,941	153,065
	$ 16,767,230	$ 712,786	$ 17,480,016	$ 20,625,881

BENTON COUNTY, OREGON

SCHEDULE OF BONDS PAYABLE

Year Ended June 30, 2005

	Date of Issue	Amount of Original Issue	Balance July 1, 2004	Bond Maturities	Balance June 30, 2005
General obligation bonds					
North Albany					
Water system construction	09/01/81	$ 2,500,000	$ 833,959	$ 115,173	$ 718,786
Total general obligation bonds			833,959	115,173	718,786
Pension obligation bonds					
2002 PERS pension bonds	03/13/02	$ 11,662,750	11,590,552	51,165	11,539,387
2004 PERS pension bonds	05/27/04	$ 7,490,000	7,490,000	-	7,490,000
			19,080,552	51,165	19,029,387
Enterprise fund bonds					
Alsea County Service Dist. Bonds Series 1998	06/25/98	$ 32,900	29,270	704	28,566
Enterprise fund bonds					
South Third County Service Dist Bonds Series 2004	06/25/04	$ 239,000	239,000	4,004	234,996
			268,270	4,708	263,562
Total enterprise fund bonds					
Total all bonds			$ 20,182,781	$ 171,046	$ 20,011,735

BENTON COUNTY, OREGON

SCHEDULE OF BOND INTEREST REQUIREMENTS TO MATURITY

Year Ended June 30, 2005

	Interest Rates	Balance July 1, 2004	Coupons Maturing (Early Payoffs)	Balance June 30, 2005
General obligation bonds				
North Albany				
Water system construction	5.0%	$ 130,176	$ 38,855	$ 91,321
Total general obligation bonds		130,176	38,855	91,321
Pension obligation bonds				
2002 PERS pension bonds	7.0%	16,385,836	638,829	15,747,007
2004 PERS pension bonds	7.0%	8,401,090	454,225	7,946,865
Total pension obligation bonds		24,786,926	1,093,054	23,693,872
Enterprise fund bonds				
Series 1998	4.5%	19,162	1,317	17,845
Series 2004	4.5%	194,648	10,454	184,194
Total enterprise fund bonds		213,810	11,771	202,039
Total all bonds		$ 25,130,912	$ 1,143,680	$ 23,987,232

BENTON COUNTY, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

June 30, 2005

Year of Maturity	North Albany General Obligation Bonds		Enterprise Fund Bonds				PERS Pension Bonds		Total	
			S. Third CSD		Alsea CSD					
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	$ 136,703	$ 32,410	$ 4,179	$ 10,281	$ 736	$ 1,285	$ 75,928	$ 1,098,300	$ 217,546	$ 1,142,276
2007	138,746	25,639	4,362	10,098	769	1,252	92,750	1,111,478	236,627	1,148,467
2008	145,683	18,571	4,553	9,907	803	1,218	109,546	1,129,682	260,585	1,159,378
2009	152,927	11,066	4,752	9,708	839	1,182	127,358	1,151,870	285,876	1,173,826
2010	138,727	3,635	4,960	9,500	877	1,144	162,877	1,176,351	307,441	1,190,630
2011	-	-	5,177	9,283	917	1,104	199,292	1,203,708	205,386	1,214,095
2012	-	-	5,403	9,057	958	1,063	235,781	1,234,621	242,142	1,244,741
2013	-	-	5,639	8,821	1,001	1,020	272,774	1,263,691	279,414	1,273,532
2014	-	-	5,886	8,574	1,046	975	315,248	1,295,602	322,180	1,305,151
2015	-	-	6,144	8,316	1,093	928	353,335	1,329,713	360,572	1,338,957
2016	-	-	6,413	8,047	1,142	879	397,200	1,365,923	404,755	1,374,849
2017	-	-	6,693	7,767	1,194	827	440,278	1,400,438	448,165	1,409,032
2018	-	-	6,986	7,474	1,247	774	494,407	1,436,338	502,640	1,444,586
2019	-	-	7,292	7,168	1,303	718	545,727	1,471,898	554,322	1,479,784
2020	-	-	7,611	6,849	1,362	659	656,886	1,454,385	665,859	1,461,893
2021	-	-	7,943	6,517	1,423	598	1,255,000	951,473	1,264,366	958,588
2022	-	-	8,291	6,169	1,488	533	1,440,000	869,429	1,449,779	876,131
2023	-	-	8,654	5,806	1,554	467	1,635,000	775,299	1,645,208	781,572
2024	-	-	9,032	5,428	1,624	397	1,855,000	668,395	1,865,656	674,220
2025	-	-	9,428	5,032	1,697	324	2,085,000	546,536	2,096,125	551,892
2026	-	-	9,840	4,620	1,774	247	2,340,000	412,815	2,351,614	417,682
2027	-	-	10,270	4,190	1,854	167	2,620,000	259,057	2,632,124	263,414
2028	-	-	10,720	3,740	1,864	84	1,320,000	86,870	1,332,584	90,694
2029	-	-	11,189	3,271	-	-	-	-	11,189	3,271
2030	-	-	11,678	2,782	-	-	-	-	11,678	2,782
2031	-	-	12,189	2,271	-	-	-	-	12,189	2,271
2032	-	-	12,722	1,737	-	-	-	-	12,722	1,737
2033	-	-	13,279	1,181	-	-	-	-	13,279	1,181
2034	-	-	13,711	600	-	-	-	-	13,711	600
Total	$ 712,786	$ 91,321	$ 234,996	$ 184,194	$ 28,565	$ 17,845	$ 19,029,387	$ 23,693,872	$ 20,005,734	$ 23,987,232

BENTON COUNTY 2002 PERS PENSION BOND DEBT SERVICE SCHEDULE

Year ended June 30, 2005

Year of Maturity	Payment Amount	Principal	Interest	Balance
2005				$ 11,539,386
2006	$ 724,995	$ 75,928	$ 649,067	11,463,458
2007	754,995	92,750	662,245	11,370,708
2008	789,995	109,546	680,449	11,261,163
2009	829,995	127,358	702,637	11,133,805
2010	864,995	137,877	727,118	10,995,928
2011	904,995	149,292	755,703	10,846,636
2012	949,995	160,781	789,214	10,685,855
2013	989,995	167,774	822,221	10,518,081
2014	1,034,995	175,248	859,747	10,342,834
2015	1,079,995	178,335	901,660	10,164,499
2016	1,129,995	182,200	947,795	9,982,299
2017	1,179,995	185,278	994,717	9,797,020
2018	1,234,995	189,407	1,045,588	9,607,613
2019	1,289,995	190,727	1,099,268	9,416,886
2020	1,349,995	246,886	1,103,109	9,170,000
2021	1,409,858	785,000	624,858	8,385,000
2022	1,471,085	900,000	571,085	7,485,000
2023	1,534,435	1,025,000	509,435	6,460,000
2024	1,604,223	1,165,000	439,223	5,295,000
2025	1,674,420	1,315,000	359,420	3,980,000
2026	1,747,630	1,475,000	272,630	2,505,000
2027	1,826,593	1,655,000	171,593	850,000
2028	908,225	850,000	58,225	
Total	$ 27,286,394	$ 11,539,387	$ 15,747,007	

BENTON COUNTY 2004 PERS PENSION BOND DEBT SERVICE SCHEDULE

Year ended June 30, 2005

Year of Maturity	Payment Amount	Principal	Interest	Balance
2005				$ 7,490,000
2006	449,233	-	449,233	7,490,000
2007	449,233	-	449,233	7,490,000
2008	449,233	-	449,233	7,490,000
2009	449,233	-	449,233	7,490,000
2010	474,233	25,000	449,233	7,465,000
2011	498,005	50,000	448,005	7,415,000
2012	520,407	75,000	445,407	7,340,000
2013	546,470	105,000	441,470	7,235,000
2014	575,855	140,000	435,855	7,095,000
2015	603,053	175,000	428,053	6,920,000
2016	633,128	215,000	418,128	6,705,000
2017	660,721	255,000	405,721	6,450,000
2018	695,750	305,000	390,750	6,145,000
2019	727,630	355,000	372,630	5,790,000
2020	761,276	410,000	351,276	5,380,000
2021	796,615	470,000	326,615	4,910,000
2022	838,344	540,000	298,344	4,370,000
2023	875,864	610,000	265,864	3,760,000
2024	919,172	690,000	229,172	3,070,000
2025	957,116	770,000	187,116	2,300,000
2026	1,005,185	865,000	140,185	1,435,000
2027	1,052,464	965,000	87,464	470,000
2028	498,645	470,000	28,645	
Total	$ 15,436,865	$ 7,490,000	$ 7,946,865	

BENTON COUNTY, OREGON

NORTH ALBANY COUNTY SERVICE DISTRICT
DEBT SERVICE SCHEDULE

Year ended June 30, 2005

Fiscal Year Ending June 30,	Payment Amount	Principal	Interest	Balance
2005				712,786
2006	169,113	136,703	32,410	576,083
2007	164,385	138,746	25,639	437,337
2008	164,254	145,683	18,571	291,654
2009	163,993	152,927	11,066	138,727
2010	142,362	138,727	3,635	-
	$ 804,107	$ 712,786	$ 91,321	

SOUTH THIRD COUNTY SERVICE DISTRICT
DEBT SERVICE SCHEDULE

Year ended June 30, 2005

Fiscal Year Ending June 30,	Payment Amount	Principal	Interest	Balance
2005				234,996
2006	14,460	4,179	10,281	230,817
2007	14,460	4,362	10,098	226,455
2008	14,460	4,553	9,907	221,902
2009	14,460	4,752	9,708	217,150
2010	14,460	4,960	9,500	212,190
2011	14,460	5,177	9,283	207,013
2012	14,460	5,403	9,057	201,610
2013	14,460	5,639	8,821	195,971
2014	14,460	5,886	8,574	190,085
2015	14,460	6,144	8,316	183,941
2016	14,460	6,413	8,047	177,528
2017	14,460	6,693	7,767	170,835
2018	14,460	6,986	7,474	163,849
2019	14,460	7,292	7,168	156,557
2020	14,460	7,611	6,849	148,946
2021	14,460	7,943	6,517	141,003
2022	14,460	8,291	6,169	132,712
2023	14,460	8,654	5,806	124,058
2024	14,460	9,032	5,428	115,026
2025	14,460	9,428	5,032	105,598
2026	14,460	9,840	4,620	95,758
2027	14,460	10,270	4,190	85,488
2028	14,460	10,720	3,740	74,768
2029	14,460	11,189	3,271	63,579
2030	14,460	11,678	2,782	51,901
2031	14,460	12,189	2,271	39,712
2032	14,460	12,723	1,737	26,989
2033	14,460	13,279	1,181	13,710
2034	14,310	13,710	600	-
	$ 419,190	$ 234,996	$ 184,194	

BENTON COUNTY, OREGON

SCHEDULE OF CASH ON HAND AND CASH TRANSACTIONS OF INDEPENDENTLY ELECTED OFFICIALS

Year Ended June 30, 2005

There is no cash on hand or cash transactions of independently elected officials for fiscal year ending June 30 2005.

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS
BY PROGRAM WITHIN FUND

Year Ended June 30, 2005

Fund	Budget	Actual	Variance Favorable (Unfavorable)
General			
General government	$ 11,761,019	$ 6,108,278	$ 5,652,741
Public safety	8,491,990	8,204,081	287,909
Health services	17,362,020	16,731,647	630,373
Justice services	3,729,711	3,265,517	464,194
Community services	948,502	995,101	(46,599)
Cultural and educational services	515,848	514,616	1,232
Parks & natural resources	645,737	624,657	21,080
Animal control	229,855	187,700	42,155
Total General	43,684,682	36,631,597	7,053,085
General road			
Public works	8,101,121	6,616,402	1,484,719
County school			
Cultural services	1,630,300	1,343,094	287,206
Fair			
Cultural services	932,415	905,112	27,303
Library			
Cultural services	1,854,900	1,849,723	5,177
Land corner preservation			
Public works	213,476	178,861	34,615
Block Grant			
Community services	1,047,160	884,707	162,453
Oregon Health Plan			
Public health	1,594,542	772,720	821,822
Court security fund			
Public safety	245,000	68,789	176,211

Continued

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS
BY PROGRAM WITHIN FUND, continued

Year Ended June 30, 2005

Continued
Page 2 of 2

Fund	Budget	Actual	Variance Favorable (Unfavorable)
Special transportation			
Community services	1,228,853	786,505	442,348
Title III Projects			
General government	472,600	411,281	61,319
Adult corrections program			
Public safety	2,042,247	1,103,605	938,642
Cemetery Operations			
General government	21,862	29,724	(7,862)
Bonded debt service			
Debt service	1,157,220	1,152,869	4,351
North Albany county service district			
Debt service	169,092	161,588	7,504
General capital improvement			
Capital projects	253,356	323,931	(70,575)
Road improvement			
Capital projects	100,000	132,564	(32,564)
Health center			
Health	4,958,090	4,473,641	484,449
Enterprise operations			
Cultural services	94,818	36,428	58,390
Internal service			
General government	4,673,370	4,287,893	385,477
Management services			
General government	2,346,006	2,150,559	195,447
Health management services			
Health	3,476,934	3,245,468	231,466
Employee benefits trust fund			
General government	835,147	204,343	630,804
Tax title land			
General government	205,500	13,764	191,736
Expendable trust			
Expendable trusts	473,651	171,235	302,416
Totals	$ 81,812,342	$ 67,936,403	$ 13,875,939

BENTON COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
ALL TAXING DISTRICTS

Year Ended June 30, 2005

Tax Year	Taxes Receivable June 30, 2004	2004-05 Levy Extension	Additions	Discounts and Adjustments	Net Taxes for Collection	Total Cash Collection	Taxes Receivable June 30, 2005
2004-05	$ -	$ 81,012,731	$ 177,814	$ (2,183,625)	$ 79,006,920	$ 77,526,961	$ 1,479,959
2003-04	1,645,991	-	-	(93,945)	1,552,046	955,084	596,962
2002-03	590,179	-	-	(23,115)	567,064	324,361	242,703
2001-02	278,442	-	-	(19,250)	259,192	152,662	106,530
2000-01	119,636	-	-	(37,717)	81,919	52,949	28,970
1999-00	29,548	-	-	(2,852)	26,696	8,991	17,705
1998-99	15,303	-	-	(97)	15,206	2,780	12,426
1996 and Prior	160,313	-	-	(1,503)	158,810	2,669	156,141
Subtotal	2,839,412	-	-	(178,479)	2,660,933	1,499,496	1,161,437
Total	$ 2,839,412	$ 81,012,731	$ 177,814	$ (2,362,104)	$ 81,667,853	$ 79,026,457	$ 2,641,396

SUMMARY BY FUND TYPE

General Fund	$ 402,979
North Albany County Service District Funds	4,644
Public Safety	46,232
Agency Funds	2,127,301
Library Service District	60,240
Totals	$ 2,641,396

STATISTICAL SECTION

BENTON COUNTY, OREGON

GENERAL GOVERNMENTAL EXPENDITURES BY PROGRAM (1)

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Animal Control	Health Services	Justice Services	Community Services	Cultural Services	Public Works	Debt Service	Parks and Natural Resources *	Total
1995-96	5,753,818	5,516,053	101,232	12,347,052	1,922,159	1,224,347	3,266,801	3,729,825	230,472	na	34,091,759
1996-97	5,480,152	5,826,490	104,437	13,451,100	2,075,810	1,270,783	3,809,928	4,146,182	359,783	na	36,524,665
1997-98	5,572,526	6,371,876	112,538	13,659,960	2,173,715	939,888	3,801,579	4,173,065	402,881	na	37,208,028
1998-99	5,264,797	6,859,193	112,031	14,276,241	2,388,333	1,195,978	4,258,002	4,674,657	405,589	na	39,434,821
1999-00	3,665,747	7,496,946	131,552	15,700,906	2,649,610	1,656,919	4,195,542	4,553,136	399,522	na	40,449,880
2000-01	4,018,519	8,322,232	137,082	17,351,939	3,025,485	1,611,105	5,301,695	5,127,227	565,446	na	45,460,730
2001-02	4,047,214	8,709,713	155,492	19,542,051	3,237,533	1,592,551	4,205,102	4,661,136	796,113	na	46,946,905
2002-03	5,499,078	8,485,629	192,153	19,272,967	3,103,767	1,829,752	4,461,361	5,087,664	1,395,277	na	49,327,648
2003-04	4,942,897	8,460,901	214,596	18,646,208	3,272,061	1,951,944	4,558,373	6,135,329	7,942,462	612,551	56,737,322
2004-05	5,146,034	8,058,034	184,944	15,830,619	3,238,465	2,636,850	4,599,675	7,535,510	1,303,380	603,094	49,136,605

NOTE (1) Includes General, Special Revenue, and Debt Service Funds

* Parks and Natural Resources program was established in FY 2003-04

BENTON COUNTY, OREGON

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

Last Ten Fiscal Years

Fiscal Year	Fines and Forfeitures	Taxes	Charges for Services	Miscellaneous	Inter-governmental	Licenses and Permits	Total
1995-96	20,733	9,890,623	5,210,813	772,144	18,085,405	199,739	34,179,457
1996-97	87,427	10,689,955	4,780,082	1,077,381	20,671,004	201,313	37,507,162
1997-98	28,471	10,700,065	5,085,837	858,520	19,840,527	200,848	36,714,268
1998-99	39,920	11,017,603	5,296,901	916,176	22,019,448	199,164	39,489,212
1999-00	50,520	12,884,800	3,820,982	951,749	23,099,369	213,078	41,020,498
2000-01	42,175	13,131,538	5,849,223	1,001,787	25,629,372	649,606	46,303,701
2001-02	8,766	15,143,530	6,200,677	1,021,229	26,430,007	918,538	49,722,747
2002-03	1,186	15,603,958	7,612,620	868,120	26,773,110	1,203,517	52,062,511
2003-04	1,467	16,033,766	5,612,986	978,052	28,860,284	1,456,837	52,943,392
2004-05	403	14,984,323	5,027,945	585,473	28,848,128	1,381,119	50,827,391

NOTE (1) Includes General, Special Revenue, and Debt Service Funds

BENTON COUNTY, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total Net Tax Levy	First Year Tax Collected	First Year Percent of Levy Collected	Uncollected Balance at 6/30/05	Percent of Levy Uncollected at 6/30/05
1995-96	8,071,513	7,843,450	97.2%	668	0.008%
1996-97	8,702,881	8,469,412	97.3%	1,192	0.014%
1997-98	9,065,764	8,830,184	97.4%	1,564	0.017%
1998-99	9,329,159	9,061,793	97.1%	2,045	0.022%
1999-00	11,224,918	10,909,378	97.2%	3,276	0.029%
2000-01	11,649,151	11,279,378	96.8%	5,297	0.045%
2001-02	11,978,298	11,613,519	97.0%	18,892	0.158%
2002-03	12,438,235	11,867,286	95.4%	42,802	0.344%
2003-04	12,782,974	12,322,213	96.4%	96,871	0.758%
2004-05	13,510,851	13,070,334	96.7%	246,819	1.827%

Data based on the "Summary of Property Tax Collections, Credits, and Additional Taxes, and Outstanding Balances" filed with the Oregon Department of Revenue times the tax distribution ratio for Benton County, including buy -outs

BENTON COUNTY, OREGON

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1) (2)

Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Totals		Ratio of Total
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed to Total Estimated Actual Value
1995-96	3,751,623,219	3,751,623,219	116,377,558	116,377,558	3,868,000,777	3,868,000,777	100.00%
1996-97	4,286,645,704	4,286,645,704	121,190,696	121,190,696	4,407,836,400	4,407,836,400	100.00%
1997-98	3,981,246,486	5,051,663,755	189,225,225	240,101,238	4,170,471,711	5,291,764,993	78.81%
1998-99	4,000,509,195	5,122,145,000	253,525,340	253,525,340	4,254,034,535	5,375,670,340	79.13%
1999-00	4,178,235,148	5,057,408,469	242,196,024	242,196,559	4,420,431,172	5,299,605,028	83.41%
2000-01	4,284,187,841	5,786,917,928	159,387,646	159,387,646	4,443,575,487	5,946,305,574	74.73%
2001-02	4,660,586,464	5,678,628,127	181,336,385	181,336,385	4,841,922,849	5,859,964,512	82.63%
2002-03	4,521,764,469	5,670,649,319	171,598,560	171,580,151	4,693,363,029	5,842,229,470	80.34%
2003-04	4,837,545,235	5,887,164,693	167,288,673	167,288,673	5,004,833,908	6,054,453,366	82.66%
2004-05	5,125,672,832	6,652,162,726	154,291,659	154,564,748	5,279,964,491	6,806,727,474	77.57%

NOTES

(1) Actual Values are established by the County Assessor by July 1 of each year.

(2) The passage of Measure 50 required property values to be rolled back to 1995-96 value less 10%. Other than new construction, the assessed value can increase by a maximum of 3% annually.

BENTON COUNTY, OREGON

AVERAGE PROPERTY TAX RATES - DIRECT AND OVERLAPPING JURISDICTIONS
(per $1,000 of Assessed Value)

Last Ten Fiscal Years

Fiscal Year	Albany	Alsea	Corvallis	Harrisburg	Monmouth Independence	Monroe*	Philomath	County Portion	Benton Average Rate
1995-96	11.62	8.56	11.17	9.60	10.27	10.47	11.82	2.02	11.00
1996-97	11.92	8.44	10.59	9.23	10.24	10.12	11.43	2.02	10.63
1997-98	13.83	9.45	11.01	11.28	11.67	11.69	11.79	2.20	11.47
1998-99	12.62	9.49	10.55	11.49	11.52	11.62	12.90	2.21	10.85
1999-00	13.49	9.92	10.54	11.77	13.66	11.76	15.38	2.55	11.94
2000-01	13.54	9.96	11.55	13.73	12.60	11.60	15.02	2.55	12.37
2001-02	13.39	10.37	11.91	13.79	14.69	11.97	15.08	2.55	12.61
2002-03	13.28	10.45	11.97	13.74	14.55	12.27	14.97	2.19	13.03
2003-04	13.78	10.21	13.35	13.69	14.87	12.09	14.83	2.20	13.28
2004-05	13.13	9.77	12.86	12.52	13.33	10.57	14.34	2.20	12.56

BENTON COUNTY, OREGON

SPECIAL ASSESSMENTS COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Current Assessments Due	Special Assessments Collected (1)
1995-96	11,339	18,096
1996-97	8,443	7,820
1997-98	5,686	6,833
1998-99	3,980	2,824
1999-00	3,533	2,175
2000-01	5,369	4,191
2001-02	9,847	19,669
2002-03	6,314	9,307
2003-04	5,066	9,737
2004-05	11,475	97,307

(1) Includes prepayments and foreclosures.

BENTON COUNTY, OREGON

RATIO OF NET GENERAL BONDED DEBT TO NET ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	Gross Bonded Debt (1)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1995-96	75,235	3,868,000,777	-	-	-	N/A	N/A
1996-97	76,000	4,407,836,400	-	-	-	N/A	N/A
1997-98	76,700	4,170,471,711	-	-	-	N/A	N/A
1998-99	77,755	4,254,034,535	-	-	-	N/A	N/A
1999-00	77,100	4,263,639,723	-	-	-	N/A	N/A
2000-01	78,300	4,443,575,487	-		-	N/A	N/A
2001-02	79,000	4,841,922,849	11,617,907	20,097	11,597,810	0 0023953	146 81
2002-03	79,900	4,693,363,029	11,617,907	132,557	11,485,350	0 0024471	143 75
2003-04	80,500	5,004,833,908	19,080,552	450,075	18,630,477	0 0037225	231 43
2004-05	81,750	5,279,964,491	19,029,387	485,045	18,544,342	0 0035122	226 84

NOTES:

(1) Includes all long-term general obligation debt. Excludes debt of North Albany, Alsea and South Third County Service Districts.

BENTON COUNTY, OREGON

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2005

True cash value [1]		$ 6,806,727,474
Debt limit - 2 percent of true cash value		$ 136,134,549
Amount of debt applicable to debt limit		
Total bonded debt (including special assessment bonds)[2]	$ 19,029,387	
Less -		
Assets in debt service funds available for payment of principal[3]	485,045	
Total debt applicable to debt limit		18,544,342
Legal debt margin		$ 117,590,207

Sources:
1. Sal Report 1B. Provided by Assessor's Office
2. "Net property-tax backed debt of subject issuer is" on Oregon State Treasury "Debt and COPs Obligation Summary" report available online at : http://www ost.state.or us/divisions/DMD/Report/emailform.asp
3. "GL status detail by cost center" report ran from Eden database Cost center = 215

BENTON COUNTY, OREGON

DIRECT AND OVERLAPPING DEBT (1)

June 30, 2005

Government Unit	Gross Debt Outstanding	Percentage Applicable to Benton County	Amount Applicable to Benton County
North Albany County Service District	$ 830,618	100.000%	$ 830,618
Junction City Water Control District	411,858	2.6296	10,830
School District # 1J	1,724,222	94.8747	1,635,850
School District # 7J	4,870,000	0.8250	40,178
School District # 8J	49,050,000	16.2955	7,992,943
School District # 13J	37,503,891	0.3773	141,502
School District # 17J	16,506,510	99.3741	16,403,196
School District #509J	115,886,090	97.4546	112,936,325
School District #552	1,345,000	0.0004	5
City of Corvallis	41,183,436	100.0000	41,183,436
City of Albany	22,966,230	16.7985	3,857,982
Adair RFPD	156,000	100.0000	156,000
Hoskins-Kings Valley RFD	180,000	85.3343	153,602
Willamette ESD	19,878,306	6.7300	1,337,810
Lane Community College	72,136,877	0.4494	324,183
Linn Benton Community College	45,455,727	49.5110	22,505,585
Totals	$ 430,084,765		$ 209,510,046

NOTE:
(1) Excludes self-supporting Bancroft bonds or revenue bonds if fully self-supporting.

BENTON COUNTY, OREGON

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES

Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service (1)	Total General Expenditures (2)	Ratio of Debt Service to Total General Expenditures
1995-96	60,000	1,950	61,950	34,091,759	0.00182
1996-97	-	-	-	36,524,665	N/A
1997-98	-	-	-	37,208,028	N/A
1998-99	-	-	-	39,434,821	N/A
1999-00	-	-	-	40,449,880	N/A
2000-01	-	-	-	45,460,730	N/A
2001-02	44,706	109,517	154,223	46,946,905	0.00329
2002-03	591,304	648,702	1,240,006	49,327,648	0.02514
2003-04	7,142,991	632,458	7,775,449	56,737,322	0.13704
2004-05	51,165	1,093,054	1,144,219	49,136,605	0.02329

NOTES: This schedule does not contain any figures with regards to debt issued by the North Albany, Alsea, and South Third County Service Districts.

(1) Excludes special assessments, debt service, and short-term sinking funds
(2) Includes general, special revenue, and debt service funds excluding short-term sinking funds.

Sources:
(1) "GL status detail by cost center" report ran from Eden database Fund = 215, field is "debt interest on bonds"

BENTON COUNTY, OREGON

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (2)
1995-96	75,235	19,173	10,665	2.3%
1996-97	76,000	21,257	10,844	2.7%
1997-98	76,700	24,374	10,758	2.5%
1998-99	77,755	26,903	9,974	3.1%
1999-00	77,100	27,307	9,946	2.9%
2000-01	78,300	28,291	9,996	2.4%
2001-02	79,000	29,318	9,807	3.4%
2002-03	79,900	30,709	9,754	4.3%
2003-04	80,500	30,421	9,496	5.6%
2004-05	81,750	30,436	9,300	5.3%

BENTON COUNTY, OREGON

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Ten Fiscal Years

Fiscal Year	Value of Non-residential Construction (1)	Residential Construction		Bank Deposits (in thousands) (2)	Property Market Value on Tax Roll (3)
		Value (1)	Number of Units (1)		
1995-96	138,177,702	57,370,045	608	459,741	3,868,000,777
1996-97	72,224,994	53,819,162	631	451,183	4,407,836,400
1997-98	55,907,796	41,226,434	539	444,668	5,291,764,993
1998-99	64,377,488	55,696,404	573	429,881	5,375,670,340
1999-00	81,865,197	45,752,041	692	462,568	5,299,605,028
2000-01	73,015,349	66,840,938	1,671	502,297	5,946,305,574
2001-02	134,628,772	76,604,446	642	521,888	5,859,964,512
2002-03	78,832,479	62,877,501	695	550,073	5,842,229,470
2003-04	131,522,584	65,241,988	609	575,451	6,054,453,366
2004-05	120,243,009	88,444,158	674	510,307	6,806,727,474

Sources

(1) Jane Shad, City of Corvallis, and Linda McDermott, Benton County Development

(2) http://www.cbs.state.or.us/external/dfcs

(3) Benton County Sal Report Form 1B provided by Benton County Assessor's Office

BENTON COUNTY, OREGON

PRINCIPAL TAXPAYERS

Fiscal Year 2004-05

Taxpayer	Type of Business	2005 Assessed Value	Percentage of Total Assessed Value (1)
HEWLETT PACKARD CO	Electronics manufacturer	$ 533,897,968	10.11%
QWEST CORPORATION	Telephone utility	29,789,711	0.89%
NORTHWEST NATURAL GAS CO	Utility	26,256,600	0.50%
PACIFICORP	Utility	20,288,000	0.40%
EVANITE FIBER INC	Manufacturer	19,820,438	0.38%
PIONEER TELEPHONE COOP	Telephone utility	16,866,900	0.32%
STARKER FORESTS INC	Timber Owners	16,244,275	0.30%
AVERY INVESTMENTS LLC	Real Estate	15,356,676	0.29%
WITHAM HILL OAKS APARTMENTS LLC	Real Estate	11,920,114	0.23%
ACCU FAB SYSTEMS INC	Manufacturer	10,523,997	0.20%
WILSON ROBERT C	Real Estate	9,415,044	0.18%
CREEKSIDE GROUP	Real Estate	9,270,136	0.17%
FINANCIAL PACIFIC INC	Real Estate	9,133,234	0.17%
SUNCOR PARTNERS LLC	Real Estate	8,910,350	0.15%
WEYERHAEUSER CO	Timber Owners	8,540,516	0.15%
Notes: (1) Benton County total assessed value		$ 5,279,964,491	

BENTON COUNTY, OREGON

MISCELLANEOUS STATISTICS

JUNE 30, 2005

Date of incorporation	December 23, 1847
Form of government	Three-member Board of Commissioners
Area	679 square miles
Miles of Streets [5]	466 County maintained
Number of street lights [5]	13 luminaires
Police protection	
Number of Sheriff's stations	1
Number of County sheriffs [4]	57 deputized staff 17 non-deputized staff.
Building permits issued [1]	350
Number of parks [2]	16 with 1,417.61 acres
Libraries	
Number of Libraries supported by County	1 branch in Corvallis 3 branches: one each in Philomath Alsea Monroe 1 mobile unit
Number of volumes [3]	328,381
Employees [6]	
Represented employees	274
Exempt employees	80

COMPLIANCE SECTION

ISLER&CO. LLC
Certified Public Accountants
and Business Advisors

OFFICES:
EUGENE
KLAMATH FALLS
MEDFORD
PORTLAND

COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITORS' REQUIRED BY STATE STATUTE

To the County Commissioners
Benton County, Oregon

We have audited the financial statements and schedules of Benton County, Oregon as of and for the year ended June 30, 2005, and have issued our report thereon dated December 16, 2005 We conducted our audit in accordance with auditing standards generally accepted in the United States and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, and *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to Benton County, Oregon is the responsibility of the County's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. Certain areas covered, as required by Oregon Administrative Rules 162-10-230 through 162-10-320, included but were not limited to the following:

Accounting and Internal Control Structure - Our report on the accounting and internal control structure is presented separately under this cover.

Programs Funded from Outside Sources - Reports related to such programs are presented separately under this cover.

Financial Reporting Requirements - Whether financial reports and related data filed with other governmental agencies in conjunction with programs funded wholly or partially by such agencies were in agreement with or supported by the accounting records.

Compliance with Legal or Other Requirements:

Collateral - Pertaining to the amount and adequacy of collateral pledged by depositories to secure the deposit of public funds (see requirements for public fund deposits as specified in Oregon Revised Statutes (ORS) 295).

Indebtedness - Relating to debt and the limitation on the debt amount, liquidation of debt within the prescribed period of time, and compliance with provisions of indentures or agreements, including restrictions on the use of monies available to retire indebtedness

Budget - Relating to the preparation, adoption and execution of the annual budget for the current fiscal year and the preparation and adoption of the budget for the next succeeding fiscal year (see ORS 294.305 to 294.565). The County exceeded budget appropriations as noted at footnote III C

Taxes on Motor Vehicle Use and Fuel and the use of a Road Fund - Pertaining to (as contained in Article IX, Section 3a of the Oregon constitution) the use of revenue from taxes on motor vehicle use and fuel and the use of a road fund (as contained in ORS 294 and 373).

Insurance - Relating to insurance and fidelity bond coverage.

Investments - Pertaining to the investment of public funds (see ORS Chapter 294.035 to 294.046).

Public Contracts and Purchasing - Pertaining to (as contained in ORS Chapter 279) the awarding of public contracts and the construction of public improvements.

The results of our tests indicate that with respect to the items tested, Benton County, Oregon complied, in all material respects, with the provisions referred to above except for the following:

1. Over-expended appropriations as noted in footnote III. C. of the County's financial statements.
2. Deficit fund balance in the Fair and General Capital Improvement Funds, see footnote III D. of the County's financial statements.

This report is intended for the information of the County Commissioners, County, federal awarding agencies and the Secretary of State, Division of Audits, of the State of Oregon. However, this report is a matter of public record and its distribution is not limited

ISLER & CO., LLC

by: Paul R Nielson

Paul Nielson, CPA, a principal of the firm

Eugene, Oregon
December 16, 2005

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2005

Federal Grantor/Pass through Grantor	Federal CFDA number	Grant Number	Expenditures
U.S. Department of Health and Human Services			
Passed through State Health Department			
HIV Intervention Block	93.940	02-02	6,942
HIV - CTS Alternate Sites (IDU Outreach)	93.940	02-02	17,500
Ryan White-HIV Case Management	93.917	02-02	18,753
Ryan White-HIV Support Services	93.917	02-02	7,093
Family Planning - Title X	93.217	02-02	60,207
Family Planning - Special Projects	93.217	02-02	31,980
Family Planning - MCH Block Grant	93.994	02-02	38,782
Childhood Immunization Vaccine (non cash assistance)	93.268	02-02	38,243
Maternal and Child Health - MCH Block Grant	93.994	02-02	48,792
Maternal and Child Health - Oregon Mothers Care	93.994	02-02	4,520
STARS Abstinence Education	93.235	02-02	4,994
Water Systems-EPA	66.468	02-02	13,310
Immunization	93.778	02-02	22,018
Food Stamp Outreach	93.779	02-02	4,814
Bioterrorism-preparedness	93.283	02-02	171,424
Bioterrorism-Han	93.283	02-02	9,612
Bioterrorism-Information Security Enhnacement	93.283	02-02	70,220
Passed through State Mental Health Division			
CMHS Block Grant	93.958	112000	39,576
Block Grants for Comm. Mental Health	93.958	112001	19,992
Substance Abuse Prevention & Treatment Block Grant	93.959	135001	203,847
Temporary Assistance for Needy Families	93.558	137000	17,329
Enforcing Underage Drinking Program	16.727	242301	30,563
Passed through Department of Health and Human Services			
Family Planning Service Delivery Improvement (MARS)	93.974	6011-02	201,606
Passed through Department of Health and Human Services			
Federally Qualified Health Center	93.224	2592-01-00	757,466
Passed through Oregon Youth Services Commission			
Youth Investment/Title XX	93.667		60,309
CCDF Local Systems/ Early Child Care/CCDF	93.575		170,378
Family Preservation & Support Services	93.556		17,338
Child Support Enforcement	93.563		145,040
Total Department of Health and Human Services			$ 2,232,648

Continued on next page

BENTON COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued

June 30, 2005

Federal Grantor/Pass through Grantor	Federal CFDA number	Grant Number	Expenditures
U.S. Department of Justice			
Passed through the Department of Oregon State Police			
Domestic Violence Grant	16.588	00-800	$ 43,494
Juvenile Accountability Incentive Block Grant	16.523		28,432
Local Law Enforcement Block Grant	16.592		2,292
Ballistic Vest Grant	16.607		20,694
Marijuana Eradication Grant	16.58		9,000
Emergency Management Performance Grants	97.042		128,912
Disaster Relief and Emergency Assistance Act	97.036		12,610
Homeland Security-Benton County Surveillance	97.073	04-205	98,268
Homeland Security-Samaritan Health Services	97.073	04-206	118,147
COPS in School	16.592	2000SHWX0333	29,841
Passed through State Justice Division			
Drug-Free Communities Support Program	16.729	00-JN-FX-0035	93,974
Drug Court Discretionary Grant Program	16.585		67,462
Substance Abuse and Mental Health Services	93.243		199,212
Title II Formula Grant Program	16.540		31,111
Title II Part E Challenge Grant Program	16.549		1,500
Victims of Crime Act Grant	16.575	04-2215	24,135
Victims of Crime Act Grant	16.575	03-2130	21,976
Total Department of Justice			$ 931,060
U.S. Department of Agriculture			
Passed through State Department of Admin. Services			
Federal Forest Revenues	10.665		$ 478,409
Passed through Rural Housing Services			
USDA Rural Community Development Initiative	10.446	931204730	50,000
Passed trhough Natural Resource Conservation Service			
Wildlife Habitat Incentive Program	10.914		3,164
Passed through State Health Department			
* Women, Infants, and Children (WIC)	10.557	02-001	169,124
Total U.S. Department of Agriculture			$ 700,697
Department of Homeland Security			
Passed through State Emergency Management Division			
Disaster Relief and Emergency Assistance Act	97.036		$ 12,610
Total Federal Emergency Management Agency			$ 12,610

Continued on next page

BENTON COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued

June 30, 2005

Federal Grantor/Pass through Grantor	Federal CFDA number	Grant Number	Expenditures
U.S. Department of Transportation			
Federal Highway Administration			
Passed through State Department of Transportation			
Capital Assistance Program for Elderly Persons	20.513		422,994
Passed through Oregon Parks and Recreation Dept.			
Recreational Trails Program	20.219	RTP 04-08	65,067
Passed through State Department of Transportation			
Highway Bridge Rehab/Replacement	20.205		164,284
Total U.S. Department of Transportation			$ 652,345
U.S. Department of Housing and Urban Development (HUD)			
Passed through Economic Development Department			
Supportive Housing Services - Continuum of Care	14.235		$ 83,767
HUD Block Grant (509J area)	14.248		110,710
HUD Block Grant (Alsea library)	14.248	C02042	271,826
HUD Block Grant (Regional Housing)	14.228	HC3001	27,557
Total housing and urban development			$ 493,860
U.S. Department of the Interior			
Fish and Wildlife Service	15.631	1448-13590-3-	$ 6,178
U.S. 5% land Sales Proceeds	15.227		195
National Park Service			
Passed through State Parks Department			
Historic Preservation Fund Grants-In-Aid	15.904	ORNW97-062	21,402
Total department of the Interior			$ 27,580
U.S. Department of Commerce			
Pacific Coast Salmon Recovery	11.438		$ 400
Total department of Commerce			$ 400
U.S. Office of Environmental Justice			
Environmental Justice Small Grant Program	66.604		$ 963
Total Environmental Protection Agency			$ 963
Total Federal Financial Assistance			$ 5,052,163

*Indicates major program

Notes:

(1)This schedule is prepared upon the modified accrual basis of accounting.

(2)Per Paragraph 205, OMB Circular A-133, this schedule does not include MEDICAID/MEDICARE payments, Federal Revenue Sharing Funds, and Oregon and California Land Grant Counties payments.

ISLER&CO. LLC
Certified Public Accountants
and Business Advisors

OFFICES:
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PORTLAND

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

County Commissioners
Benton County, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Benton County, Oregon (County) as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 16, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Benton County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Benton County's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

ISLER & CO., LLC

by: Paul R Nielson
Paul Nielson, CPA, a principal of the firm
Eugene, Oregon
December 16, 2005

ISLER&CO. LLC
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and Business Advisors

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

County Commissioners
Benton County, Oregon

Compliance

We have audited the compliance of Benton County, Oregon, ("Benton County") with the types of compliance requirements described in the U. S Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. Benton County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Benton County's management Our responsibility is to express an opinion on Benton County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits *of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred An audit includes examining, on a test basis, evidence about Benton County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Benton County's compliance with those requirements.

In our opinion, Benton County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Benton County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Benton County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

ISLER & CO., LLC

by: Paul R Nielson

Paul Nielson, CPA, a principal of the firm

Eugene, Oregon
December 16, 2005

BENTON COUNTY, OREGON
Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

I. SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Benton County.

2. No reportable conditions in internal control were disclosed by the audit of the financial statements.

3. No instances of noncompliance material to the financial statements of Benton County were disclosed during the audit.

4. No reportable conditions in internal control were disclosed by the audit of the financial statements.

5. No reportable conditions in internal controls over major programs were disclosed by the audit.

6. The auditors' report on compliance for the major federal award program expresses an unqualified opinion.

7. The audit did not disclose any findings that are required to be reported.

8. The programs tested as a major program:
    i. Federally Qualified Health Center CFDA 93.224
    ii. Child Support Enforcement CFDA 93.563
    iii. Early Child Care CFDA 93-575
    iv. Homeland Security CFDA 97.073
    v. Federal Forest Revenues CFDA 10.665

9. The threshold for distinguishing between Type A and B programs was $300,000.

10. The County was determined to be a low-risk auditee.

II. FINANCIAL STATEMENT FINDINGS

None

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

IV. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None