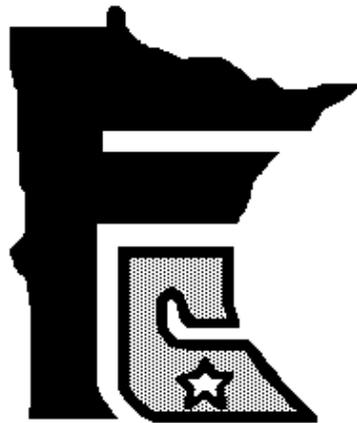


Freeborn County, Minnesota



**Annual Comprehensive Financial Report
For the Year Ending December 31, 2023**

FREEBORN COUNTY, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023



Prepared by: Freeborn County Administration

**Freeborn County
Albert Lea, Minnesota
(507) 377-5116**

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

TABLE OF CONTENTS

	Exhibit	Page
<u>Introductory Section</u>		
Letter of Transmittal		6
GFOA Certificate of Achievement		12
Elected and Appointed Officials		13
Organizational Chart		14
<u>Financial Section</u>		
Independent Auditors' Report		16
Management's Discussion and Analysis		19
Basic Financial Statements		
Government-Wide Financial Statements:		
Statement of Net Position - Governmental Activities	1	32
Statement of Activities - Governmental Activities	2	34
Fund Financial Statements:		
Governmental Funds		
Balance Sheet	3	38
Statement of Revenues, Expenditures, and Changes in Fund Balance	4	42
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Government-Wide Statement of Activities	5	44
Fiduciary Funds		
Statement of Fiduciary Net Position	6	46
Statement of Changes in Fiduciary Net Position	7	47
Notes to the Financial Statements		48
Required Supplementary Information		
Schedule of Changes in the Total OPEB Liability, Related Ratios, and Notes	A-1	97
Budgetary Comparison Schedules:		
General Fund	A-2	98
Road and Bridge Special Revenue Fund	A-3	102
Social Services Special Revenue Fund	A-4	103
Ditch Special Revenue Fund	A-5	104
Schedule of Proportionate Share of Net Pension Liability - General Employee's Retirement Fund (GERF)	A-6	105
Schedule of Contributions - GERF	A-7	106
Schedule of Proportionate Share of Net Pension Liability - Police and Fire Fund (P&FF)	A-8	107
Schedule of Contributions - P&FF	A-9	108
Schedule of Proportionate Share of Net Pension Liability - Correctional Fund (CF)	A-10	109
Schedule of Contributions - CF	A-11	110
Notes to the Required Supplementary Information		111
Supplementary Information		
Major Governmental Fund		
Budgetary Comparison Schedule - Debt Service Fund	B-1	131

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

TABLE OF CONTENTS

	Exhibit	Page
<u>Financial Section (Continued)</u>		
Fiduciary Funds		
Custodial Funds		
Combining Statement of Fiduciary Net Position	C-1	134
Combining Statement of Changes in Fiduciary Net Position	C-2	136
Other Schedules		
Schedule of Intergovernmental Revenue	D-1	140
Schedule of Expenditures of Federal Awards	D-2	142
Notes to the Schedule of Expenditures of Federal Awards		144
<u>Statistical Section</u>		
Financial Trends:		
Net Position by Component		150
Changes in Net Position		152
Governmental Fund Balances		156
Changes in Governmental Fund Balances		158
Revenue Capacity:		
Property Tax and Special Assessment Levies and Collection		160
Assessed and Estimated Actual Value of Taxable Property		162
Principal Property Taxpayers		164
Property Tax Rates - All Direct and Overlapping Governments		165
Tax Capacity by Classification		166
Debt Capacity:		
Computation of Legal Debt Margin		168
Ratio of Outstanding Debt by Type		170
Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita		172
Computation of Underlying, Overlapping and Direct Debt		174
Demographic and Economic Information:		
New Construction and Bank Deposits		175
County Employees by Department		176
Labor Agreements		177
Ten Largest Employers		178
Population Growth Comparisons		179
Percentage of Registered Voters Voting		180
Unemployment, Income and Economic Vitality		181
Operating Information:		
Operating Indicators by Function		182
Capital Assets Statistics by Function		183

INTRODUCTORY SECTION



County Administration - Government Center
411 So. Broadway, P.O. Box 1147, Albert Lea, Minnesota 56007-1147

507/377-5116
Fax 507/377-5109

Date: May 30, 2024

To: The Citizens of Freeborn County, Minnesota
The Freeborn County Board of Commissioners
Interested Agencies and Institutions

The Finance Department is pleased to present Freeborn County's Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2023. This report was prepared by the Administration Department with much assistance from various departmental accounting staff throughout Freeborn County in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board. The responsibility for both the accuracy of the presented data and the completeness and fairness of this presentation rests with Freeborn County management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner designed to fairly present the financial position and results of operations of the various funds of the County and have earned an unmodified opinion from our auditors. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

The County is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) from the Office of Management and Budget (OMB) setting forth the audit requirements for State and Local governments receiving federal assistance.

GENERAL COUNTY INFORMATION

Freeborn County was founded in 1855 as a county in the State of Minnesota. It is located in Southcentral Minnesota about 90 miles south of Minneapolis and St. Paul. The County consists of 722 square miles and includes 19 cities and 20 townships with 4 unincorporated communities. The most recent population estimate for the county is 30,515. The County seat, Albert Lea, is located at the junction of Interstate 90 and Interstate 35 and holds about 60% of the County's population.

GOVERNMENTAL ORGANIZATION AND SERVICES

Freeborn County operates under a five-member Board of Commissioners elected from five districts in the County. All commissioners serve overlapping four-year terms of office. Each member of the board serves on various committees.

The Board appoints the County Administrator, whose term is indefinite. He/she is responsible for the administration of Board policy and the management of the various County departments.

The County's functions and employees are divided among 17 departments. Two of these departments, Attorney and Sheriff, are headed by department heads who are elected into office. The remaining department heads are appointed by the Board of Commissioners.

The County provides a full range of services. These services include health and social services, tax assessment and collection, veteran services, property valuation assessment, judicial, law enforcement and detention center services, the construction and maintenance of highways and infrastructure, recreational facilities, agricultural extension services, planning and zoning, and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

The economic condition and outlook for Freeborn County appears to be stable and should continue to be in the future. This is reflected in the annual comment by Moody's Investor Services in November, 2016. This comment stated that the "position of Freeborn County is very strong, and its Aa2 rating is on par with the median rating of Aa2 for US counties. Key credit factors include a robust financial position, and a healthy socioeconomic profile and tax base. It also takes into account a mid-ranged pension burden with a low debt liability."

The County is a strong agricultural based community with long-time standing farms throughout. Due to the County's large rural area, it is attractive to renewable energy prospects. This is apparent through companies, both wind and solar, who have decided to explore development within the County. One of the projects that has created a positive impact on the County is the Bent Tree Wind Farm development, which provides over a combined million dollars per year to the County and its citizens. Another great impact is the Bio-refining facilities in the area, which have provided stable job opportunities within Freeborn County.

MAJOR INITIATIVES

Recent Past Years:

The County takes the maintenance of its building and infrastructure seriously to ensure providing the best available service. In 2022, Freeborn County began a \$13.5 million renovation project, upgrading multiple locations and infrastructure items throughout its organization. This project is over 95% complete, with the last step being a new ceiling in the Freeborn County Commissioner Board Room. New and improved lighting and a new roof on the Government Center will save taxpayer money in the future. The County recently acquired a new building to house its Environmental Services, adding better service to Freeborn County residents. Freeborn County's

fairgrounds were also part of this renovation, improving its infrastructure and security.

In January, 2022, the County partnered with the Albert Lea School District to form a Wellness Clinic, open to all employees with County health insurance coverage and their dependents, offering free clinic visits and some prescription medication.

The communities and local businesses of the County have come together to create a Community Promise Scholarship opportunity to provide free or lower cost college through Riverland Community College to attract the youth of the county to stay in the community.

For the Future:

Freeborn County sees the need to plan for the future. Careful budgeting and quality management of its strategic asset plan will continue into 2024. Providing quality service to its citizens is also an important goal for the County and will continue into 2024. The County is pursuing the addition of solar photovoltaic systems at various county owned facilities. The goal of the project is to provide guaranteed energy savings to Freeborn County.

The County continues to focus more and more on its youth and community wellness. It is expanding its recreational activity options by continuing to pursue the development of a countywide trail system.

The economic growth of the County as a whole is also important to Freeborn County. Freeborn County, the City of Albert Lea and Greater Jobs Inc. of Albert Lea have combined to seek out new economic opportunities for the area. Local businesses are encouraged to move into and grow throughout the county. Prospective new commercial and industrial developments are in the works for 2024 and beyond, providing jobs and additional tax base.

FINANCIAL INFORMATION

Freeborn County's strong financial management continues to provide the people of the County with several initiatives designed to enhance its excellent financial position: (1) investing funds not immediately needed for expenditures to maximize not-tax revenue; (2) allocating County resources to those areas that meet community needs as expressed by the Board of Commissioners; (3) closely monitoring expenditures to ensure that activities are carried out within authorized levels; and (4) using advice and recommendations from the general public to improve productivity in the delivery of County services.

SINGLE AUDIT

As a recipient of Federal, State and Local financial assistance, the County is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management.

Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) from the Office of Management and Budget (OMB) sets forth the audit requirements for State and Local governments receiving federal assistance. It provides for a single independent audit of the financial operations, including compliance with certain provisions of federal law and regulations.

The requirements have been established to ensure that audits are made on an organization wide basis rather than a grant-by-grant basis. The grants for which these requirements apply are identified in federal awards schedules issued under a separate report, and included as supplementary information in the Financial Section of this Annual Comprehensive Financial Report.

INTERNAL CONTROL

Administration in Freeborn County is responsible for establishing and maintaining internal controls designed to ensure that assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The County's system of internal controls is supported by written policies and procedures, which are continually reviewed, evaluated and modified to meet current needs.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BUDGETARY CONTROL

Budgetary control is maintained at the fund level and is subject to periodic review by the County Board. In addition, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with provisions embodied in the annual appropriated budget approved by the County's governing body. Activities of the general fund, special revenue funds and debt service fund are included in the annual appropriated budget. According to Minnesota Laws, County governments are required to adopt budgets but are not required to use them as legal limits. The County Board is made aware of all budget variances. As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements, presented with the Basic Financial Statements section, are an integral part of this Annual Comprehensive Financial Report and should be read for a fuller understanding of the statements and information presented within. The notes to the required supplementary information other than MD&A are an integral part of the Budgetary Comparison Schedules.

REVENUE LIMITATIONS

Freeborn County has been and will continue to focus on the social, ecological and financial health of its communities. The County Board has done so through fiscal restraint, planning and execution of initiatives. The Freeborn County Board of Commissioners has held the levy increase in 2022 and 2023 to 2.5% and 2.9% respectively.

FINANCIAL POLICY

Fund balances of the County operating funds were maintained, in total, at an adequate level for operating reserve purposes for the subsequent year of 2024. Due to the property tax calendar in Minnesota, collections do not come in on an even basis. As a result, the County needs to maintain sufficient balances for cash flow purposes. Because GASB 54 changed the way available funds for cash flow purposes are to be reported in the financial statements, a separate note has been included in notes to the financial statements (Note 9), describing the amounts necessary for cash flow purposes.

DEBT ADMINISTRATION

The County has a Standard and Poor's rating of Aa2. Freeborn County currently utilizes only 5.78% of the total allowable general obligation debt according to Minnesota State Statutes. The notes to the financial statements, as well as the Debt Capacity tables in the Statistical Section explain more fully the debt position and future obligations of the County.

RISK MANAGEMENT

Currently, the County insures itself through the Minnesota Counties Intergovernmental Trust for property casualty, liability and workers' compensation. The County's Safety Committee meets on a regular basis to help minimize future loss exposure. Note 11 explains the funding and associated risks in further detail.

FIDUCIARY OPERATIONS

The County collects and distributes all property and forfeited taxes for the taxing authorities within the County including cities, townships, and school districts. It is responsible for collecting fees, fines and payroll deductions and distributing those funds to third parties. The County is also responsible for collecting and distributing funds for the Turtle Creek Watershed District, the Family Collaborative Joint Powers Board, and the Saint Paul Port Authority.

INDEPENDENT AUDIT

Minnesota State Law requires an annual audit of the books of accounting and financial records and transactions of the County. This requirement has been complied with and the Auditor's Report has been included in this report. CliftonLarsonAllen LLP will issue a management and compliance letter covering the review, made as a part of its audit of the County's system of internal control and compliance with applicable legal provisions. The management and compliance letter will not modify or affect this report on the financial statements.

INVITATIONS, AWARDS, AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Freeborn County for its annual comprehensive financial report for the fiscal year ended December 31, 2022. This was the ninth year that Freeborn County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to invite you to continue on and read the remainder of this annual comprehensive financial report. This report will allow readers to gain a solid understanding of our financial position. If you have any questions regarding any of the materials presented herein, please contact the Administration Office at Freeborn County. We also invite you to visit our County web page at www@co.freeborn.mn.us. Our goal with this report is to keep you as well informed as possible about your government.

Finally, we would like to acknowledge and thank the Auditor/Treasurer's Office and the Administration Department for their hard work throughout the year and during the preparation of this report. An extra thank you goes to all departments within Freeborn County for their cooperation in supplying necessary financial data. We would like to thank the Freeborn County Board of Commissioners for its support in planning and conducting the County's financial activities in a responsible manner throughout the year.

Respectfully submitted,



Timothy Patrick Paquin
Freeborn County Finance Manager



LaRae Cassens
Accounting Specialist, Senior



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Freeborn County
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

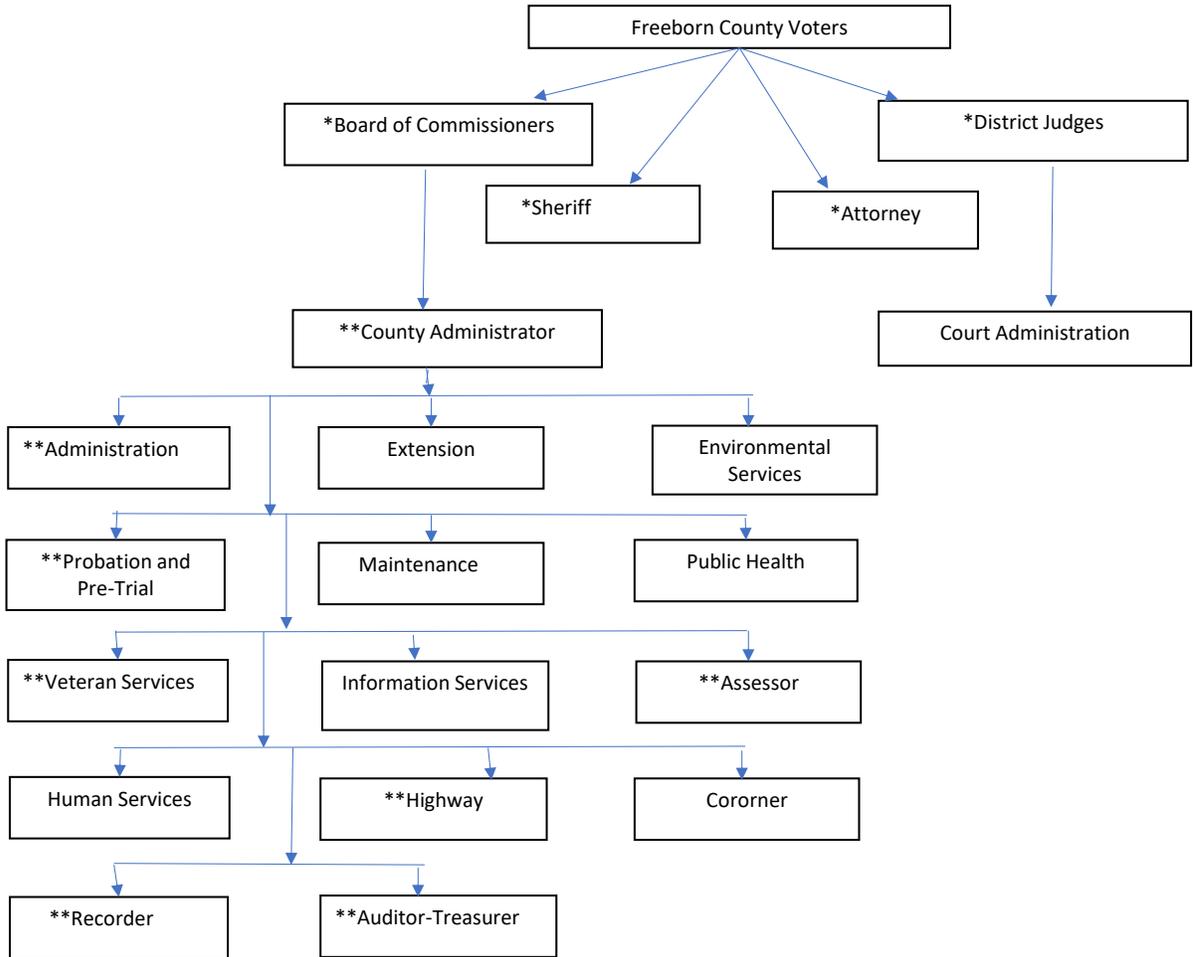
**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2023**

Office	Name	Term Expires
Board of County Commissioners		
District 1	Brad Edwin	January 2025
District 2	Dawn Kaasa	January 2027
District 3	John Forman *	January 2025
District 4	Christopher Shoff	January 2027
District 5	Nicole Eckstrom	January 2025
County Officers		
Elected		
Attorney	David Walker	January 2027
District Judge	Ross Leuning	January 2027
District Judge	Steven Schwab	January 2027
Sheriff	Ryan Shea	January 2027
Appointed		
Assessor	Ryan Rasmusson	Indefinite
Interim Auditor/Treasurer	Kelly Hendrickson	Indefinite
Court Administrator	Becky Mittag	Indefinite
Probation and Pre-Trial	Lyndon Stinson	Indefinite
Public Works Director	Philip Wacholz	Indefinite
Veterans Service Officer	Jeff Dahlen	Indefinite
Recorder/Registrar of Titles	Kelly Hendrickson	Indefinite

*Chair

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
ORGANIZATIONAL CHART
2023



* Elected Officials
** Appointed Officials

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Freeborn County
Albert Lea, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Freeborn County (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents on pages 3 and 4 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2024, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.


CliftonLarsonAllen LLP

Brainerd, Minnesota
May 30, 2024

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

As management of Freeborn County (the County), we offer readers of Freeborn County financial statements this narrative overview and analysis of the financial activities of Freeborn County for the fiscal year ended December 31, 2023.

FINANCIAL HIGHLIGHTS

- At year-end 2023, Freeborn County's assets and deferred outflows of resources exceeded its liabilities and deferred inflow of resources by \$138.1 million (net position).
- Net position consisted of:
 - ✓ \$12.3 million, or 8.91% of total net position was *restricted* for specific purposes.
 - ✓ \$121.8 million, or 88.20% of net position, represented the County's *net investment in capital assets*.
 - ✓ \$4.0 million, or 2.89% of net position is *unrestricted* and is available to meet the County's obligations consistent with County policy and legislative intent and direction of the County Board
- In 2023, the County's net position increased by \$3.0 million. This increase is due to an increase in net investment of capital assets of \$9.3 million (debt amount is decreasing and the County increased the infrastructure and equipment items owned), along with a increase of deferred pension inflows of \$9.3 million which were offset by a decrease in deferred pension outflows of \$3.8 million, a decrease in bonds payable liabilities of \$2.2 million, and a net pension liabilities decrease of \$11.8 million.
- The County's governmental funds reported ending fund balances of \$31.0 million.
 - ✓ Unlike net position, which measures all County assets plus deferred outflow of resources less all County liabilities plus deferred inflow of resources, governmental fund balance measures only currently available, spendable resources.
 - ✓ \$2.0 million, or 6.45%, of total governmental fund balances are non-spendable and consist of advances to other funds, long-term loans/notes receivable, inventories, prepaid taxes and permanent endowments.
 - ✓ \$9.3 million, or 30.00%, of total governmental fund balances have been restricted for specific purposes such as construction of long-term assets and repayment of refunded bonds.
 - ✓ \$7.0 million, or 22.58%, of total governmental fund balances has been committed for certain necessary purposes and will be spent in future years.
 - ✓ \$6.4 million, or 20.65%, of total governmental fund balances has been assigned for certain necessary purposes and will be spent in future years.

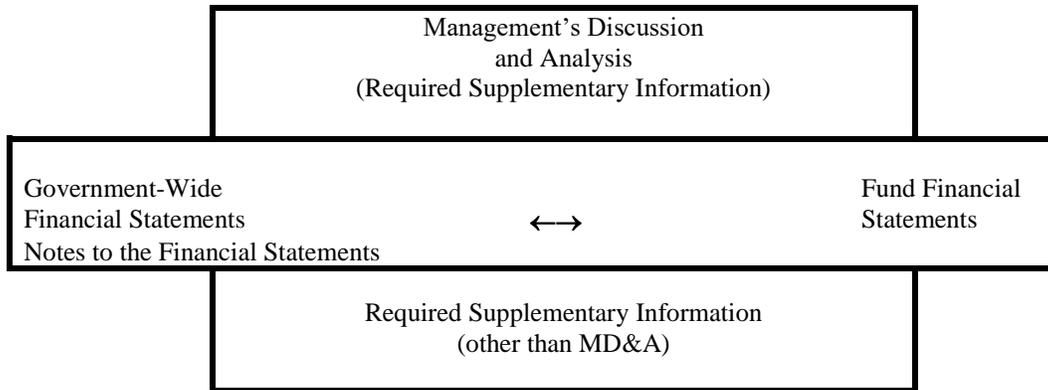
(Unaudited)

✓ \$6.3 million, or 20.32%, of governmental fund balances are unassigned and, therefore, subject to appropriation by the County Board.

- The County’s main operating fund, the General Fund, reported a year-end fund balance of \$19.1 million. The fund balance represents 57.55% of its annual spending.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the basic financial statements. Freeborn County’s basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements. The MD&A (this section), certain budgetary comparison schedules and pension schedules are required to accompany the basic financial statements and, therefore, are included as required supplementary information. The following chart demonstrates how the different pieces are interrelated.



There are two government-wide financial statements. The Statement of Net Position and the Statement of Activities (Exhibits 1 and 2) provide information about the activities of the County as a whole and present a longer-term view of the County’s finances. Fund financial statements start with Exhibit 3. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County’s operations in more detail than the government-wide statements by providing information about the County’s most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements--The Statement of Net Position and the Statement of Activities

Our analysis of the County as a whole begins on Exhibit 1. The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps the reader determine whether the County’s financial condition has improved or declined as a result of the year’s activities. These statements include all assets, deferred outflows/inflows of resources, and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in them. You can think of the County's net position--the difference between assets, deferred outflows/inflows of resources, and liabilities--as one way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of County roads, to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, the County reports its governmental activities. The County has no business-type activities or discretely presented component units.

Governmental activities reported here include the County's basic services of general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development. Property taxes and state and federal grants finance most of these activities.

Fund Financial Statements

Our analysis of the County's major funds begins on Exhibit 3. These fund financial statements provide detailed information about the significant funds, not the County as a whole. Some funds are required to be established by state law and by bond covenants. However, the County Board establishes some funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The County's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation statements following each governmental fund financial statement.

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, over assets which can only be used for the trust beneficiaries based on the trust arrangement. All of the County's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on Exhibits 6 and 7. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

The County's combined net position increased from \$135,158,899 to \$138,071,542. Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the County's governmental activities.

Table 1
Net Position
(in millions)

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 37.3	\$ 44.2
Capital assets	132.0	123.3
Total Assets	\$ 169.3	\$ 167.5
Deferred Outflows of Resources	\$ 8.6	\$ 12.4
Liabilities		
Long-term liabilities outstanding	\$ 27.1	\$ 39.2
Other liabilities	2.7	4.9
Total Liabilities	\$ 29.8	\$ 44.1
Deferred Inflows of Resources	\$ 10.0	\$ 0.7
Net Position		
Net investment in capital assets	\$ 121.8	\$ 112.6
Restricted	12.3	16.3
Unrestricted	4.0	6.2
Total Net Position	\$ 138.1	\$ 135.1

Net position of the County's governmental activities increased to \$138.1 million compared to \$135.1 million in 2022. Unrestricted net position--the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements--changed from \$6.2 million at December 31, 2022, to \$4.0 million at the end of this year (2023). Unrestricted net position decreased due to an increase in net investment of capital assets of \$9.2 million, a decrease in restricted net position of \$4.0 million, a decrease in deferred outflows of \$3.8 million, and an increase in deferred inflows of 9.3 million.

(Unaudited)

Table 2
Changes in Net Position
(in millions)

	Governmental Activities	
	2023	2022
Revenues		
Program revenues		
Fees, fines, charges, and other	\$ 8.0	\$ 7.3
Operating grants and contributions	19.3	18.6
Capital grants and contributions	0.1	1.1
General revenues		
Property taxes	26.4	25.9
Grants and contributions	2.3	2.2
Other general revenues	5.9	4.0
Total Revenues	<u>\$ 62.1</u>	<u>\$ 59.1</u>
Program Expenses		
General government	\$ 13.7	\$ 13.5
Public safety	12.1	12.2
Highways and streets	12.3	15.3
Sanitation	0.9	0.8
Human services	13.3	12.4
Health	3.4	3.3
Culture and recreation	0.4	0.4
Conservation of natural resources	2.7	2.0
Economic development	0.0	0.1
Interest	0.3	0.3
Total Program Expenses	<u>\$ 59.1</u>	<u>\$ 60.3</u>
Change in Net Position	3.0	(1.2)
Net Position – January 1	<u>135.1</u>	<u>136.3</u>
Net Position at Year End	<u><u>\$ 138.1</u></u>	<u><u>\$ 135.1</u></u>

(Unaudited)

Governmental Activities

Revenues were \$62.1 million, and expenses were \$59.1 million for the County’s governmental activities. This resulted in an increase of \$3.0 million to net position in the year ended December 31, 2023.

The amount that taxpayers ultimately financed for these activities through County taxes and other general sources was only \$31.7 million because some of the cost was paid by those who directly benefited from the programs (\$8.0 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$19.4 million). The County paid for the remaining “public benefit” portion of governmental activities with \$34.6 million in general revenues, primarily taxes, including a highway sales tax of \$2.7 million (some of which could be used only for certain programs) and other revenues, such as interest and general entitlements.

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

Table 3
Governmental Activities
(in millions)

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 13.7	\$ 12.7	\$ 13.5	\$ 12.1
Human services	13.3	5.7	12.4	5.1
Highway and streets	12.3	3.6	15.3	5.2
Public safety	12.1	8.4	12.2	9.6
Health	3.4	(0.3)	3.3	0.5
Conservation of natural resources	2.7	0.8	2.0	0.0
All others	1.6	0.8	1.6	0.7
Total	<u>\$ 59.1</u>	<u>\$ 31.7</u>	<u>\$ 60.3</u>	<u>\$ 33.2</u>

THE COUNTY'S FUNDS

Governmental Funds, at the fund-level of reporting, use a current financial resources focus and modified accrual basis of accounting to report changes in near-term flows and balances of spendable resources. Fund balances within governmental funds, particularly unassigned fund balance, indicate the amount of available, spendable resources potentially available for appropriation by the County Board to finance the County's day-to-day activities.

The following Table 4 summarizes changes in governmental fund balances during 2023:

Table 4
Governmental Fund Balances
(in millions)

	General Fund	Road and Bridge	Social Services	Ditch	Debt Service	Non Major Funds	Total Governmental Funds
Beginning Fund Balance	\$ 22.8	\$ 5.5	\$ 2.7	\$ 1.8	\$ 2.5	\$ 0.4	\$ 35.7
Revenues and other financing sources	29.6	18.8	13.5	1.6	0.7	-	64.2
(Less) Expenditures and other financing uses	<u>(33.3)</u>	<u>(18.1)</u>	<u>(13.2)</u>	<u>(1.8)</u>	<u>(2.5)</u>	-	<u>(68.9)</u>
Ending Fund Balance	<u>\$ 19.1</u>	<u>\$ 6.2</u>	<u>\$ 3.0</u>	<u>\$ 1.6</u>	<u>\$ 0.7</u>	<u>\$ 0.4</u>	<u>\$ 31.0</u>

Changes in fund balances to the major funds are:

- The General Fund's fund balance is the County's principal liquidity reserve and includes amounts set aside for restricted fund balance and subsequent year's appropriated budget. The fund balance decreased \$3.7 million during the year primarily due to a decrease in capital outlay restricted fund balance, and a decrease in committed fund balance related to capital improvements.
- Fund balances in the Road and Bridge Fund are set aside for prepaid items, liabilities and other fund purposes. The fund balance increased \$0.7 million mostly due to an increased restricted fund balance for construction projects this year and to the County's fund balance policy to require each fund to keep 50% of their next year's tax levy for reserves.
- Fund balances in the Social Services Fund are set aside for liabilities and other fund purposes. The fund balance increased \$0.3 million due to new restricted fund balances and due to the County's fund balance policy to require each fund to keep 50% of their next year's tax levy for reserves.
- Fund balances in the Ditch Fund are set aside for debt and repairs and maintenance of the individual ditches. The fund balance decreased by \$0.2 million. The decrease was primarily due to assessing less for the individual ditch reserves.
- Fund balances in the Debt Service Fund are set aside for future principal and interest payments. The fund balance decreased by \$1.8 million due to bond payments being higher due to paying off a bond during the year.

General Fund Budgetary Highlights

The General Fund budget represents the original budget.

The original General Fund budgeted revenues were \$28.5 million. Actual revenues exceeded the original budget by \$1.1 million. Actual investment earning revenues exceeded the original budgeted amount by \$1.4 million due to increased interest rates during the year.

The original General Fund budgeted expenditures were \$34.0 million. Actual expenditures were under the original budget by \$0.8 million. Actual general government expenditures were over the original budget by \$2.2 million directly related to building improvements that was not part of the original budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the County had \$132.1 million invested in a broad range of capital assets including land, buildings, highways and streets, and equipment. (See Table 5) This amount represents a net increase (including additions and deductions) of \$8.8 million, or 7.14 percent, from last year. More detailed information about the County's capital assets is presented in Note 6 to the financial statements.

Table 5
Capital Assets at Year-End
(Net of Depreciation, in millions)

	Governmental Activities	
	2023	2022
Land	\$ 5.5	\$ 5.5
Land improvements	1.4	0.7
Work in progress	15.0	22.8
Buildings and improvements	24.7	19.0
Machinery, vehicles, furniture, and equipment	6.2	6.1
Infrastructure	79.3	69.2
Total	<u>\$ 132.1</u>	<u>\$ 123.3</u>

(Unaudited)

Debt

At year-end, the County had \$9.6 million in bonds and notes outstanding versus \$11.8 million last year, a decrease of 18.6 percent, as shown in Table 6. This decrease is due to the County paying \$2.1 million in bond payments and changes to unamortized bond premiums in 2023.

Table 6
Outstanding Debt at Year-End
(in millions)

	Governmental Activities	
	2023	2022
General obligation bonds	\$ 9.6	\$ 11.8

The County's general obligation bond rating was "Aa2" at its last bond review. Other obligations include accrued vacation pay, sick leave payable, and pension liability. More detailed information about the County's long-term liabilities is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2024 budget and tax rates.

- County General Fund expenditures for 2024 are budgeted to decrease 5.8 percent over 2023.
- The combined budget for 2024 decreased \$4,611,153 or 6.66 percent, over the 2023 budget.
- Property tax levies have decreased 4.3 percent for 2024.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Finance Manager, Timothy Patrick Paquin, at 411 South Broadway, Albert Lea, Minnesota 56007.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT 1

**STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

Assets

Cash and pooled investments	\$ 29,308,659
Petty cash and change funds	3,315
Taxes receivable	394,611
Special assessments receivable	
Prior	72,496
Noncurrent	1,167,500
Accounts receivable - net	1,037,748
Accrued interest receivable	206,129
Loans receivable	571,962
Due from other governments	3,731,130
Prepays	781,155
Capital assets	
Non-depreciable	21,846,231
Depreciable - net of accumulated depreciation	<u>110,211,717</u>
Total Assets	<u>\$ 169,332,653</u>

Deferred Outflows of Resources

Deferred pension outflows	<u>\$ 8,551,000</u>
---------------------------	----------------------------

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

***EXHIBIT 1
(Continued)***

**STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

Liabilities

Accounts payable	\$	802,025
Salaries payable		519,355
Contracts payable		572,240
Due to other governments		129,926
Accrued interest payable		151,735
Noncurrent Liabilities:		
Due within one year		
Bonds and notes payable		325,000
Compensated absences		103,640
Total other postemployment benefits (OPEB) liability		101,690
Due in more than one year		
Bonds and notes payable		9,324,641
Compensated absences		1,969,139
Net pension liability		15,380,719
Total other postemployment benefits (OPEB) liability		455,705
		455,705
Total Liabilities	\$	<u>29,835,815</u>

Deferred Inflows of Resources

Deferred pension inflows	\$	<u>9,976,296</u>
--------------------------	----	-------------------------

Net Position

Net investment in capital assets	\$	121,836,067
Restricted for		
General government		816,276
Public safety		618,691
Highways and streets		4,790,714
Human services		209,923
Health		192,503
Conservation of natural resources		4,708,292
Debt service		558,077
Held in trust for other purposes - nonexpendable		361,388
Unrestricted		3,979,611
		3,979,611
Total Net Position	\$	<u>138,071,542</u>

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT 2

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Fees, Charges, Fines, and Other</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Functions/Programs					
Primary government					
Governmental activities					
General government	\$ 13,759,339	\$ 876,364	\$ 209,715	\$ -	\$ (12,673,260)
Public safety	12,104,442	2,023,145	1,707,933	-	(8,373,364)
Highways and streets	12,312,485	91,196	8,499,756	132,266	(3,589,267)
Sanitation	901,776	830,378	-	-	(71,398)
Human services	13,297,693	1,351,887	6,234,991	-	(5,710,815)
Health	3,370,144	1,523,007	2,135,037	-	287,900
Culture and recreation	367,392	12,283	-	-	(355,109)
Conservation of natural resources	2,683,968	1,326,797	483,563	-	(873,608)
Economic development	31,750	-	-	-	(31,750)
Interest	328,057	-	-	-	(328,057)
Total Governmental Activities	\$ 59,157,046	\$ 8,035,057	\$ 19,270,995	\$ 132,266	\$ (31,718,728)
General Revenues					
Property taxes				\$ 26,373,423	
Gravel taxes				108,388	
Mortgage registry and deed tax				25,366	
Wheelage taxes				606,227	
Local sales taxes				591,341	
Local highway sales tax				2,719,183	
Payments in lieu of tax				32,426	
Grants and contributions not restricted to specific programs				2,335,867	
Unrestricted investment earnings				1,754,211	
Miscellaneous				37,797	
Gain on sale of capital assets				47,142	
Total general revenues				\$ 34,631,371	
Change in net position				\$ 2,912,643	
Net Position - Beginning				\$ 135,158,899	
Net Position - Ending				\$ 138,071,542	

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

FUND FINANCIAL STATEMENTS

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

GOVERNMENTAL FUNDS

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Road and Bridge
<u>Assets</u>		
Cash and pooled investments	\$ 17,296,045	\$ 5,885,245
Petty cash and change funds	3,265	-
Taxes receivable		
Prior	394,611	-
Special assessments		
Prior	51,816	-
Noncurrent	-	-
Accounts receivable - net	129,256	-
Accrued interest receivable	201,408	-
Loans receivable	571,962	-
Due from other funds	-	-
Due from other governments	777,698	2,109,593
Prepays	330,453	450,702
Advances to other funds	1,039,242	-
	<u>\$ 20,795,756</u>	<u>\$ 8,445,540</u>
Total Assets		

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

EXHIBIT 3
(Continued)

<u>Special Revenue Funds</u>				<u>Permanent Nonmajor U.S. Fish and Wildlife</u>	
<u>Social Services</u>	<u>Ditch</u>	<u>Debt Service</u>			<u>Total</u>
\$ 2,256,555	\$ 2,787,068	\$ 709,812	\$ 373,934	\$ 29,308,659	
50	-	-	-	3,315	
-	-	-	-	394,611	
-	20,680	-	-	72,496	
-	1,167,500	-	-	1,167,500	
908,492	-	-	-	1,037,748	
-	-	-	4,721	206,129	
-	-	-	-	571,962	
383,448	-	-	-	383,448	
837,400	6,439	-	-	3,731,130	
-	-	-	-	781,155	
-	-	-	-	1,039,242	
<u>\$ 4,385,945</u>	<u>\$ 3,981,687</u>	<u>\$ 709,812</u>	<u>\$ 378,655</u>	<u>\$ 38,697,395</u>	

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Road and Bridge
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>		
Liabilities		
Accounts payable	\$ 365,867	\$ 47,707
Salaries payable	319,998	47,769
Contracts payable	315,127	257,113
Due to other funds	91,327	292,121
Due to other governments	35,728	2,485
Advances from other funds	-	-
Total Liabilities	\$ 1,128,047	\$ 647,195
Deferred Inflows of Resources		
Unavailable revenue	\$ 546,194	\$ 1,641,561
Fund Balances		
Nonspendable		
Advances to other funds	\$ 336,524	\$ -
Long-term loans/notes receivable	434,741	-
Prepaid items	330,453	450,702
Missing heirs	89,435	-
Endowment permanent	-	-
Restricted for		
Law library	40,867	-
Recorder's technology equipment	105,888	-
Recorder's equipment	333,364	-
E-911	587,681	-
Attorney's forfeited property	55,803	-
MA unwinding	-	-
Sheriff's forfeited property	31,010	-
Statewide housing	-	-
Local homeless aid	-	-
Highway construction projects	-	3,029,587
Gravel pit postclosure	119,566	-
Ditch maintenance and repairs	-	-
Debt service	-	-
Aquatic invasive species	280,354	-
Opioid settlement	192,503	-
Buffer strip enforcement aid	106,894	-
Sanitary sewer treatment system enforcement aid	8,888	-
Committed		
Individual sewage treatment system	343,075	-
Capital equipment	588,566	-
IT hardware	420,000	-
Trail maintenance	557,961	-
Computer purchases	400,000	-
Payroll	600,000	-
Broadband	1,000,000	-
Economic development	750,000	-
Fair ground infrastructure	140,689	-
Community college	100,000	-
Tax software	250,000	-
Elections	1,762	-
Self insurance	1,800,000	-
Assigned		
Subsequent year's appropriated budget	867,000	-
Road and bridge	-	2,676,495
Social services	-	-
Unassigned	8,248,491	-
Total Fund Balances	19,121,515	6,156,784
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,795,756	\$ 8,445,540

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds

Deferred outflow of resources resulting from pension obligations are not available resources and therefore, are not reported in governmental funds.

Long-term liabilities, including bonds payable and accrued interest on bonds, are not due and payable in the current period and therefore are not reported in the funds.

Deferred pension inflows are not due and payable in the current period and therefore are not reported in the governmental funds.

Other long-term assets are not available to pay for current-period expenditures and therefore, are unavailable in the funds

Net position of Governmental Activities

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

EXHIBIT 3
(Continued)

<u>Special Revenue Funds</u>			<u>Permanent Nonmajor U.S. Fish and Wildlife</u>	
<u>Social Services</u>	<u>Ditch</u>	<u>Debt Service</u>		<u>Total</u>
\$ 239,538	\$ 148,913	\$ -	\$ -	\$ 802,025
149,991	1,597	-	-	519,355
-	-	-	-	572,240
-	-	-	-	383,448
61,513	12,933	-	17,267	129,926
-	1,039,242	-	-	1,039,242
\$ 451,042	\$ 1,202,685	\$ -	\$ 17,267	\$ 3,446,236
\$ 885,631	\$ 1,194,619	\$ -	\$ -	\$ 4,268,005
\$ -	\$ -	\$ -	\$ -	\$ 336,524
-	-	-	-	434,741
-	-	-	-	781,155
-	-	-	-	89,435
-	-	-	361,388	361,388
-	-	-	-	40,867
-	-	-	-	105,888
-	-	-	-	333,364
-	-	-	-	587,681
-	-	-	-	55,803
81,015	-	-	-	81,015
-	-	-	-	31,010
108,364	-	-	-	108,364
20,544	-	-	-	20,544
-	-	-	-	3,029,587
-	-	-	-	119,566
-	3,484,570	-	-	3,484,570
-	-	709,812	-	709,812
-	-	-	-	280,354
-	-	-	-	192,503
-	-	-	-	106,894
-	-	-	-	8,888
-	-	-	-	343,075
-	-	-	-	588,566
-	-	-	-	420,000
-	-	-	-	557,961
-	-	-	-	400,000
-	-	-	-	600,000
-	-	-	-	1,000,000
-	-	-	-	750,000
-	-	-	-	140,689
-	-	-	-	100,000
-	-	-	-	250,000
-	-	-	-	1,762
-	-	-	-	1,800,000
-	-	-	-	867,000
-	-	-	-	2,676,495
2,839,349	-	-	-	2,839,349
-	(1,900,187)	-	-	6,348,304
3,049,272	1,584,383	709,812	361,388	30,983,154
\$ 4,385,945	\$ 3,981,687	\$ 709,812	\$ 378,655	
				132,057,948
				8,551,000
				(27,812,269)
				(9,976,296)
				4,268,005
				\$ 138,071,542

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Road and Bridge
Revenues		
Taxes	\$ 15,947,731	\$ 8,390,913
Special assessments	782,585	-
Licenses and permits	154,093	35,419
Intergovernmental	6,600,357	10,275,840
Charges for services	3,765,172	29,363
Fines and forfeits	22,563	-
Gifts and contributions	2,500	-
Investment earnings	1,765,794	-
Miscellaneous	523,675	26,414
	\$ 29,564,470	\$ 18,757,949
Expenditures		
Current		
General government	\$ 12,191,163	\$ -
Public safety	10,973,683	-
Highways and streets	-	17,450,832
Sanitation	879,547	-
Human services	-	-
Health	3,258,482	-
Culture and recreation	419,806	-
Conservation of natural resources	830,377	-
Economic development	31,750	-
Intergovernmental		
Highways and streets	-	431,000
Capital outlay	4,641,480	-
Debt service		
Principal	-	-
Interest	-	-
Administrative (fiscal) charges	-	-
	\$ 33,226,288	\$ 17,881,832
Excess of Revenues Over (Under) Expenditures	\$ (3,661,818)	\$ 876,117
Other Financing Sources (Uses)		
Transfers in	\$ 26,720	\$ -
Transfers out	(91,327)	(292,121)
Proceeds from sale of capital assets	47,614	-
	\$ (16,993)	\$ (292,121)
Net Change in Fund Balance	\$ (3,678,811)	\$ 583,996
Fund Balance - January 1	22,800,326	5,572,788
Fund Balance - December 31	\$ 19,121,515	\$ 6,156,784

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

EXHIBIT 4

Social Services	Ditch	Debt Service	Nonmajor U.S. Fish and Wildlife	Total
\$ 5,347,689	\$ -	\$ 705,464	\$ -	\$ 30,391,797
-	1,528,117	-	-	2,310,702
-	-	-	-	189,512
6,548,887	24,383	-	-	23,449,467
1,227,890	-	-	-	5,022,425
2,912	-	-	-	25,475
3,408	-	-	-	5,908
-	-	-	17,267	1,783,061
98,726	11,328	-	-	660,143
\$ 13,229,512	\$ 1,563,828	\$ 705,464	\$ 17,267	\$ 63,838,490
\$ -	\$ -	\$ -	\$ -	\$ 12,191,163
322,009	-	-	-	11,295,692
-	-	-	-	17,450,832
-	-	-	-	879,547
12,915,524	-	-	-	12,915,524
-	-	-	-	3,258,482
-	-	-	-	419,806
-	1,713,753	-	17,267	2,561,397
-	-	-	-	31,750
-	-	-	-	431,000
-	-	-	-	4,641,480
-	-	2,110,000	-	2,110,000
-	42,193	395,818	-	438,011
-	-	350	-	350
\$ 13,237,533	\$ 1,755,946	\$ 2,506,168	\$ 17,267	\$ 68,625,034
\$ (8,021)	\$ (192,118)	\$ (1,800,704)	\$ -	\$ (4,786,544)
\$ 383,448	\$ -	\$ -	\$ -	\$ 410,168
-	-	(26,720)	-	(410,168)
-	-	-	-	47,614
\$ 383,448	\$ -	\$ (26,720)	\$ -	\$ 47,614
\$ 375,427	\$ (192,118)	\$ (1,827,424)	\$ -	\$ (4,738,930)
<u>2,673,845</u>	<u>1,776,501</u>	<u>2,537,236</u>	<u>361,388</u>	<u>35,722,084</u>
<u>\$ 3,049,272</u>	<u>\$ 1,584,383</u>	<u>\$ 709,812</u>	<u>\$ 361,388</u>	<u>\$ 30,983,154</u>

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT 5

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net change in fund balances - total governmental funds (Exhibit 4) \$ (4,738,930)

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

In the funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenue between the fund statements and the statement of activities is the increase or decrease in unavailable revenue.

Unavailable revenue - December 31	\$ 4,268,005	
Unavailable revenue - January 1	<u>(6,085,239)</u>	(1,817,234)

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, in the statement of activities, only the gain or loss on the disposal of assets is reported; whereas, in the governmental funds, the proceeds from the sale increase financial resources. Therefore, the change in net position differs from the change in fund balance by the net book value of the assets sold.

Expenditures for general capital assets and infrastructure	\$ 13,211,976	
Net book value of assets disposed	(112,114)	
Current year depreciation	<u>(4,370,094)</u>	8,729,768

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments		
General obligation bonds		2,110,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable	\$ 26,375	
Change in net pension liability	11,753,923	
Change in other postemployment benefits	(49,713)	
Change in compensated absences	(44,507)	
Amortization of discounts/premiums	83,929	
Change in deferred outflows of resources	(3,854,319)	
Change in deferred inflows of resources	<u>(9,286,649)</u>	<u>(1,370,961)</u>

Change in Net Position of Governmental Activities (Exhibit 2) \$ 2,912,643

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

FIDUCIARY FUNDS

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT 6

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
<u>Assets</u>		
Cash and pooled investments	\$ 61,121	\$ 1,914,688
Interest receivable	253	-
Taxes receivable	-	420,599
Special assessments receivable	-	445,317
Accounts receivable	-	36,507
Due from other governments	-	8,894
	\$ 61,374	\$ 2,826,005
<u>Liabilities</u>		
Accounts payable	\$ 2,855	\$ -
Due to other governments	-	1,384,232
Loans payable	-	445,317
	\$ 2,855	\$ 1,829,549
<u>Net Position</u>		
Restricted for Individuals, organizations, other governments	\$ 58,519	\$ 996,456
	\$ 58,519	\$ 996,456

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT 7

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Additions		
Contributions:		
Individuals	\$ 498,588	\$ 403,703
Investment earnings:		
Interest, dividends, other	2,465	3,195
Property tax collections for other governments	-	75,774,316
Special assessments	-	306,840
License and fees collected for state	-	8,997,943
Miscellaneous	-	551,477
	\$ 501,053	\$ 86,037,474
Deductions		
Beneficiary payments to individuals	\$ 480,978	\$ 368,856
Payments of property tax to other governments	-	75,622,352
Payments to state	-	9,012,029
Payments to vendors	-	687,448
Payments to other entities	-	117,953
	\$ 480,978	\$ 85,808,638
Change in net position	\$ 20,075	\$ 228,836
Net Position – January 1	\$ 38,444	\$ 767,620
Net Position – December 31	\$ 58,519	\$ 996,456

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL
STATEMENTS DECEMBER 31, 2022**

GUIDE TO NOTES

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	49
2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS.....	57
3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY.....	58
4. CASH, DEPOSITS, AND INVESTMENTS.....	59
5. RECEIVABLES, UNEARNED AND UNAVAILABLE REVENUE.....	65
6. CAPITAL ASSETS.....	66
7. INTERFUND RECEIVABLES AND PAYABLES.....	67
8. LONG-TERM DEBT.....	69
9. FUND BALANCES.....	71
10. POST-EMPLOYMENT BENEFITS.....	72
11. SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS.....	88

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Freeborn County, Minnesota (the County) have been prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2023. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

Freeborn County was established February 20, 1855, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Freeborn County (primary government) and its component unit for which the County is financially accountable. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year. The County Administrator, appointed by the Board, serves as the clerk of the Board of Commissioners but has no vote.

Blended Component Unit

Blended component units are legally separate organizations so intertwined with the County that they are, in substance, the same as the County and, therefore, are reported as if they were part of the County. Freeborn County has one blended component unit, which was inactive for 2023.

<u>Component Unit</u>	<u>Included in Reporting Entity Because</u>	<u>Separate Financial Statements</u>
Freeborn County Housing and Redevelopment Authority (HRA) provides services pursuant to Minn. Stat. §§ 469.001-.047.	County Commissioners are the HRA Board. The County has operational responsibilities for the HRA.	Separate financial statements are not prepared.

Joint Ventures

The County participates in joint ventures described in Note 11. The County also participates in jointly-governed organizations described in Note 11.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

B. Basic Financial Statements

Government-Wide Statements: The government-wide financial statements (the statement of net position and the statement of activities) display information about the primary government. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

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

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

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

The County reports the following major governmental funds:

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

The Road and Bridge Special Revenue Fund accounts for restricted revenues from the federal and state government, as well as property tax revenues used for the construction and maintenance of roads, bridges, and other projects affecting County roadways.

The Social Services Special Revenue Fund accounts for restricted revenue resources from the federal, state, and other oversight agencies, as well as property tax revenues used for economic assistance and community social services programs.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

The Ditch Special Revenue Fund accounts for special assessments revenues levied against benefitted property to finance the cost of constructing and maintaining an agricultural drainage ditch system.

The Debt Service Fund accounts for all financial resources restricted for payment of principal, interest, and related costs of long-term bonded debt.

Additionally, the County reports the following fund types:

U.S. Fish and Wildlife Permanent Fund accounts for interest on the principal received from the U.S. Fish and Wildlife Service to offset any shortfall between the annual Fish and Wildlife Service shared-revenue payments and the actual taxes on wetland properties.

Private-Purpose Trust Fund accounts for resources legally held in trust for others.

Custodial funds account for resources held on behalf of special districts, retirement boards, individuals, and insurance groups that use the County as a depository, for the collections received and due to the State and for the collection and distribution of property taxes to school districts, towns, and cities.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Freeborn County considers tax revenue as available if collected 60 days after year end and all other revenues as available if collected within 45 days after the end of the current period. Property and other taxes, licenses, and interest are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Cash and Investments: The cash balances of substantially all funds are pooled and invested by the County Auditor/Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2023. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value or fair value per share. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund.

Freeborn County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The investment in the pool is measured at the net asset value per share provided by the pool.

Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2023 were \$1,783,061.

Receivables and Payables: Activity between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (the current portion of inter-fund loans) or “advances to/from other funds” (the noncurrent portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds not expected to be collected in the following year, as reported in the fund financial statements, are offset by a non-spendable fund balance account in the General Fund to indicate that they are not in spendable format.

All receivables are shown net of an allowance for un-collectibles.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due October 15. Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

Prepaid Items: Prepaid items in the Road and Bridge Special Revenue Fund consist of prepaid supplies held for consumption. Reported prepaid supplies are classified as non-spendable fund balance to indicate that it is not in spendable form.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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. The cost of prepaid items is recorded as expenditures/expenses during the periods benefited.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (such as roads, bridges, and similar items), are reported in the governmental activities column 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value.

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.

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

Assets	Years
Buildings	25 - 75
Building improvements	20 - 30
Public domain infrastructure	25 - 75
Furniture, equipment, and vehicles	3 - 15

Unearned Revenue: The governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received, but not earned.

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

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Other Postemployment Benefits Liability (OPEB Liability): For purposes of measuring the OPEB liability and OPEB expense, the County's Retiree Benefits Plan recognized benefit payments when due and payable in accordance with the benefit term.

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Net Pension Liability: For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value. The General Revenue, Road and Bridge, and Social Service funds typically have been used to liquidate the pension liability.

Deferred Outflows or Inflows of Resources: In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The County has one item, deferred pension outflows, that qualifies for reporting in this category. This outflow arises only under the accrual basis of accounting. The deferred pension outflows consist of pension plan contributions paid subsequent to the measurement date, changes in actuarial assumptions, differences between expected and actual economic experience, changes in proportions, and differences between projected and actual earnings on pension plan investments. No deferred outflows of resources affect the governmental funds financial statements in the current year.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items, unavailable revenue and deferred pension inflows that qualify for reporting in this category. Unavailable revenue arises only under a modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred pension inflows arise only under an accrual basis of accounting and, accordingly, are reported only in the statement of net position. This amount consists of differences between expected and actual pension plan economic experience and also pension plan changes in proportionate share.

Classification of Net Position: Net position in the government-wide fund financial statements is classified in the following categories:

Net investment in capital assets - the amount of net position representing capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted net position - the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - the amount of net position that does not meet the definition of restricted or net investment in capital assets.

Classifications of Fund Balances: Fund balance is divided into five classifications, based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Non-spendable - amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - amounts in which constraints have been placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Committed - amounts that can be used only for the specific purposes imposed by formal action (resolution) of the County Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - amounts the County intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed; the County Finance Manager is authorized to establish assignments in the Human Service and Road and Bridge funds at 50% of the following years tax levy based on County policy. In the General Fund, assigned amounts represent intended uses established by the County Board.

Unassigned - the residual classification for the General Fund and includes all spendable amounts not contained in the other fund balance classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, or committed, or assigned to those purposes.

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

Adoption of New Accounting Standards: In June 2020, the Governmental Accounting Standards (GASB), issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard focuses on the accounting and financial reporting of subscription-based information technology arrangements (SBITAs). Under GASB 96, SBITAs will be recognized as intangible assets and amortized over their useful life. It also requires disclosures about the nature and terms of SBITAs, as well as the impact of SBITAs on a government's financial statements. It's important for governments to understand and comply with these new standards to ensure accurate financial reporting. The County adopted the requirements of the guidance effective January 1, 2023. The impact of implementing this standard was immaterial to the County's financial statements.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.”

The details of this \$27,812,269 difference are as follows:

G.O. bonds payable	\$ 9,390,000
Plus: Issuance premium (to be amortized over life of debt)	259,641
Accrued interest payable	151,735
Net pension liability	15,380,719
Other postemployment benefit liability	557,395
Compensated absences	<u>2,072,779</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position – governmental activities	<u>\$ 27,812,269</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The County Board adopts estimated revenue and expenditure budgets for the General Fund, the Road and Bridge, Social Services, and Ditch Special Revenue Funds; and the Debt Service Fund. All budgets are adopted on a basis consistent with generally accepted accounting principles.

The County Board can amend budgets during the year. All transfers and additional appropriations require County Board approval. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Ditch Special Revenue Fund Balance: Using the modified accrual basis of accounting, noncurrent receivables and bonds payable do not affect fund balance. Noncurrent receivables are deferred, and bonds payable are not reported. Using this basis of accounting, 15 of the County's individual ditches had fund balance deficits.

Account balances	\$ 3,484,570
Account deficits	<u>(1,900,187)</u>
Fund Balance - Modified Accrual Basis	<u>\$ 1,584,383</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. CASH, DEPOSITS, AND INVESTMENTS

Deposits

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

Governmental activities	
Cash and pooled investments	\$ 29,308,659
Petty cash and change funds	3,315
Fiduciary funds	
Cash and pooled investments	
Private-Purpose Trust Fund	61,121
Custodial funds	<u>1,914,688</u>
 Total Cash and Investments	 <u>\$ 31,287,783</u>

The County is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and invest in certificates of deposit. The County is required by Minn. Stat. § 118A.03 to protect deposits with insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit at the close of the financial institution’s banking day, not covered by insurance or bonds.

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

Custodial credit risk is the risk that in the event of a financial institution failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk other than complying with the requirements of Minnesota statutes. As of December 31, 2023, the County’s investments were not exposed to custodial credit risk.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Investments

The County may invest in the following types of investments as authorized by Minn. Stat. §§ 118A.04 and 118A.05:

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as “high risk” by Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers’ acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County policy is to minimize its exposure to interest rate risk by investing in both short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County’s policy is to minimize investment custodial credit risk by permitting brokers that obtained investments for the County to hold them only to the extent there is Securities Investor Protection Corporation (SIPC)

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

coverage and excess SIPC coverage available. Securities purchased that exceed SIPC coverage shall be transferred to the County custodian. As of December 31, 2023, the County does not have any investments exposed to custodial credit risk.

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. The County does not have a policy on concentration of credit risk.

The following table presents the County's deposit and investment balances at December 31, 2023, and information relating to potential investment risks:

Investment Type	Credit Risk		Concentration	Interest	Carrying (Fair) Value
	Credit Rating	Rating Agency	Over 5% of Portfolio	Rate Risk Maturity Date	
Negotiable certificates of deposit					
Morgan Stanley Bank, Nat Asso	N/A	N/A	<5%	10-Jan-24	\$ 244,767
Morgan Stanley Private Bank	N/A	N/A	<5%	10-Jan-24	244,767
Bank Hapoalim B.M.	N/A	N/A	<5%	23-Jan-24	244,588
Live Oak Banking Company	N/A	N/A	<5%	24-Jan-24	244,432
Country Bank/New York	N/A	N/A	<5%	25-Jan-24	244,596
Truist BK NC US	N/A	N/A	<5%	30-Jan-24	243,863
Charles Schwab Ban NV US	N/A	N/A	<5%	02-Feb-24	243,861
Veritex CMTY BK N TX US	N/A	N/A	<5%	07-Feb-24	237,845
First Finl BK NA OH US	N/A	N/A	<5%	07-Feb-24	243,829
Customers Bk PA US	N/A	N/A	<5%	30-Apr-24	243,527
United Fidelity BK IN US	N/A	N/A	<5%	06-May-24	247,710
Capital One Bank USA NA	N/A	N/A	<5%	21-Aug-24	240,171
New York Cmnty Bk NY US	N/A	N/A	<5%	10-Sep-24	237,596
Comenity Bank DE US	N/A	N/A	<5%	16-Sep-24	193,509
Synchrony Bank	N/A	N/A	<5%	17-Sep-24	237,388
Wells Fargo Bank NA	N/A	N/A	<5%	17-Oct-24	239,098
Industrial & Coml BK	N/A	N/A	<5%	18-Oct-24	236,339
Capital One NA VA US	N/A	N/A	<5%	18-Nov-24	235,666
State BK India NY US	N/A	N/A	<5%	27-Nov-24	238,287
Webbank UT US	N/A	N/A	<5%	29-Nov-24	235,430
Planters Bank KY US	N/A	N/A	<5%	02-Dec-24	242,678
Sallie May Bank UT US	N/A	N/A	<5%	16-Dec-24	240,076
INB Natl Assn Sprl IL US	N/A	N/A	<5%	06-Jan-25	246,512
Mainstreet BK VA US	N/A	N/A	<5%	10-Feb-25	139,997
Texas Exchange BK TX US	N/A	N/A	<5%	12-Feb-25	232,723
CIBC Bank USA IL US	N/A	N/A	<5%	24-Feb-25	242,534
Amer Express Natl UT US	N/A	N/A	<5%	03-Mar-25	235,879
Popular Bank NY US	N/A	N/A	<5%	17-Mar-25	235,866
Pinnacle Bank TN US	N/A	N/A	<5%	24-Mar-25	248,608
Ally Bk UT US	N/A	N/A	<5%	28-Apr-25	238,441
Generations BK AR US	N/A	N/A	<5%	06-May-25	238,361

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Investment Type	Credit Risk		Concentration	Interest	Carrying (Fair) Value
	Credit Rating	Rating Agency	Risk Over 5% of Portfolio	Rate Risk Maturity Date	
Toyota Finl Svg BK NV US	N/A	N/A	<5%	19-Aug-25	228,886
Sofi BK UT US	N/A	N/A	<5%	19-Sep-25	244,533
City Natl BK CA US	N/A	N/A	<5%	24-Nov-25	244,461
BMO Harris BK NA IL US	N/A	N/A	<5%	26-Feb-26	224,854
Bank Pontiac Illin IL US	N/A	N/A	<5%	20-Apr-26	242,046
LCA BK Corp UT US	N/A	N/A	<5%	18-May-26	242,182
Discover Bank	N/A	N/A	<5%	26-Jun-26	232,485
Beal Bank NV US	N/A	N/A	<5%	17-Feb-27	223,673
Beal Bank Plano TX US	N/A	N/A	<5%	17-Feb-27	223,673
Medallion Bank UT US	N/A	N/A	<5%	08-Mar-27	224,280
Celtic Bank UT US	N/A	N/A	<5%	06-Mar-28	220,451
Univest B&T CO PA US	N/A	N/A	<5%	12-May-28	246,806
Pitney Bowes BK CT US	N/A	N/A	<5%	17-May-28	242,348
Total negotiable certificates of deposit					<u>\$ 10,359,622</u>
Municipal Bonds					
Madison Heights MI	AA-	S&P	<5%	01-Jan-25	\$ 219,769
Hermantown MN Indep Sch Dist	Aa1	Moody's	<5%	01-Feb-25	210,802
New York ST Dorm Auth Pers	AA+	S&P	<5%	15-Mar-25	593,377
Burlington Cnty N J for Issues	Aa1	Moody's	<5%	01-Sep-25	230,883
New York N Y City Transitional	Aa1	Moody's	<5%	01-Feb-26	242,505
San Mateo City Calif	Aa1	Moody's	<5%	01-May-26	268,111
Somerset Cnty N J Impt Auth	AAA	S&P	<5%	15-May-26	536,465
Morris Cnty N J Impt Auth	AA+	S&P	<5%	15-Jun-26	379,584
Nogales Ariz Rev Oblig	AA	S&P	<5%	01-Jun-26	189,734
New York N Y Taxable GO BDS	AA	S&P	<5%	01-Aug-26	229,693
New York St	AA+	S&P	<5%	15-Feb-27	183,854
New York N Y City Transitional	AAA	S&P	<5%	01-May-27	140,204
Wisconsin ST Gen FD Annual	AAA	S&P	<5%	01-May-27	481,070
District Columbia Rev For	AA	S&P	<5%	01-Jun-27	426,792
Buena PK Calif Pension Oblig	AA	S&P	<5%	01-Jul-27	195,292
Encinitas Calif UN Sch Dist	AA	S&P	<5%	01-Aug-27	161,217
Norwood Mass Ref Taxable	AA	S&P	<5%	15-Aug-27	316,067
Allen Tex Economic Dev Corp	AA	S&P	<5%	01-Sep-27	148,950
Nassau Cnty N Y Interim Fin	AA	S&P	<5%	15-Nov-27	315,741
Corona Calif Pension Oblig	AA	S&P	<5%	01-May-28	443,975
New York N Y Taxable GO BDS	AA	S&P	<5%	01-Aug-28	138,888
San Luis Unit/Westlands Wtr	AA	S&P	<5%	01-Sep-28	221,034
Phoenixville PA Area Sch Dist	AA	S&P	<5%	15-Nov-28	451,965
Total municipal bonds					<u>\$ 6,725,972</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Investment Type	Credit Risk		Concentration	Interest	Carrying (Fair) Value
	Credit Rating	Rating Agency	Risk Over 5% of Portfolio	Rate Risk Maturity Date	
Treasury Notes					
US Treasury	N/A	N/A	<5%	15-Apr-24	\$ 986,250
FHLB Bond	N/A	N/A	<5%	30-Sep-25	500,215
FHLB Bond	N/A	N/A	<5%	25-Feb-28	265,845
Total treasury notes					<u>\$ 1,752,310</u>
Money markets					
Magic	N/A	N/A	N/A	N/A	\$ 4,100,936
UBS Financial Services Inc.	Aaa	Moody's	N/A	N/A	1,603,524
Total money markets					<u>\$ 5,704,460</u>
Total investments and money markets					<u>\$ 24,542,364</u>
Deposits					\$ 6,742,104
Petty cash					<u>3,315</u>
Total Cash and Investments					<u>\$ 31,287,783</u>

N/A - Not applicable

Freeborn County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Inputs for quoted prices (unadjusted) for the identical investment in active markets that the County can directly observe and access on the date of measurement, December 29, 2023 (the last active market date).
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the investment but perhaps not on the date of measurement or can be determined by third parties such as a pricing service using accepted methodologies. The level 2 investments were valued by a pricing service that uses matrix pricing.
- Level 3: Inputs that are unobservable for an investment.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

At December 31, 2023, the Freeborn County had the following recurring fair value measurements.

	December 31, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level "Debt Securities"				
Negotiable certificates of deposit	\$ 10,359,622	\$ -	\$ 10,359,622	\$ -
Municipal bonds	6,725,972	-	6,725,972	-
U.S. Treasury Note	1,752,310	1,752,310	-	-
Total Investments included in the Fair value hierarchy	<u>\$ 18,837,904</u>	<u>\$ 1,752,310</u>	<u>\$ 17,085,594</u>	<u>\$ -</u>
Investments at Amortized Cost				
MAGIC Portfolio Money Market Fund	\$ 4,100,936			
UBS Financial Services Inc. Money Market	1,603,524			
Total Investments at Amortized Cost	<u>\$ 5,704,460</u>			
Total investments	\$ 24,542,364			
Cash and Cash equivalents	6,745,419			
Total Cash and Investments	<u>\$ 31,287,783</u>			

MAGIC is a local government investment pool which is quoted at a net asset value (NAV). The County invests in this pool for the purpose of the joint investment of the County's money with those of other counties to enhance the investment earnings accruing to each member.

MAGIC Portfolio is valued using amortized cost. Shares of the Magic Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet the redemption request. The Fund's Board of Trustees can suspend the right of redemption request. The Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustee determines that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

5. RECEIVABLES, UNEARNED AND UNAVAILABLE REVENUE

Receivables

Receivables as of December 31, 2023, for the County’s governmental activities, including the applicable allowances for uncollectible accounts, are as follows:

	Receivable	Less: Allowance for Uncollectible	Net Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities				
Taxes	\$ 394,611	\$ -	\$ 394,611	\$ -
Special assessments	1,239,996	-	1,239,996	1,188,180
Accounts	2,038,353	(1,000,605)	1,037,748	661,396
Accrued interest	206,129	-	206,129	-
Loans	571,962	-	571,962	434,741
Due from other governments	3,731,130	-	3,731,130	-
Total Governmental Activities	<u>\$ 8,182,181</u>	<u>\$ (1,000,605)</u>	<u>\$ 7,181,576</u>	<u>\$ 2,284,317</u>

Loans

Loan balances are made up of individual loans for septic sewer replacements and Turtle Creek Watershed Loans. Septic sewer replacements loan program began in 2007 with terms of 10, 12 or 15 years. Interest rates are either 6% or 7%. There are currently 15 individual loans ranging from a low of \$1,441 to a high of \$22,867 that make up the loans receivable balance of \$126,645. Turtle Creek Watershed loan began in 2018 with a term of 8 years. Interest rate is 5% with \$129,865 balance remaining on the loan. Another Turtle Creek Watershed loan began in 2021 with a term of 7 years. Interest rate is 5% with \$315,451 balance remaining on the loan.

Unavailable Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	Unavailable Delinquent Taxes and Special Assessments	Unavailable	Total
General Fund	\$ 344,416	\$ 201,778	\$ 546,194
Road and Bridge Fund	-	1,641,561	1,641,561
Social Services Fund	-	885,631	885,631
Ditch Fund	1,188,180	6,439	1,194,619
Total	<u>\$ 1,532,596</u>	<u>\$ 2,735,409</u>	<u>\$ 4,268,005</u>

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

6. CAPITAL ASSETS

Governmental activities capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land				
General	\$ 1,870,904	\$ -	-	\$ 1,870,904
Highway infrastructure	3,586,306	-	-	3,586,306
Improvements other than buildings	700,490	657,819	-	1,358,309
Work in process				
Building improvements and road construction	<u>22,821,034</u>	<u>1,142,469</u>	<u>8,932,791</u>	<u>15,030,712</u>
Total capital assets not depreciated	<u>\$ 28,978,734</u>	<u>\$ 1,800,288</u>	<u>\$ 8,932,791</u>	<u>\$ 21,846,231</u>
Capital assets depreciated				
Buildings and improvements	\$ 34,147,444	\$ 6,804,954	-	\$ 40,952,398
Other land improvements	219,874	-	-	219,874
Machinery, furniture, and equipment	12,745,205	1,532,170	719,853	13,557,522
Infrastructure – sewer	1,785,479	492,358	-	2,277,837
Infrastructure – highway	<u>124,347,858</u>	<u>11,514,997</u>	<u>30,681</u>	<u>135,832,174</u>
Total capital assets depreciated	<u>\$ 173,245,860</u>	<u>\$ 20,344,479</u>	<u>\$ 750,534</u>	<u>\$ 192,839,805</u>
Less: accumulated depreciation for				
Buildings and improvements	\$ 15,269,623	\$ 1,092,907	-	\$ 16,362,530
Other land improvements	105,361	12,797	-	118,158
Machinery, furniture, and equipment	6,592,860	1,364,170	607,739	7,349,291
Infrastructure – sewer	508,404	46,717	-	555,121
Infrastructure – highway	<u>56,420,166</u>	<u>1,853,503</u>	<u>30,681</u>	<u>58,242,988</u>
Total accumulated depreciation	<u>\$ 78,896,414</u>	<u>\$ 4,370,094</u>	<u>\$ 638,420</u>	<u>\$ 82,628,088</u>
Total capital assets depreciated, net	<u>\$ 94,349,446</u>	<u>\$ 15,974,385</u>	<u>\$ 112,114</u>	<u>\$ 110,211,717</u>
Capital Assets, Net	<u>\$ 123,328,180</u>	<u>\$ 17,774,673</u>	<u>\$ 9,044,905</u>	<u>\$ 132,057,948</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 1,195,828
Public safety	183,445
Highways and streets, including depreciation of infrastructure assets	2,845,103
Human Services	64,130
Conservation	54,166
Culture and Recreation	5,193
Sanitation	<u>22,229</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,370,094</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

7. INTERFUND RECEIVABLES AND PAYABLES

The composition of inter-fund balances as of December 31, 2023, is as follows:

Interfund Transfers Major Governmental Funds Transfers	Description	Amount
Transfers to Social Services Special Revenue Fund from Road and Bridge Special Revenue Fund	Move excess fund balance	\$ 292,121
Transfers to Social Services Special Revenue Fund from General Fund	Move excess fund balance	91,327
Transfers to General Fund from Debt Service Special Revenue Fund	Close debt service accounts	26,720
		<u>410,168</u>
Total Transfers In		<u>\$ 410,168</u>

Per County fund balance policy, assigned and unassigned balance for General Fund, Road and Bridge Special Revenue Fund, and Social Services Special Revenue Fund shall equal 50% of the next year tax levy. Any excess balance shall be committed for capital assets. General Fund had transferred \$91,327 from the committed to capital assets to the Social Services Special Revenue Fund and the Road and Bridge Special Revenue Fund had an excess of \$292,121 which is due to the Social Services Special Revenue Fund.

	Description	Amount
Due to Social Services Special Revenue Fund from Road and Bridge Special Revenue Fund	Excess Fund Balance	\$ 292,121
Due to Social Services Special Revenue Fund from General Fund	Excess Fund Balance	91,327
		<u>383,448</u>
Total Due To/From Other Funds		<u>\$ 383,448</u>

Per County fund balance policy, assigned and unassigned balance for General Fund, Road and Bridge Special Revenue Fund, and Social Services Special Revenue Fund shall equal 50% of the next year tax levy. Any excess balance shall be committed for capital assets. Social Services Special Revenue Fund had a shortfall of \$383,448 which \$91,327 is due from the General Fund and the Road and Bridge Special Revenue Fund had an excess of \$292,121 which is due to the Social Services Special Revenue fund.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Advances From/To Other Funds		
From	To	Amount
General Fund	Ditch Special Revenue Fund	\$ 1,039,242
Total Advances To/From Other Funds		\$ 1,039,242

Advances were made to cover shortfalls/timing differences between payments and receipts. \$336,524 is expected to be long term. The rest, \$702,718, is expected to be collected within the year.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

8. LONG-TERM DEBT

Debt Payable

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2023
<u>General Obligation Bonds</u>					
2022A G.O. Capital Improvement Bonds	2043	\$ 325,000 - 660,000	3.00 - 4.00	\$ 9,390,000	\$ 9,390,000
Total General Obligation Bonds				<u>\$ 9,390,000</u>	\$ 9,390,000
Plus: Unamortized Premium					<u>259,641</u>
					<u>\$ 9,649,641</u>

Debt service requirements at December 31, 2023, were as follows:

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2024	\$ 325,000	\$ 346,870
2025	335,000	335,345
2026	350,000	323,320
2027	365,000	309,020
2028	380,000	294,120
2029-2033	2,085,000	1,273,380
2034-2038	2,500,000	866,390
2039-2043	3,050,000	315,000
Total	<u>\$ 9,390,000</u>	<u>\$ 4,063,445</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General obligation bonds	\$ 11,500,000	\$ -	\$ 2,110,000	\$ 9,390,000	\$ 325,000
Plus unamortized premium	343,570	-	83,929	259,641	-
Total bonds payable	<u>\$ 11,843,570</u>	<u>\$ -</u>	<u>\$ 2,193,929</u>	<u>\$ 9,649,641</u>	<u>\$ 325,000</u>
Compensated absences	<u>2,028,272</u>	<u>2,011,285</u>	<u>1,966,778</u>	<u>2,072,779</u>	<u>103,640</u>
Long-Term Liabilities	<u><u>\$ 13,871,842</u></u>	<u><u>\$ 2,011,285</u></u>	<u><u>\$ 4,160,707</u></u>	<u><u>\$ 11,722,420</u></u>	<u><u>\$ 428,640</u></u>

General obligation bonds are liquidated by the Debt Service Fund. Compensated absences and net pension/OPEB liabilities are generally liquidated by the General Fund, Road and Bridge Fund, Social Services Fund, and Ditch Fund.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

9. FUND BALANCES

The amount established as sufficient to provide cash flow until the first tax collections are received is as follows:

General Fund	\$8,248,491
--------------	-------------

These amounts are included in the General Fund as unassigned fund balance.

Minimum Fund Balance Policy:

Freeborn County has adopted a minimum fund balance policy to address cash flow or working capital needs for the General Fund.

However, property tax revenues are not available for distribution until June. Therefore, the County Board has determined the need to maintain a minimum unassigned fund balance in the General Fund and assigned fund balance in the special revenue funds until the tax revenues are distributed. The County Board has determined this amount to be 50 percent of General Fund, Road and Bridge Fund, and Social Services Fund proceeding years tax levy. This amount will provide adequate funds until the next property tax revenues are received.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

10. POST-EMPLOYMENT BENEFITS

Employee Retirement Systems and Pension Plan

Plan Description

The County participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the County are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

Local Government Correctional Plan

The Correctional Plan was established for correctional officers serving in county and regional corrections facilities. Eligible participants must be responsible for the security, custody, and control of the facilities and their inmates.

Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Correctional Plan Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. The annuity accrual rate is 1.9% of average salary for each year of service in that plan. For Correctional Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of at least 1% and a maximum of 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. In 2023, legislation clarified that if the annual increase cap was reduced to 1%, there is a way to return to the 2.5% increase if certain criteria are met. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2023, were \$1,324,050. The County's contributions were equal to the required contributions as set by state statute.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the County was required to contribute 17.70% for Police and Fire Plan members. The County’s contributions to the Police and Fire Fund for the year ended December 31, 2023, were \$345,166. The County’s contributions were equal to the required contributions as set by state statute.

Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2023 and the County was required to contribute 8.75% for Correctional Plan members. The County’s contributions to the Correctional Fund for the year ended December 31, 2023, were \$182,600. The County’s contributions were equal to the required contributions as set by state statute.

Pension Costs

General Employees Fund Pension Costs

At December 31, 2023, the County reported a liability of \$12,413,991 for its proportionate share of the General Employees Fund’s net pension liability. The County’s net pension liability reflected a reduction due to the State of Minnesota’s contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state’s contribution meets the definition of a special funding situation. The State of Minnesota’s proportionate share of the net pension liability associated with the County totaled \$342,181.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportionate share of the net pension liability was based on the County’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was .2220% at the end of the measurement period and was .2163% for the beginning of the period.

County's proportionate share of the net pension liability	\$	12,413,991
State of Minnesota's proportionate share of the net pension liability associated with the County		342,181
Total	\$	12,756,172

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Year Ended December 31	Pension Expense Amount
2024	\$ 454,181
2025	(1,814,777)
2026	375,919
2027	(269,298)
Total	\$ (1,253,975)

Police and Fire Fund Pension Costs

At December 31, 2023, the County reported a liability of \$2,564,402 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportionate share of the net pension liability was based on the County’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was .1485% at the end of the measurement period and .1630% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota’s proportionate share of the net pension liability associated with the County totaled \$103,308.

County's proportionate share of the net pension liability	\$ 2,564,402
State of Minnesota's proportionate of the net pension liability	103,308
Total	\$ 2,667,710

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota’s pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2023, the County recognized pension expense of \$735,961 for its proportionate share of the Police and Fire Plan’s pension expense. The County also recognized \$(6,222) as grant expense for its proportionate share of the State of Minnesota’s pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County recognized \$13,365 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

At December 31, 2023, the County reported its proportionate share of the Police and Fire Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ 707,090	\$ -
Net difference between projected and actual investment earnings	-	123,104
Changes in actuarial assumptions	2,975,781	3,605,581
Changes in proportion	42,585	274,245
Contributions paid to PERA subsequent to the measurement date	162,262	-
Total	\$ 3,887,718	\$ 4,002,930

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

The \$162,262 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2024	\$ 73,675
2025	(47,700)
2026	575,071
2027	(206,218)
2028	(672,302)
Total	<u>\$ (277,474)</u>

Correctional Plan Pension Costs

At December 31, 2023, the County reported a liability of \$402,326 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was .8900% at the end of the measurement period and .8756% for the beginning of the period.

For the year ended December 31, 2023, the County recognized pension expense of \$315,442 for its proportionate share of the Correctional Plan's pension expense.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

At December 31, 2023, the County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ 154,955	\$ 35,328
Net difference between projected and actual investment earnings	-	51,407
Changes in actuarial assumptions	957,959	1,835,453
Changes in proportion	12,897	18,225
Contributions paid to PERA subsequent to the measurement date	97,458	-
Total	\$ 1,223,269	\$ 1,940,413

A total of \$97,458 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2024	\$ (10,246)
2025	(961,407)
2026	199,506
2027	(42,455)
Total	\$ (814,602)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Summary

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

	General Employees Plan	Police and Fire Plan	Correctional Plan	Total
Net Pension Liability	\$ 12,413,991	\$ 2,564,402	\$ 402,326	\$ 15,380,719
Deferred Outflows of Resources				
Related to Pensions	3,440,013	3,887,718	1,223,269	8,551,000
Deferred Inflows of Resources				
Related to Pensions	4,032,953	4,002,930	1,940,413	9,976,296
Pension Expense	2,178,436	729,739	315,442	3,223,617

Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan, Police and Fire Plan, and the Correctional Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan, 1% for the Police and Fire Plan, and 2% for the Correctional Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0% at age 20 to 3.0% at age 60.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5% to 7.00%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

Correctional Fund

Changes in Actuarial Assumptions:

- The investment return rate was changed from 6.5% to 7.00%.
- The single discount rate changed from 5.42% to 7.0%.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

- The maximum benefit increase will revert back to 2.5%. The maximum increase is 1.5% and the Plan’s funding ratio improves to 85% for two consecutive years on a market value of assets basis.

Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire and Correctional Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

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

Sensitivity Analysis (In Thousands)						
<i>Net Pension Liability (Asset) at Different Discount Rates</i>						
	General Employees Fund		Police and Fire Fund		Correctional Fund	
1% Lower	6.00%	\$21,961,348	6.00%	\$5,088,079	6.00%	\$2,120,701
Current Discount Rate	7.00%	\$12,413,991	7.00%	\$2,564,402	7.00%	\$402,326
1% Higher	8.00%	\$4,560,928	8.00%	\$489,602	8.00%	\$(968,721)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Public Employees Defined Contributions Plan (Defined Contribution Plan)

Four Commissioners of Freeborn County are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees, contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (0.25%) of the assets in each member's account annually.

Total contributions made by the County during fiscal year 2023 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$5,537	\$5,537	5%	5%	5%

Other Post Employment Benefits

Plan Description

The County provides health insurance benefits for certain retired employees under a single-employer “defined benefit” fully-insured plan. The County provides benefits for retirees as required by Minnesota Statutes §471.61 subdivision 2b. County policy determines the County’s contributions to the plan. Active employees who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County’s health benefits program. Pursuant to the provisions of the plan, employees hired after April 7, 1987 are required to pay the total premium cost. Employees who began employment with the County on or before April 7, 1987, receive \$113.02 each month towards the premium as long as they take the County’s insurance. As of December 31, 2023, there were 45 retirees receiving health benefits from the County’s health plan and 2 active employees that are eligible for this benefit. As of December 31, 2023, there were 11 retirees receiving life insurance benefits of \$4.40 per month.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Funding Policy

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

Actuarial Methods and Assumptions

The County’s OPEB liability was measured as of December 31, 2023, and the total OPEB liability was determined by using the alternative measurement method.

The total OPEB liability was determined by using the alternative measurement method, which is allowed for small government employers with fewer than 100 employees (active and inactive) that are eligible for the OPEB plan at the beginning of the measurement method. The following assumptions were used and are applied to all periods included in the measurement, unless otherwise specified:

Inflation	0.0%
Salary	0.0%
Health Care Trend Rates	0.0%

Mortality rates were based on the mortality tables from the “Social Security On-Line” statistics. The 2023 Trustee Report Cohort Life Tables V.A4 for Males and for Females was used.

The discount rate used to measure the total OPEB liability was 3.66%. The discount rate is equal to the 30-Year Municipal Bond Yield.

Changes in total OPEB liability

	<u>Total OPEB Liability</u>
Balance as of January 1, 2023	\$ 507,682
Changes for the Year:	
Increase in life insurance benefits	110,677
Benefit Payments	(60,964)
Net Change in Total OPEB Liability	49,713
Balance as of December 31, 2023	\$ 557,395

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.66%)	Discount Rate (3.66%)	1% Increase (4.66%)
Total OPEB Liability	\$ 562,969	\$ 557,395	\$ 551,821

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend fixed rates that are 1% lower or 1% higher than the current healthcare cost trend fixed rates:

	1% Decrease	Current Trend Fixed Rate	1% Increase
Total OPEB Liability	\$ 551,821	\$ 557,395	\$ 562,969

For the year ended December 31, 2023, the County recognized OPEB expense of \$60,964. At December 31, 2023, the County reported no deferred inflows or outflows of resources.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

11. SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS

Risk Management

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

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2023. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

Contingent Liabilities

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 the expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcomes of these lawsuits are not presently determinable, in the opinion of the County Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Construction Commitments

The County has active construction projects as of December 31, 2023. The Projects include the following

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Governmental Activities	\$ 600,420	\$ 120,507
Road Construction	\$ 14,430,292	\$ 316,060

Joint Ventures

Freeborn County Family Services Collaborative

The Freeborn County Family Services Collaborative was established in 1996 under the authority of Minn. Stat. §§ 471.59 and 1240.23. The Collaborative includes Freeborn County; the City of Albert Lea; and Independent School Districts 241, 242, and 2866, each of which appoints members to the Collaborative's governing board. The purpose of the Collaborative is to provide a coordinated approach to support and nurture individuals and families through prevention and intervention to ensure success for every child.

Control of the Collaborative is vested in a Board of Directors. Freeborn County appoints two members to this 13-member Board. The Freeborn County Department of Social Services acts as fiscal agent for the Collaborative. The Collaborative is financed by state grants and appropriations from participating members. During 2023, Freeborn County provided no funding. In the event of withdrawal from the Collaborative, the withdrawing party shall give a 30-day notice. The withdrawing party remains liable for fiscal obligations incurred prior to the effective date of withdrawal and shall not be entitled to any compensation as long as the Collaborative continues in existence. Should the Collaborative cease to exist, all property, real and personal, at the time of termination shall be distributed by the Minnesota Department of Education. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Financial information can be obtained by contacting Waylon Welvaert, Accountant, Freeborn County Social Services, P.O. Box 1248, Albert Lea, Minnesota 56007.

South Central Minnesota Drug Investigation Unit

The South Central Minnesota Drug Investigation Unit serves Steele, Freeborn, Waseca, and Faribault Counties. The major cities represented are Owatonna, Albert Lea, Waseca, and Blue Earth. It was established to provide drug investigation services to these counties. The SCDIU Board consists of chief law enforcement officers from each of the represented agencies. During the year, Freeborn County expended \$11,500 on the Drug Investigation Unit. This unit does not have its own financial statements. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Southeast Minnesota Emergency Communications Board

The Southeast Minnesota Emergency Communications Board was established April 16, 2008, as provided by Minn. Stat. §§ 403.39 and 471.59. This joint powers between Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona Counties and the City of Rochester serves to provide regional (ARMER) system owned and operated by the State of Minnesota and enhance and improve interoperable public safety communications. Control of the Southeast Minnesota Communications Board is vested in a Joint Powers Board that is composed of one County Commissioner from each of the participating counties and one City Council member from each participating city. The financial activities of the Board are accounted for by Olmsted County as fiscal agent. Current financial statements can be obtained at MN-ECB's website, www.mnecb.org. During the year, the County paid \$10,000 to the Southeast Minnesota Emergency Communications Board. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Southeastern Minnesota Workforce Development, Inc. (MWD)

Southeastern Minnesota Workforce Development, Inc. is an independent, non-profit agency that provides various job training services for member organizations. The Joint Powers Board is made up of County Commissioners from the ten counties in Workforce Service Area #8 (Dodge, Fillmore Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele and Wabasha). The Joint Powers Board provides oversight and policy formulation for Workforce Development, Inc. Current financial statements can be obtained by accessing its website, www.workforcedevelopmentinc.org. During the year, Freeborn County made no payments to MWD. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Jointly-Governed Organizations

Freeborn County, in conjunction with other governmental entities and various private organizations, has formed the jointly-governed organizations listed below:

Minnesota Counties Computer Cooperative

The Minnesota Counties Computer Cooperative was established to provide computer programming to member counties. During the year, Freeborn County expended \$148,880 to the Cooperative. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Rural Minnesota Energy Board

The Rural Minnesota Energy Board was formed under the authority of Minn. Stat. § 471.59. It is the intention of the counties that they cooperate in a joint venture to provide the greatest public service benefit for the 18-county area encompassed by the counties in planning,

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

management, and implementation of methods to deal with energy and transmission in rural Minnesota. Control of the Rural Minnesota Energy Board is vested in a Joint Powers Board. Freeborn County appoints one voting member and one alternate member to this Board who shall both be County Commissioners. During 2017, Freeborn County expended \$1,000 for this purpose. The Board shall prepare an annual budget to cover the administrative and planning costs and agree that they shall continue to do so for each year of its existence. These costs will be paid equally by each member county of the Board up to a ceiling of \$3,500 per county per year, and further costs shall be based on per capita. Freeborn County expended \$2,500 to the Rural Minnesota Energy Board in 2023. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Southeast Minnesota Emergency Medical Services

The Southeast Minnesota Emergency Medical Services (EMS) was established to provide various health services to member counties. During the year, Freeborn County expended \$5,000 to the EMS. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Southeastern Minnesota Library

The Southeastern Minnesota Library was established to provide library services to member counties. During the year, Freeborn County expended \$278,400 to the Library. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Greater Blue Earth River Basin Alliance (GBERBA)

The Greater Blue Earth River Basin Alliance establishes goals, policies, and objectives to protect and enhance land and water resources in the Greater Blue Earth River Basin. The Board consists of County Commissioners and members of the Soil and Water Conservation Districts. During the year, the County made \$2,652 in contributions to the GBERBA. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Region One - Southeast Minnesota Homeland Security Emergency Management Organization

The Region One - Southeast Minnesota Homeland Security Emergency Management Organization (SEMHSEM) was established to provide for regional coordination of planning, training, purchase of equipment, and allocating emergency services and staff in order to better respond to emergencies and natural or other disasters within the SEMHSEM region. There are 16 counties participating, with one member from each entity being represented on the Joint Powers Board. During the year, the County expended \$1,000 for this purpose. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Minnesota Criminal Justice Data Communications Network

Minnesota Criminal Justice Data Communications Network Joint Powers Agreement exists to create access for the County Sheriff and County Attorney to systems and tools available from the State of Minnesota, Department of Public Safety, and the Bureau of Criminal

FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Apprehension to carry out criminal justice. During the year, the County made no payments to the joint powers. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Sentence to Service

Freeborn County, in conjunction with other local governments, participates in the State of Minnesota's Sentence to Service (STS) program. STS is a project of the State Department of Administration's Strive Toward Excellence in Performance (STEP) program. STEP's goal is a statewide effort to make positive improvements in public services. It gives the courts an alternative to jail or fines for the nonviolent offenders who can work on a variety of community or state projects. Private funding, funds from various foundations and initiative funds, as well as the Departments of Corrections and Natural Resources, provide the funds needed to operate the STS program. Although Freeborn County has no operational or financial control over the STS program, Freeborn County budgets for a percentage of this program. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

South Central Community Based Initiative

The South Central Community Based Initiative Joint Powers Board was established pursuant to Minn. Stat. §§ 471.59 and 245.4661 and a joint powers agreement effective June 20, 2008. The purpose of this joint powers agreement is to provide services to persons with mental illness in the most clinically-appropriate, person-centered, least restrictive, and cost effective ways. The focus is on improved access and outcomes for persons with mental illness as a result of the collaboration between state-operated services programs and community-based treatment. The membership of the Board is comprised of one representative appointed by Blue Earth, Brown, Faribault, Freeborn, Le Sueur, Martin, Nicollet, Rice, Sibley, and Watonwan Counties. The County did not contribute to the Joint Powers Board in 2023. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Southeast Minnesota Immunization Connection

The Southeast Minnesota Immunization Connection (SEMIC) Joint Powers Board promotes an implementation and maintenance of a regional immunization information system to ensure age appropriate immunizations through complete and accurate records. During the year, Freeborn County did not make any payments to SEMIC. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Southeast Minnesota Recyclers' Exchange

The Southeast Minnesota Recyclers' Exchange (SEMREX) is a joint powers board made up of the City of Red Wing and Blue Earth, Dodge, Freeborn, Mower, Olmsted, Rice, Steele, and Waseca Counties. It is organized to promote regional waste reduction activities through recycling, cooperative marketing ventures, market development strategies, materials exchange efforts, public education, and other projects to protect the environment of southeast

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Minnesota. During the year, the County made payments of \$2,475 to SEMREX. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Southeast Service Cooperative

The Southeast Services Cooperative delivers numerous services to support administrative and instructional functions to its members and to improve learning opportunities. During the year, the County made payments of \$400 to the Cooperative. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Southeastern Community Action Council

The Southeastern Community Action Council (SEMCAC) provides various services on behalf of member counties to assist people to achieve or maintain independence and self-reliance through their own and community resources. SEMCAC provides services in Dodge, Fillmore, Freeborn, Houston, Mower, Steele, and Winona Counties. During the year, the County made payments of \$4,500 to SEMCAC. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

Freeborn County Family Services and Children's Mental Health Collaborative

The Freeborn County Family Services and Children's Mental Health Collaborative was created to foster collaborative prevention and intervention efforts to improve the outcomes, stability and health of all area children and their families through the coordination of multi-agency services throughout Freeborn County. Freeborn County designates one voting member to the Collaborative Board of Directors and participates in projects operated by the Collaborative. During the year, Freeborn County made no payments to the Collaborative. There is no accumulation of significant financial resources or fiscal stress for Freeborn County.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT A-1

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED
RATIOS, AND NOTES
LAST TEN FISCAL YEARS
DECEMBER 31, 2023**

	Measurement Date December 31, 2018	Measurement Date December 31, 2019	Measurement Date December 31, 2020	Measurement Date December 31, 2021	Measurement Date December 31, 2022	Measurement Date December 31, 2023
Total OPEB Liability						
Difference Between Estimated and Actual	\$ (29,748)	\$ (186,389)	\$ (40,082)	\$ (20,692)	\$ 7,372	\$ 110,677
Benefit Payments	(75,208)	(64,743)	(63,840)	(63,646)	(60,243)	(60,964)
Net Change in Total OPEB Liability	(104,956)	(251,132)	(103,922)	(84,338)	(52,871)	49,713
Total OPEB Liability - Beginning	1,104,901	999,945	748,813	644,891	560,553	507,682
Total OPEB Liability - Ending	<u>\$ 999,945</u>	<u>\$ 748,813</u>	<u>\$ 644,891</u>	<u>\$ 560,553</u>	<u>\$ 507,682</u>	<u>\$ 557,395</u>
Covered Employee Payroll	\$ 715,355	\$ 647,333	\$ 747,355	\$ 288,473	\$ 300,680	\$ 128,418
County's OPEB Liability as a Percentage of Covered Employee Payroll	140%	116%	86%	194%	169%	434%

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

Note 2: No assets are accumulated in a trust.

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT A-2

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 16,495,739	\$ 16,495,739	\$ 15,947,731	\$ (548,008)
Special assessments	840,000	840,000	782,585	(57,415)
Licenses and permits	161,915	161,915	154,093	(7,822)
Intergovernmental	6,323,157	6,323,157	6,600,357	277,200
Charges for services	3,690,401	3,690,401	3,765,172	74,771
Fines and forfeits	18,800	18,800	22,563	3,763
Gifts and contributions	2,700	2,700	2,500	(200)
Investment earnings	400,600	400,600	1,765,794	1,365,194
Miscellaneous	550,425	550,425	523,675	(26,750)
Total Revenues	\$ 28,483,737	\$ 28,483,737	\$ 29,564,470	\$ 1,080,733
Expenditures				
Current				
General government				
Commissioners	\$ 307,287	\$ 230,287	\$ 230,043	\$ 244
Courts	335,900	345,900	343,056	2,844
County administration	2,229,460	1,674,360	1,670,247	4,113
County auditor-treasurer	1,069,331	739,331	736,141	3,190
License bureau	325,572	325,572	324,550	1,022
County assessor	660,662	640,662	638,900	1,762
Elections	190,000	165,000	163,580	1,420
Data processing	1,196,498	1,236,498	1,234,757	1,741
Attorney	1,050,135	1,050,135	1,038,892	11,243
Law library	17,900	27,900	27,597	303
Recorder	567,717	607,717	606,600	1,117
Planning and zoning	255,388	243,388	241,142	2,246
Buildings and plant	1,583,471	4,725,471	4,725,444	27
Veterans service officer	218,502	210,502	210,214	288
Total general government	\$ 10,007,823	\$ 12,222,723	\$ 12,191,163	\$ 31,560

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

*EXHIBIT A-2
(Continued)*

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current (Continued)				
Public safety				
Sheriff	\$ 3,395,743	\$ 3,555,743	\$ 3,554,794	\$ 949
Boat and water safety	3,800	4,600	4,531	69
Coroner	100,225	135,225	134,843	382
E-911 system	150,500	275,500	274,343	1,157
County jail	3,885,581	3,800,581	3,780,204	20,377
Community corrections	1,915,489	1,947,489	1,946,817	672
Dispatch	911,352	911,352	899,516	11,836
Sheriff's contingent	4,000	22,000	21,710	290
Civil defense	109,199	124,199	123,459	740
Other public safety	666,940	315,940	233,466	82,474
Total public safety	\$ 11,142,829	\$ 11,092,629	\$ 10,973,683	\$ 118,946
Sanitation				
Solid waste	\$ 44,300	\$ 61,300	\$ 60,984	\$ 316
Recycling	1,027,266	1,038,266	818,563	219,703
Total sanitation	\$ 1,071,566	\$ 1,099,566	\$ 879,547	\$ 220,019
Health				
Community health	\$ 975,335	\$ 975,335	\$ 787,233	\$ 188,102
Administration	602,789	602,789	572,598	30,191
Health education	10,000	10,000	2,080	7,920
WIC	287,522	287,522	286,128	1,394
Maternal and child health	160,071	245,071	244,798	273
Bioterrorism	505,433	93,733	57,411	36,322
Disease prevention	44,152	44,152	39,179	4,973
Child and teen checkups	91,914	91,914	90,634	1,280
Home health	1,229,912	1,229,912	1,178,421	51,491
Total health	\$ 3,907,128	\$ 3,580,428	\$ 3,258,482	\$ 321,946

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

*EXHIBIT A-2
(Continued)*

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current (Continued)				
Culture and recreation				
Parks	\$ 149,600	\$ 149,600	\$ 99,295	\$ 50,305
Museum	38,600	41,600	40,811	789
County/regional library	278,400	278,400	278,400	-
Other culture and recreation	1,300	1,300	1,300	-
Total culture and recreation	\$ 467,900	\$ 470,900	\$ 419,806	\$ 51,094
Conservation of natural resources				
County extension	\$ 261,260	\$ 261,260	\$ 260,507	\$ 753
Soil and water conservation	183,000	183,000	183,000	-
Agricultural inspection	57,654	60,654	60,260	394
Agricultural society/County fair	50,000	50,000	37,440	12,560
Water planning	214,097	214,097	198,778	15,319
Water quality	96,480	96,480	90,392	6,088
Total conservation of natural resources	\$ 862,491	\$ 865,491	\$ 830,377	\$ 35,114
Economic development				
Community development	\$ 12,500	\$ 12,500	\$ 10,000	\$ 2,500
Other economic development	18,500	22,500	21,750	750
Total economic development	\$ 31,000	\$ 35,000	\$ 31,750	\$ 3,250
Capital outlay				
General government	\$ 3,490,677	\$ 1,450,677	\$ 1,447,091	\$ 3,586
Public safety	260,000	360,000	355,014	4,986
Highways and streets	1,259,978	1,009,978	1,005,310	4,668
Sanitation	-	435,000	434,751	249
Human services	83,735	112,735	112,101	634
Culture and recreation	1,450,000	740,000	733,447	6,553
Conservation of natural resources	-	560,000	553,766	6,234
Total capital outlay	\$ 6,544,390	\$ 4,668,390	\$ 4,641,480	\$ 26,910
Total Expenditures	\$ 34,038,127	\$ 34,038,127	\$ 33,226,288	\$ 811,839
Excess of Revenues Over (Under)				
Expenditures	\$ (5,554,390)	\$ (5,554,390)	\$ (3,661,818)	\$ 1,892,572

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

*EXHIBIT A-2
(Continued)*

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Transfers in	\$ 120,000	\$ 120,000	\$ 26,720	\$ (93,280)
Transfers out	-	-	(91,327)	(91,327)
Proceeds from sale of capital assets	25,000	25,000	47,614	22,614
Total Other Financing Sources (Uses)	\$ 145,000	\$ 145,000	\$ (16,993)	\$ (161,993)
Net Change in Fund Balance	\$ (5,409,390)	\$ (5,409,390)	\$ (3,678,811)	\$ 1,730,579
Fund Balance - January 1	22,800,326	22,800,326	22,800,326	-
Fund Balance - December 31	\$ 17,390,936	\$ 17,390,936	\$ 19,121,515	\$ 1,730,579

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT A-3

**BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 8,024,511	\$ 8,024,511	\$ 8,390,913	\$ 366,402
Licenses and permits	20,000	20,000	35,419	15,419
Intergovernmental	9,633,300	9,633,300	10,275,840	642,540
Charges for services	27,500	27,500	29,363	1,863
Miscellaneous	5,000	5,000	26,414	21,414
Total Revenues	\$ 17,710,311	\$ 17,710,311	\$ 18,757,949	\$ 1,047,638
Expenditures				
Current				
Highways and streets				
Administration	\$ 603,722	\$ 603,722	\$ 588,760	\$ 14,962
Maintenance	4,295,809	4,295,809	4,272,504	23,305
Construction	12,113,786	11,790,573	11,587,873	202,700
Equipment maintenance and shop	1,046,994	1,046,994	1,001,695	45,299
Total highways and streets	\$ 18,060,311	\$ 17,737,098	\$ 17,450,832	\$ 286,266
Intergovernmental				
Highways and streets	400,000	431,000	431,000	-
Total Expenditures	\$ 18,460,311	\$ 18,168,098	\$ 17,881,832	\$ 286,266
Excess of Revenues Over (Under) Expenditures	\$ (750,000)	\$ (457,787)	\$ 876,117	\$ 1,333,904
Other Financing Sources (Uses)				
Transfers out	\$ -	\$ (292,213)	\$ (292,121)	\$ 92
Net Change in Fund Balance	\$ (750,000)	\$ (750,000)	\$ 583,996	\$ 1,333,996
Fund Balance - January 1	5,572,788	5,572,788	5,572,788	-
Fund Balance - December 31	\$ 4,822,788	\$ 4,822,788	\$ 6,156,784	\$ 1,333,996

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT A-4

**BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 5,347,689	\$ 5,347,689	\$ 5,347,689	\$ -
Intergovernmental	6,542,248	6,542,248	6,548,887	6,639
Charges for services	1,216,360	1,216,360	1,227,890	11,530
Fines and forfeits	1,900	1,900	2,912	1,012
Gifts and contributions	1,500	1,500	3,408	1,908
Miscellaneous	155,400	155,400	98,726	(56,674)
Total Revenues	\$ 13,265,097	\$ 13,265,097	\$ 13,229,512	\$ (35,585)
Expenditures				
Current				
Public safety				
Victim crisis	\$ 325,714	\$ 325,714	\$ 322,009	\$ 3,705
Human services				
Income maintenance	\$ 3,166,431	\$ 3,200,431	\$ 3,200,092	\$ 339
Social services	6,824,226	6,943,226	6,943,196	30
Mental health center	2,948,726	2,795,726	2,772,236	23,490
Total human services	\$ 12,939,383	\$ 12,939,383	\$ 12,915,524	\$ 23,859
Total Expenditures	\$ 13,265,097	\$ 13,265,097	\$ 13,237,533	\$ 27,564
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (8,021)	\$ (8,021)
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 383,448	\$ 383,448
Net Change in Fund Balance	\$ -	\$ -	\$ 375,427	\$ 375,427
Fund Balance - January 1	2,673,845	2,673,845	2,673,845	-
Fund Balance - December 31	\$ 2,673,845	\$ 2,673,845	\$ 3,049,272	\$ 375,427

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT A-5

**BUDGETARY COMPARISON SCHEDULE
DITCH SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessments	\$ 1,473,500	\$ 1,473,500	\$ 1,528,117	\$ 54,617
Intergovernmental	-	-	24,383	24,383
Miscellaneous	-	-	11,328	11,328
Total Revenues	\$ 1,473,500	\$ 1,473,500	\$ 1,563,828	\$ 90,328
Expenditures				
Current				
Conservation of natural resources				
Other	\$ 999,276	\$ 1,719,276	\$ 1,713,753	\$ 5,523
Debt service				
Interest	\$ -	\$ 43,000	\$ 42,193	\$ 807
Total Expenditures	\$ 999,276	\$ 1,762,276	\$ 1,755,946	\$ 6,330
Net Change in Fund Balance	\$ 474,224	\$ (288,776)	\$ (192,118)	\$ 96,658
Fund Balance - January 1	1,776,501	1,776,501	1,776,501	-
Fund Balance - December 31	\$ 2,250,725	\$ 1,487,725	\$ 1,584,383	\$ 96,658

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

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

EXHIBIT A-6

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT FUND
LAST TEN MEASUREMENT PERIODS

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	States Proportionate Share of the Net Pension Liability Associated with Freeborn County (b)	Employer's Proportionate Share of the Net Pension Liability and the States Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.1907%	\$ 9,883,064	\$ -	\$ 9,883,064	\$ 10,847,478	91.11%	78.19%
2016	0.1951%	\$ 15,841,152	\$ 206,746	\$ 16,047,898	\$ 11,655,413	135.91%	68.91%
2017	0.1993%	\$ 12,723,180	\$ 159,980	\$ 12,883,160	\$ 13,080,160	97.27%	75.90%
2018	0.1971%	\$ 10,934,300	\$ 31,536	\$ 10,965,836	\$ 13,020,361	83.98%	79.50%
2019	0.2021%	\$ 11,173,656	\$ 26,011	\$ 11,199,667	\$ 14,653,208	76.25%	80.23%
2020	0.2124%	\$ 12,734,351	\$ 392,772	\$ 13,127,123	\$ 14,587,039	87.30%	79.06%
2021	0.2192%	\$ 9,360,822	\$ 285,868	\$ 9,646,690	\$ 15,100,520	61.99%	87.00%
2022	0.2163%	\$ 17,131,031	\$ 502,363	\$ 17,633,394	\$ 16,277,068	105.25%	76.67%
2023	0.2220%	\$ 12,413,991	\$ 342,181	\$ 12,756,172	\$ 17,691,180	70.17%	83.10%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT A-7

**SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT FUND
LAST TEN FISCAL YEARS**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 859,061	\$ 859,061	\$ -	\$ 11,454,147	7.50%
2016	\$ 901,248	\$ 901,248	\$ -	\$ 12,016,640	7.50%
2017	\$ 981,012	\$ 981,012	\$ -	\$ 13,080,160	7.50%
2018	\$ 963,462	\$ 963,462	\$ -	\$ 12,846,160	7.50%
2019	\$ 1,104,053	\$ 1,104,053	\$ -	\$ 14,720,707	7.50%
2020	\$ 1,158,957	\$ 1,158,957	\$ -	\$ 15,452,761	7.50%
2021	\$ 1,201,935	\$ 1,201,935	\$ -	\$ 16,025,717	7.50%
2022	\$ 1,215,184	\$ 1,215,184	\$ -	\$ 16,202,453	7.50%
2023	\$ 1,324,050	\$ 1,324,050	\$ -	\$ 17,654,000	7.50%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

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

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

EXHIBIT A-8

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND
LAST TEN MEASUREMENT PERIODS

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	States Proportionate Share of the Net Pension Liability Associated with Freeborn County (b)	Employer's Proportionate Share of the Net Pension Liability and the States Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.1450%	\$ 1,647,539	\$ -	\$ 1,647,539	\$ 1,296,867	127.04%	86.60%
2016	0.1500%	\$ 6,019,761	\$ -	\$ 6,019,761	\$ 1,383,290	435.18%	63.88%
2017	0.1570%	\$ 2,119,687	\$ -	\$ 2,119,687	\$ 1,599,732	132.50%	63.88%
2018	0.1638%	\$ 1,745,939	\$ -	\$ 1,745,939	\$ 1,745,653	100.02%	88.80%
2019	0.1768%	\$ 1,882,215	\$ -	\$ 1,882,215	\$ 1,888,076	99.69%	89.26%
2020	0.1672%	\$ 2,203,875	\$ 51,938	\$ 2,255,813	\$ 1,790,871	123.06%	87.19%
2021	0.1625%	\$ 1,254,328	\$ 56,389	\$ 1,310,717	\$ 1,825,507	68.71%	93.66%
2022	0.1630%	\$ 7,093,116	\$ 310,011	\$ 7,403,127	\$ 1,816,142	390.56%	70.53%
2023	0.1485%	\$ 2,564,402	\$ 103,308	\$ 2,667,710	\$ 1,858,564	137.98%	86.47%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT A-9

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND
LAST TEN FISCAL YEARS**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 212,078	\$ 212,078	\$ -	\$ 1,309,122	16.20%
2016	\$ 238,409	\$ 238,409	\$ -	\$ 1,471,663	16.20%
2017	\$ 279,030	\$ 279,030	\$ -	\$ 1,722,407	16.20%
2018	\$ 279,739	\$ 279,739	\$ -	\$ 1,726,784	16.20%
2019	\$ 315,484	\$ 315,484	\$ -	\$ 1,861,263	16.95%
2020	\$ 331,430	\$ 331,430	\$ -	\$ 1,872,514	17.70%
2021	\$ 352,197	\$ 352,197	\$ -	\$ 1,989,810	17.70%
2022	\$ 350,572	\$ 350,572	\$ -	\$ 1,980,633	17.70%
2023	\$ 345,166	\$ 345,166	\$ -	\$ 1,950,090	17.70%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT A-10

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL FUND
LAST TEN MEASUREMENT PERIODS**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.9700%	\$ 149,962	\$ 1,593,720	9.41%	96.90%
2016	0.9800%	\$ 3,580,077	\$ 1,674,009	213.86%	58.16%
2017	0.9700%	\$ 2,764,510	\$ 2,021,977	136.72%	67.89%
2018	0.9857%	\$ 162,118	\$ 1,925,928	8.42%	97.60%
2019	0.9819%	\$ 135,944	\$ 2,109,312	6.44%	98.17%
2020	0.9721%	\$ 263,770	\$ 1,991,523	13.24%	96.67%
2021	0.9027%	\$ (148,296)	\$ 1,888,187	-7.85%	101.61%
2022	0.8756%	\$ 2,910,494	\$ 1,845,876	157.68%	74.58%
2023	0.8900%	\$ 402,326	\$ 2,174,347	18.50%	95.94%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT A-11

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL FUND
LAST TEN FISCAL YEARS**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 140,800	\$ 140,800	\$ -	\$ 1,609,145	8.75%
2016	\$ 149,524	\$ 149,525	\$ -	\$ 1,708,854	8.75%
2017	\$ 176,923	\$ 176,923	\$ -	\$ 2,021,977	8.75%
2018	\$ 176,154	\$ 176,154	\$ -	\$ 2,013,189	8.75%
2019	\$ 184,182	\$ 184,182	\$ -	\$ 2,104,937	8.75%
2020	\$ 172,916	\$ 172,916	\$ -	\$ 1,976,189	8.75%
2021	\$ 169,627	\$ 169,627	\$ -	\$ 1,938,599	8.75%
2022	\$ 168,308	\$ 168,308	\$ -	\$ 1,923,520	8.75%
2023	\$ 182,600	\$ 182,600	\$ -	\$ 2,086,857	8.75%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30, 2023:

General Employees Fund

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5% to 7.00%.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.

- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

2018 Changes

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and non-vested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

Changes in Plan Provisions

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

2016 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

2015 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions:

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

Police and Fire Fund

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5% to 7.00%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed% married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00% for vested and non-vested, deferred members. The CSA has been changed to 33.00% for vested members and 2.00% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

- Assumed termination rates were decreased to 3.00% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed age of married female members was decreased from 65.00% to 60.00%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed age of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.60% per annum to 7.50% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes:

Changes in Actuarial Assumptions

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions:

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

Correctional Fund

2023 Changes

Changes in Actuarial Assumptions

- The investment return rate was changed from 6.5% to 7.00%.
- The single discount rate changed from 5.42% to 7.0%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5%. The maximum increase is 1.5% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed% married for active members was lowered from 85% to 75%.
- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The single discount rate was changed from 5.96% per annum to 7.50% per annum.
- The morality projection scale was changed from MP-2016 to MP-2017.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

- The assumed post-retirement benefit increase was changed from 2.50% per year to 2.00% per year.

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016, and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

- The combined service annuity (CSA) load was 30.00% for vested and non-vested, deferred members. The CSA has been changed to 35.00% for vested members and 1.00% for non-vested members.
- The single discount rate was changed from 5.31% per annum to 5.96% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes:

Changes in Actuarial Assumptions

- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 5.31%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year-end.

On or before mid-June of each year, all departments and agencies submit requests for appropriations to the Freeborn County Administrator so that a budget can be prepared.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

Before October 31, the proposed budget is presented to the County Board for review. The Board holds public hearings, and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. The County's department head may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the County Board. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the fund level.

3. Other Postemployment Benefits

Since the County has no irrevocably deposited funds in a trust for future health benefits, the actuarial value of the assets is zero.

See Note 10 in the notes to the financial statements for additional information regarding the County's other postemployment benefits.

SUPPLEMENTARY INFORMATION

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

MAJOR GOVERNMENTAL FUND

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT B-1

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 705,464	\$ 705,464	\$ 705,464	\$ -
Expenditures				
Debt service				
Principal	\$ 2,110,000	\$ 2,110,000	\$ 2,110,000	\$ -
Interest	395,815	395,825	395,818	7
Administrative (fiscal) charges	6,160	6,150	350	5,800
Total Expenditures	\$ 2,511,975	\$ 2,511,975	\$ 2,506,168	\$ 5,807
Excess of Revenues Over (Under) Expenditures	\$ (1,806,511)	\$ (1,806,511)	\$ (1,800,704)	\$ 5,807
Other Financing Sources (Uses)				
Transfers out	\$ -	\$ -	\$ (26,720)	\$ (26,720)
Net Change in Fund Balance	\$ (1,806,511)	\$ (1,806,511)	\$ (1,827,424)	\$ (20,913)
Fund Balance - January 1	2,537,236	2,537,236	2,537,236	-
Fund Balance - December 31	\$ 730,725	\$ 730,725	\$ 709,812	\$ (20,913)

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

FIDUCIARY FUNDS

CUSTODIAL FUNDS

The Taxes and Penalties Fund accounts for the collection and distribution of property taxes and other amounts.

The Turtle Creek Watershed Fund accounts for the funds received and expended for the activities of the watershed district.

The Jail Canteen Fund accounts for the deposits and withdrawals of funds into the individual inmate accounts.

The Motor Vehicle Fund accounts for the state's portion of fees related to drivers' licenses and vehicle licenses.

The Saint Paul PACE accounts for assessments related to the Saint Paul Port Authority's Property Assessed Clean Energy (PACE) initiative.

The Recorder's Clearing Fund accounts for funds collected by the Recorder's Department for other governments.

The Family Service Collaborative Fund accounts for funds associated with the Family Collaborative Joint Powers Board.

The Other Custodial Fund accounts for the following:

The Current School Section accounts for collection of penalty and interest on property taxes and transmission tax. These taxes are distributed according to Minn. Stat. §§276.131 and 127A.34.

The Mortgage Registry Tax Section accounts for the taxes received in registering a mortgage within the County.

The Post Placement Program Section accounts for money received by court services to help adolescents adapt to living in the community.

The Prepaid Tax Section accounts for payments received on taxes before the preparation of the tax statements or prior to January 1 of the year due.

The Refunding Section accounts for the refunding of property taxes.

The State Deed Tax Section accounts for the transfer of money to the state received from the sale of state deed stamps.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

The State Revenue Section accounts for funds held pending remittance to the state.

The Stream Maintenance Agreement Section accounts for money received to help maintain area streams.

The Cemetery Fund accounts for investment of funds received for cemetery upkeep.

The Child Support Fund accounts for child support payments received by the County and remitted to the state.

The State Recoveries Fund accounts for estate recovery funds collected by the County and remitted to the State.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT C-1

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
DECEMBER 31, 2023**

	Custodial Funds					
	Taxes and Penalties	Turtle Creek Watershed	Jail Canteen	Motor Vehicle	Saint Paul PACE	Recorders Clearing
<u>Assets</u>						
Cash and pooled investments	\$ 530,054	\$ 440,782	\$ 101,597	\$ 1,785	\$ -	\$ 2,433
Taxes receivable	420,599	-	-	-	-	-
Special assessments receivable	-	445,317	-	-	-	-
Accounts receivable	-	-	-	-	-	226
Due from other governments	8,894	-	-	-	-	-
Total Assets	<u>\$ 959,547</u>	<u>\$ 886,099</u>	<u>\$ 101,597</u>	<u>\$ 1,785</u>	<u>\$ -</u>	<u>\$ 2,659</u>
<u>Liabilities</u>						
Due to other governments	\$ 288,440	\$ 440,782	\$ -	\$ 1,785	\$ -	\$ 2,659
Loans payable	-	445,317	-	-	-	-
Total Liabilities	<u>\$ 288,440</u>	<u>\$ 886,099</u>	<u>\$ -</u>	<u>\$ 1,785</u>	<u>\$ -</u>	<u>\$ 2,659</u>
<u>Net Position</u>						
Restricted for Individuals, organizations, other governments	<u>\$ 671,107</u>	<u>\$ -</u>	<u>\$ 101,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

*EXHIBIT C-1
(Continued)*

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
DECEMBER 31, 2023**

<u>Custodial Funds</u>					Total Other Custodial Funds
Family Service Collaborative	Other Custodial	Cemetery Fund	Child Support	State Recoveries	
\$ 695,381	\$ 118,808	\$ 10,372	\$ -	\$ 13,476	\$ 1,914,688
-	-	-	-	-	420,599
-	-	-	-	-	445,317
-	-	-	-	36,281	36,507
-	-	-	-	-	8,894
<u>\$ 695,381</u>	<u>\$ 118,808</u>	<u>\$ 10,372</u>	<u>\$ -</u>	<u>\$ 49,757</u>	<u>\$ 2,826,005</u>
\$ 576,910	\$ 23,899	\$ -	\$ -	\$ 49,757	\$ 1,384,232
-	-	-	-	-	445,317
<u>\$ 576,910</u>	<u>\$ 23,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,757</u>	<u>\$ 1,829,549</u>
<u>\$ 118,471</u>	<u>\$ 94,909</u>	<u>\$ 10,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 996,456</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT C-2

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Custodial Funds					
	Taxes and Penalties	Turtle Creek Watershed	Jail Canteen	Motor Vehicle	Saint Paul PACE	Recorders Clearing
Additions						
Contributions:						
Individuals	\$ -	\$ -	\$ 403,703	\$ -	\$ -	\$ -
Investment earnings:						
Interest, dividends, other	-	-	-	-	-	-
Property tax collections for other governments	71,549,124	-	-	-	451,506	-
Special assessments	-	306,840	-	-	-	-
License and fees collected for State	-	-	-	7,908,294	-	43,530
Miscellaneous	-	-	-	-	-	-
Total Additions	\$ 71,549,124	\$ 306,840	\$ 403,703	\$ 7,908,294	\$ 451,506	\$ 43,530
Deductions						
Beneficiary payments to individuals	\$ -	\$ -	\$ 368,856	\$ -	\$ -	\$ -
Payments of property tax to other governments	71,391,375	-	-	-	451,506	-
Payments to state	-	-	-	7,908,294	-	43,530
Payments to vendors	-	306,840	-	-	-	-
Payments to other entities	-	-	-	-	-	-
Total Deductions	\$ 71,391,375	\$ 306,840	\$ 368,856	\$ 7,908,294	\$ 451,506	\$ 43,530
Change in net position	\$ 157,749	\$ -	\$ 34,847	\$ -	\$ -	\$ -
Net Position – January 1	513,358	-	66,750	-	-	-
Net Position – December 31	\$ 671,107	\$ -	\$ 101,597	\$ -	\$ -	\$ -

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

*EXHIBIT C-2
(Continued)*

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Custodial Funds					Total Other Custodial Funds
Family Service Collaborative	Other Custodial	Cemetery Fund	Child Support	State Recoveries	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 403,703
2,816	-	379	-	-	3,195
-	3,773,686	-	-	-	75,774,316
-	-	-	-	-	306,840
-	866,455	-	35,056	144,608	8,997,943
218,724	332,753	-	-	-	551,477
\$ 221,540	\$ 4,972,894	\$ 379	\$ 35,056	\$ 144,608	\$ 86,037,474
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 368,856
-	3,779,471	-	-	-	75,622,352
-	874,258	-	35,056	150,891	9,012,029
35,376	345,232	-	-	-	687,448
92,740	25,213	-	-	-	117,953
\$ 128,116	\$ 5,024,174	\$ -	\$ 35,056	\$ 150,891	\$ 85,808,638
\$ 93,424	\$ (51,280)	\$ 379	\$ -	\$ (6,283)	\$ 228,836
25,047	146,189	9,993	-	6,283	767,620
\$ 118,471	\$ 94,909	\$ 10,372	\$ -	\$ -	\$ 996,456

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

OTHER SCHEDULES

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT D-1

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Appropriations and Shared Revenue

State

Highway users tax	\$	10,083,411
Disparity reduction aid		38,084
Police aid		801,139
County program aid		1,900,695
Aquatic invasive species program aid		55,875
Market value credit		365,255
Market value credit-manufactured home		31,833
State financing revenue		4,327
Enhanced 911		269,830
SCORE		89,399
Buffer strip enforcement aid		130,249
		130,249

Total shared revenue **\$ 13,770,097**

Reimbursement for Services

State

Minnesota Department of Human Services	\$	868,759
		868,759

Payments

Local

Local contributions	\$	4,520
Payments in lieu of taxes		32,426
		32,426

Total payments **\$ 36,946**

Grants

State

Minnesota Department/Board of		
Public Safety	\$	153,357
Health		714,425
Natural Resources		4,941
Secretary of State		8,105
Human Services		2,824,030
Veterans Affairs		10,000
Corrections		322,616
Water and Soil Resources		112,363
Pollution Control Agency		71,294
		71,294

Total state **\$ 4,221,131**

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

***EXHIBIT D-1
(Continued)***

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Grants (Continued)

Federal

Department of	
Agriculture	\$ 614,253
Justice	171,849
Education	3,150
Health and Human Services	3,536,123
Social Security Administration	1,410
Homeland Security	22,956
Transportation	152,793
Treasury	50,000

Total federal **\$ 4,552,534**

Total state and federal grants **\$ 8,773,665**

Total Intergovernmental Revenue **\$ 23,449,467**

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

EXHIBIT D-2

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Pass-Through Agency Grant Program Title or Cluster Name	Federal Assistance Listing Number	Pass Through Grantor's Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Health WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	232MN004W1003	\$ 256,250	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Part of SNAP Cluster)	10.561	232MN101S2514	364,173	-
Passed Through Minnesota Department of Agriculture WIC Farmers' Market Nutrition Program (FMNP)	10.572	B0432615	<u>650</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>\$ 621,073</u>	<u>\$ -</u>
U.S. Department of Justice				
Passed Through Minnesota Department of Public Safety Crime Victim Assistance Grant	16.575	F-CVS-2023-FREBRNCV	\$ 11,547	\$ -
Passed Through Trial Court Treatment Court Discretionary Grant Program	16.585	J333FCDC	156,266	-
Direct State Criminal Alien Assistance Program	16.606	N/A	<u>4,036</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 171,849</u>	<u>\$ -</u>
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation Highway Planning and Construction	20.205	00024	<u>\$ 152,793</u>	<u>\$ -</u>
U.S. Department of Education				
Passed Through Minnesota Department of Health Special Education-Grants for Infants and Families	84.181	H181A180029	<u>\$ 2,100</u>	<u>\$ -</u>
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	3000067079	\$ 35,623	\$ -
Immunization Cooperative Agreements	93.268	NH23IP922628	8,100	-
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	12-700-00073	450	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000508	145,477	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922188	80,839	-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	NH75OT000032	8,487	-
Temporary Assistance for Needy Families (Part of TANF 93.558 \$375,444)	93.558	2301MNTANF	44,675	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	NE11OE000048	14,087	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC32551	38,498	-

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

*EXHIBIT D-2
(Continued)*

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Pass-Through Agency Grant Program Title or Cluster Name	Federal Assistance Listing Number	Pass Through Grantor's Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed Through Minnesota Department of Human Services				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2301MNFP55	\$ 5,601	\$ -
Temporary Assistance for Needy Families (Part of TANF 93.558 \$375,444)	93.558	2301MNTANF	330,769	-
Child Support Services	93.563	2301MNCEST	663,025	-
Refugee and Entrant Assistance State Administered Programs	93.566	2301MNRDMA	1,253	-
Child Care and Development Block Grant (Part of CCDF Cluster)	93.575	2301MNCCDF	12,122	-
Community-Based Child Abuse Prevention Grants	93.590	239MNFPRG	5,054	-
Basic Health Program (Affordable Care Act)	93.640	Not Provided	433	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2301MNCWSS	5,326	-
Foster Care Title IV-E	93.658	2301MNFOST	476,298	-
Social Services Block Grant	93.667	2301MNSOSR	211,073	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2301MNCILP	2,192	-
COVID-19 Elder Abuse Prevention Interventions Program	93.747	2101MNAPC5-00	2,855	-
Children's Health Insurance Program	93.767	2305MN5021	2,559	-
Medical Assistance Program (Part of Medicaid Cluster)	93.778	2305MNSADM	1,407,949	-
Total U.S. Department of Health and Human Services			\$ 3,502,745	\$ -
U.S. Social Security Administration				
Passed Through Employment & Economic Development (DEED)				
Social Security Disability Insurance (Part of DI/SSI Cluster)	96.001	B2238DD1	\$ 1,410	\$ -
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	F-EMPG-2023-FREBRNCO	\$ 22,956	\$ -
Total Cash Type Federal Awards			\$ 4,474,926	\$ -

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Freeborn County. The County's reporting entity is defined in Note 1 to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Freeborn County under programs of the federal government for the year ended December 31, 2023. The information in the schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards* (Uniform Guidance) from the Office of Management and Budget (OMB). Because the schedule presents only a selected portion of the operations of Freeborn County, it is not intended to and does not present the financial position or changes in net position of Freeborn County.

3. Summary of Significant Accounting Policies

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

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue (Exhibit D-1)	\$ 4,552,534
Unavailable in 2022, recognized as revenue in 2023	
Local Assistance and Tribal Consistency Fund (AL #21.032)	(50,000)
Special Education-Grants for Infants and Families (AL #84.181)	(1,050)
Temporary Assistance for Needy Families (AL #93.558)	(11,790)
Refugee and Entrant Assistance State/Replacement Designee Administered Programs (AL #93.566)	(151)
Community-Based Child Abuse Prevention Grants (AL #93.590)	(805)
Stephanie Tubbs Jones Child Welfare Services Program (AL #93.645)	(3,514)
Foster Care Title IV-E (AL #93.658)	(71,475)
Medical Assistance Program (AL #93.778)	(59,563)
Maternal and Child Health Services Block Grant to the States (AL #93.994)	(9,625)
 Grants received more than 45 days after year-end, unavailable in 2023	
WIC Special Supplemental Nutrition Program for Women, Infants And Children (AL #10.557)	1,560
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (AL #10.561)	5,260
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response (AL #93.354)	20,973
MaryLee Allen Promoting Safe and Stable Families Program (AL #93.556)	1,452
Refugee and Entrant Assistance State/Replacement Designee Administered Programs (AL #93.566)	110
Community-Based Child Abuse Prevention Grants (AL #93.590)	1,994
Stephanie Tubbs Jones Child Welfare Services Program (AL #93.645)	1,445
Foster Care-Title IV-E (AL #93.658)	1,934
Medical Assistance Program (AL #93.778)	95,536
Children's Health Insurance Program (AL #93.767)	101
	101
 Expenditures per Schedule of Expenditures of Federal Awards (Exhibit D-2)	\$ 4,474,926

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

STATISTICAL SECTION (UNAUDITED)

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

STATISTICAL SECTION (UNAUDITED)

This part of Freeborn County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Freeborn County's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017
Governmental Activities				
Net Investments in Capital Assets	\$ 63,259,574	\$ 67,044,403	\$ 70,598,432	\$ 76,357,232
Restricted	8,283,014	9,900,452	8,696,772	8,015,434
Unrestricted	8,389,282	6,195,523	6,614,367	5,092,491
Total Governmental Activities	<u>\$ 79,931,870</u>	<u>\$ 83,140,378</u>	<u>\$ 85,909,571</u>	<u>\$ 89,465,157</u>

Source: Freeborn County's Yearly Financial Statements

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 85,725,655	\$ 94,697,366	\$ 99,980,537	\$ 108,352,765	\$ 112,565,458	\$ 121,836,067
9,440,791	10,724,591	11,473,593	14,157,965	16,373,288	12,255,864
1,278,822	(3,719,993)	3,277,819	13,823,519	6,220,153	3,979,611
<u>\$ 96,445,268</u>	<u>\$ 101,701,964</u>	<u>\$ 114,731,949</u>	<u>\$ 136,334,249</u>	<u>\$ 135,158,899</u>	<u>\$ 138,071,542</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017
Expenses				
General Government	\$ 7,047,344	\$ 7,602,191	\$ 8,202,415	\$ 8,400,796
Public Safety	7,126,489	7,632,105	10,258,704	10,716,975
Highways and Streets	11,468,587	9,883,628	9,723,394	12,125,094
Sanitation	496,413	511,389	576,287	587,424
Human Services	9,587,868	11,032,285	12,123,000	11,879,425
Health	1,731,079	2,069,495	2,344,957	2,497,723
Culture and Recreation	320,811	378,127	336,666	396,611
Conservation of Natural Resources	1,901,209	1,888,375	2,333,311	3,291,533
Economic Development	366,203	11,500	12,647	25,000
Interest on Long-Term Debt	698,092	614,147	592,930	438,249
Total Governmental Activities Expenses	<u>\$ 40,744,095</u>	<u>\$ 41,623,242</u>	<u>\$ 46,504,311</u>	<u>\$ 50,358,830</u>
Program Revenues				
Charges for Services				
General Government	\$ 1,351,213	\$ 1,071,249	\$ 1,014,402	\$ 944,287
Public Safety	1,965,755	2,233,899	2,931,845	3,670,889
Highways and Streets	65,545	221,754	49,854	170,664
Sanitation	406,340	381,253	429,102	430,754
Human Services	382,900	890,412	1,249,098	914,573
Health	692,535	330,537	361,276	290,664
Culture and Recreation	-	26	148	22,964
Conservation of Natural Resources	1,641,115	1,441,825	1,663,978	1,490,401
Operating Grants and Contributions				
General Government	361,181	180,206	245,220	128,353
Public Safety	486,814	701,778	814,384	869,301
Highways and Streets	6,103,421	5,963,482	6,229,049	6,747,665
Human Services	4,459,479	4,711,913	5,183,990	5,610,581
Health	652,169	1,475,226	1,435,570	1,423,389
Culture and Recreation	-	-	-	-
Conservation of Natural Resources	621,962	263,911	684,436	790,941
Capital Grants and Contributions				
General Government	-	1,940,278	-	-
Public Safety	-	14,951	-	-
Highways and Streets	3,359,833	114,775	1,120,690	3,579,484
Conservation of Natural Resources	54,804	-	-	492,000
Total Governmental Activities Program Revenues	<u>\$ 22,605,066</u>	<u>\$ 21,937,475</u>	<u>\$ 23,413,042</u>	<u>\$ 27,576,910</u>

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

2018	2019	2020	2021	2022	2023
\$ 9,138,428	\$ 8,951,212	\$ 8,523,576	\$ 8,882,060	\$ 13,453,195	\$ 13,647,697
8,242,136	9,801,433	9,275,328	9,175,128	12,158,910	12,104,442
10,789,903	12,111,044	12,131,412	7,283,774	15,283,109	12,312,485
565,969	598,877	583,319	703,322	778,291	901,776
12,043,061	11,983,435	12,505,577	11,208,170	12,441,408	13,297,693
2,652,578	2,653,550	4,920,000	3,877,664	3,265,754	3,370,144
367,370	356,583	397,822	405,681	420,054	367,392
2,165,526	2,381,990	2,313,404	3,328,745	2,015,198	2,683,968
39,276	30,500	25,500	25,500	142,900	31,750
37,973	226,986	193,504	99,879	291,781	328,057
<u>\$ 46,042,220</u>	<u>\$ 49,095,610</u>	<u>\$ 50,869,442</u>	<u>\$ 44,989,923</u>	<u>\$ 60,250,600</u>	<u>\$ 59,045,404</u>
\$ 921,256	\$ 1,183,814	\$ 895,412	\$ 947,145	\$ 1,042,855	\$ 876,364
3,805,659	3,136,007	2,719,485	1,977,620	1,279,567	2,023,145
290,099	235,203	192,254	249,140	80,932	91,196
443,013	518,400	714,463	702,283	679,744	830,378
806,297	1,109,744	1,065,017	1,165,878	1,399,761	1,351,887
415,470	907,290	831,540	988,881	999,428	1,523,007
29,234	9,920	34,764	17,994	16,095	12,283
1,516,143	1,760,430	1,599,968	2,284,294	1,689,082	1,326,797
127,020	175,365	873,018	6,118,104	310,735	209,715
727,677	746,297	935,949	931,683	1,240,491	1,707,933
7,808,073	7,823,092	8,721,684	8,894,444	8,954,832	8,499,756
5,344,443	5,661,129	6,135,506	5,720,740	5,980,373	6,234,991
1,723,750	1,720,415	5,750,095	2,088,090	1,757,285	2,135,037
447,543	-	-	-	-	-
-	232,696	420,545	399,703	382,162	483,563
74,321	-	17,940	-	-	-
-	-	-	-	-	-
1,992,021	34,092	2,868,831	3,501,174	1,082,790	132,266
-	-	-	-	-	-
<u>\$ 26,472,019</u>	<u>\$ 25,253,894</u>	<u>\$ 33,776,471</u>	<u>\$ 35,987,173</u>	<u>\$ 26,896,132</u>	<u>\$ 27,438,318</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Continued)**

	2014	2015	2016	2017
Net (Expense) Revenue				
General Government	\$ (4,410,458)	\$ (6,942,793)	\$ (7,328,156)	\$ (8,015,831)
Public Safety	(4,681,477)	(6,512,475)	(6,176,785)	(3,708,800)
Highways and Streets	(3,583,617)	(2,323,801)	(1,627,281)	(699,710)
Sanitation	(130,136)	(147,185)	(156,670)	(122,956)
Human Services	(5,429,960)	(5,689,912)	(5,354,271)	(5,892,321)
Health	(263,732)	(548,111)	(783,670)	(513,358)
Culture and Recreation	(378,101)	(336,518)	(373,647)	109,407
Conservation of Natural Resources	416,672	(182,639)	(1,010,191)	(649,383)
Economic Development	(11,500)	(12,647)	(25,000)	(39,276)
Interest on Long-Term Debt	(614,147)	(592,930)	(438,249)	(37,973)
Total Governmental Activities Net (Expense) Revenue	<u>\$ (19,086,456)</u>	<u>\$ (23,289,011)</u>	<u>\$ (23,273,920)</u>	<u>\$ (19,570,201)</u>
General Revenues and Other Changes in Net Position				
Taxes	\$ 20,084,107	\$ 20,915,483	\$ 23,651,372	\$ 24,064,810
Payment in Lieu of Taxes	31,597	97,317	28,560	35,247
Unrestricted Grants and Contributions	1,625,409	1,543,235	1,712,330	2,023,587
Investment Earnings	132,099	245,464	432,665	213,862
Miscellaneous	50,000	18,228	-	-
Gain on Sale of Capital Assets	-	74,548	35,535	-
Total Governmental Activities	<u>\$ 21,923,212</u>	<u>\$ 22,894,275</u>	<u>\$ 25,860,462</u>	<u>\$ 26,337,506</u>
Change in Net Position	<u>\$ 2,836,756</u>	<u>\$ (394,736)</u>	<u>\$ 2,586,542</u>	<u>\$ 6,767,305</u>

Source: Freeborn County's Yearly Financial Statements

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Continued)**

2018	2019	2020	2021	2022	2023
\$ (8,015,831)	\$ (7,592,033)	\$ (6,737,206)	\$ (1,816,811)	\$ (12,099,605)	\$ (12,561,618)
(3,708,800)	(5,919,129)	(5,619,894)	(6,265,825)	(9,638,852)	(8,373,364)
(699,710)	(4,018,657)	(348,643)	5,360,984	(5,164,555)	(3,589,267)
(122,956)	(80,477)	131,144	(1,039)	(98,547)	(71,398)
(5,892,321)	(5,212,617)	(5,305,054)	(4,321,552)	(5,061,274)	(5,710,815)
(513,358)	(25,845)	1,661,635	(800,693)	(509,041)	287,900
(338,136)	(346,663)	(363,058)	(387,687)	(403,959)	(355,109)
(201,840)	(388,864)	(292,891)	(644,748)	56,046	(873,608)
(39,276)	(30,500)	(25,500)	(25,500)	(28,500)	(31,750)
(37,973)	(226,986)	(193,504)	(99,879)	(291,781)	(328,057)
<u>\$ (19,570,201)</u>	<u>\$ (23,841,771)</u>	<u>\$ (17,092,971)</u>	<u>\$ (9,002,750)</u>	<u>\$ (33,240,068)</u>	<u>\$ (31,607,086)</u>
\$ 24,893,116	\$ 25,842,122	\$ 27,420,786	\$ 28,198,967	\$ 29,471,773	\$ 30,423,928
35,309	36,620	36,601	37,291	37,541	32,426
2,180,739	2,128,365	2,167,146	2,140,101	2,239,752	2,335,867
483,486	922,551	473,140	24,664	(13,339)	1,754,211
384	43,517	25,283	92,285	153,385	37,797
62,179	79,288	-	111,742	175,606	47,142
<u>\$ 27,655,213</u>	<u>\$ 29,052,463</u>	<u>\$ 30,122,956</u>	<u>\$ 30,605,050</u>	<u>\$ 32,064,718</u>	<u>\$ 34,631,371</u>
<u>\$ 8,085,012</u>	<u>\$ 5,210,692</u>	<u>\$ 13,029,985</u>	<u>\$ 21,602,300</u>	<u>\$ (1,175,350)</u>	<u>\$ 3,024,285</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**GOVERNMENTAL FUND BALANCES
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 618,818	\$ 341,917	\$ 385,419	\$ 935,925
Restricted	762,262	715,509	998,176	1,040,571
Committed	356,228	408,633	3,049,860	2,817,127
Assigned	1,632,890	-	-	-
Unassigned	8,623,639	10,034,644	8,212,526	6,795,893
Total General Fund	<u>\$ 11,993,837</u>	<u>\$ 11,500,703</u>	<u>\$ 12,645,981</u>	<u>\$ 11,589,516</u>
All Other Governmental Funds				
Nonspendable	\$ 462,228	\$ 461,542	\$ 707,005	\$ 433,751
Restricted	5,703,717	5,705,943	6,258,286	15,047,024
Committed	-	-	-	-
Assigned				
Road and Bridge	3,107,310	3,678,532	3,674,377	3,432,531
Human Service	8,381,777	7,165,337	5,806,384	5,795,221
Unassigned	(437,868)	(218,908)	(399,003)	(1,058,116)
Total All Other Governmental Funds	<u>\$ 17,217,164</u>	<u>\$ 16,792,446</u>	<u>\$ 16,047,049</u>	<u>\$ 23,650,411</u>
All Governmental Funds				
Nonspendable	\$ 1,081,046	\$ 803,459	\$ 1,092,424	\$ 1,369,676
Restricted	6,465,979	6,421,452	7,256,462	16,087,595
Committed	356,228	408,633	3,049,860	2,817,127
Assigned	13,121,977	10,843,869	9,480,761	9,227,752
Unassigned	8,185,771	9,815,736	7,813,523	5,737,777
Total All Governmental Funds	<u>\$ 29,211,001</u>	<u>\$ 28,293,149</u>	<u>\$ 28,693,030</u>	<u>\$ 35,239,927</u>

Source: Freeborn County's Financial Statements

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**GOVERNMENTAL FUND BALANCES
LAST TEN FISCAL YEARS**

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,142,742	\$ 969,191	\$ 358,613	\$ 548,560	\$ 1,266,719	\$ 1,191,153
1,185,045	1,194,791	1,781,293	1,361,241	3,744,064	1,862,818
2,294,572	2,027,731	7,710,233	9,179,651	9,510,106	6,952,053
-	-	-	-	-	867,000
5,139,155	6,559,366	6,692,314	7,341,467	8,279,437	8,248,491
<u>\$ 9,761,514</u>	<u>\$ 10,751,079</u>	<u>\$ 16,542,453</u>	<u>\$ 18,430,919</u>	<u>\$ 22,800,326</u>	<u>\$ 19,121,515</u>
\$ 362,787	\$ 328,612	\$ 595,296	\$ 645,760	\$ 729,334	\$ 812,090
6,910,033	6,868,331	6,285,431	6,885,292	7,992,068	7,433,892
-	-	800,000	2,000,000	-	-
3,985,411	2,219,612	2,187,367	2,209,957	2,517,256	2,676,495
6,080,210	2,761,722	2,792,340	2,702,103	2,673,845	2,839,349
(1,496,925)	(1,048,172)	(975,785)	(1,365,511)	(990,745)	(1,900,187)
<u>\$ 15,841,516</u>	<u>\$ 11,130,105</u>	<u>\$ 11,684,649</u>	<u>\$ 13,077,601</u>	<u>\$ 12,921,758</u>	<u>\$ 11,861,639</u>
\$ 1,505,529	\$ 1,297,803	\$ 953,909	\$ 1,194,320	\$ 1,996,053	\$ 2,003,243
8,095,078	8,063,122	8,066,724	8,246,533	11,736,132	9,296,710
2,294,572	2,027,731	8,510,233	11,179,651	9,510,106	6,952,053
10,065,621	4,981,334	4,979,707	4,912,060	5,191,101	6,382,844
3,642,230	5,511,194	5,716,529	5,975,956	7,288,692	6,348,304
<u>\$ 25,603,030</u>	<u>\$ 21,881,184</u>	<u>\$ 28,227,102</u>	<u>\$ 31,508,520</u>	<u>\$ 35,722,084</u>	<u>\$ 30,983,154</u>

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**CHANGES IN GOVERNMENTAL FUND BALANCES
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017
Revenues				
Taxes	\$ 20,090,378	\$ 20,878,781	\$ 23,715,974	\$ 24,075,507
Special Assessments	2,088,263	2,172,363	2,245,972	2,046,830
Licenses and Permits	118,079	106,821	164,509	103,349
Intergovernmental	17,768,440	15,826,392	16,382,810	19,767,495
Charges for Services	3,565,791	3,765,702	3,975,878	4,841,541
Fines and Forfeits	64,065	41,664	34,772	32,329
Gifts and Contributions	6,553	13,019	23,099	37,382
Investment Income	132,099	245,464	432,665	214,560
Miscellaneous	1,006,351	982,627	1,353,027	1,104,929
Total Revenues	\$ 44,840,019	\$ 44,032,833	\$ 48,328,706	\$ 52,223,922
Expenditures				
Current				
General Government	\$ 6,191,688	\$ 6,643,520	\$ 6,984,439	\$ 7,247,743
Public Safety	6,949,396	7,437,235	8,389,229	9,247,492
Highways and Streets	14,180,809	9,396,052	10,818,218	14,298,508
Sanitation	481,430	495,023	555,980	568,068
Social Services	9,551,357	10,865,074	11,582,745	11,467,816
Health	1,703,256	2,030,585	2,197,002	2,367,095
Culture and Recreation	320,811	378,127	336,666	396,611
Conservation of Natural Resources	1,896,751	1,883,629	2,291,269	3,257,725
Economic Development	19,757	11,500	12,647	25,000
Intergovernmental				
Highways and Streets	330,135	348,751	361,195	360,068
Conservation of Natural Resources	-	-	-	-
Capital Outlay	999,715	2,100,910	1,124,568	1,542,415
Debt Service				
Principal Retirement	3,295,000	2,725,000	2,720,000	2,770,000
Interest	767,088	688,016	611,710	540,424
Bond Issuance Costs	-	-	-	67,002
Administrative (fiscal) charges	5,425	3,525	5,061	6,425
Total Expenditures	\$ 46,692,618	\$ 45,006,947	\$ 47,990,729	\$ 54,162,392
Revenues Over (Under) Expenditures	\$ (1,852,599)	\$ (974,114)	\$ 337,977	\$ (1,938,470)
Other Financing Sources (Uses)				
Transfers In	-	-	1,060,736	513,534
Transfers Out	-	-	(1,060,736)	(513,534)
Issuance of Bonds and Notes	-	-	-	-
Issuance of Refunding Bonds	-	-	-	8,075,000
Premium on Bond Issuance	-	-	-	450,729
Proceeds from Sale of Assets	-	74,548	49,333	-
Total Other Financing Sources (Uses)	-	74,548	49,333	8,525,729
Net Change in Fund Balance	\$ (1,852,599)	\$ (899,566)	\$ 387,310	\$ 6,587,259
Debt Service as a Percentage of Noncapital Expenditures	8.90%	7.96%	7.12%	6.43%

Source: Freeborn County's Financial Statements

(Unaudited)

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

CHANGES IN GOVERNMENTAL FUND BALANCES
LAST TEN FISCAL YEARS

2018	2019	2020	2021	2022	2023
\$ 24,784,395	\$ 25,908,755	\$ 27,352,238	\$ 28,204,475	\$ 29,591,810	\$ 30,391,797
2,002,200	2,310,017	2,493,074	2,554,425	2,645,052	2,310,702
169,869	140,497	175,056	192,375	140,944	189,512
21,798,448	19,144,108	27,617,271	22,662,997	27,014,653	23,449,467
4,897,859	5,741,113	5,002,678	4,212,525	3,778,567	5,022,425
23,995	28,603	19,563	32,218	21,433	25,475
6,545	10,479	6,895	5,570	3,614	5,908
485,030	925,186	475,925	8,599	5,830	1,783,061
954,934	1,060,475	777,488	1,395,049	975,517	660,143
<u>\$ 55,123,275</u>	<u>\$ 55,269,233</u>	<u>\$ 63,920,188</u>	<u>\$ 59,268,233</u>	<u>\$ 64,177,420</u>	<u>\$ 63,838,490</u>
\$ 7,821,352	\$ 8,102,900	\$ 7,707,028	\$ 8,189,353	\$ 12,051,665	\$ 12,191,163
9,523,826	9,706,773	9,855,175	10,195,366	10,700,084	11,295,692
15,569,703	17,756,431	14,458,716	13,924,862	18,357,862	17,450,832
542,980	584,417	570,015	688,339	763,308	879,547
11,295,964	12,073,073	12,572,943	11,533,295	11,936,867	12,915,524
2,421,019	2,681,238	4,958,785	3,976,131	3,050,710	3,258,482
367,370	346,595	396,989	404,925	418,241	419,806
2,082,175	2,388,453	2,302,477	2,444,283	1,951,935	2,561,397
39,276	30,500	25,500	25,500	142,900	31,750
421,073	416,771	434,380	399,398	597,162	431,000
-	-	-	-	-	-
2,584,837	2,090,433	1,871,430	818,451	7,510,086	4,641,480
11,790,000	2,575,000	2,110,000	3,280,000	2,045,000	2,110,000
502,090	341,034	304,377	214,738	147,463	438,011
-	-	-	-	114,892	-
6,150	2,600	2,200	2,700	927	350
<u>\$ 64,967,815</u>	<u>\$ 59,096,218</u>	<u>\$ 57,570,015</u>	<u>\$ 56,097,341</u>	<u>\$ 69,789,102</u>	<u>\$ 68,625,034</u>
<u>\$ (9,844,540)</u>	<u>\$ (3,826,985)</u>	<u>\$ 6,350,173</u>	<u>\$ 3,170,892</u>	<u>\$ (5,611,682)</u>	<u>\$ (4,786,544)</u>
299,378	2,722,835	3,430,013	682,457	2,474,679	410,168
(299,378)	(2,722,835)	(3,430,013)	(682,457)	(2,474,679)	(410,168)
-	-	-	-	9,390,000	-
-	-	-	-	-	-
-	-	-	-	259,640	-
75,768	93,310	-	150,511	175,606	47,614
<u>75,768</u>	<u>93,310</u>	<u>-</u>	<u>150,511</u>	<u>9,825,246</u>	<u>47,614</u>
<u>\$ (9,768,772)</u>	<u>\$ (3,733,675)</u>	<u>\$ 6,350,173</u>	<u>\$ 3,321,403</u>	<u>\$ 4,213,564</u>	<u>\$ (4,738,930)</u>
19.71%	6.03%	4.81%	7.67%	4.16%	4.80%

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**PROPERTY TAX AND SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Year	Net Tax Levy	Current Tax Collections	Percent of Levy Collected	(1) Delinquent Tax Collections	Total Tax Collections
2014	\$ 19,219,518	\$ 19,036,870	99.0 %	\$ 182,436	\$ 19,219,306
2015	19,846,355	19,605,075	98.8	241,004	19,846,079
2016	20,703,982	20,513,131	99.1	189,596	20,702,727
2017	21,135,172	20,885,092	98.8	247,557	21,132,649
2018	21,901,150	21,597,973	98.6	300,666	21,898,639
2019	22,891,000	22,610,578	98.8	275,710	22,886,288
2020	24,274,185	23,949,504	98.7	311,289	24,260,793
2021	24,867,024	24,511,431	98.6	326,262	24,837,693
2022	25,507,251	25,250,350	99.0	190,545	25,440,895
2023	26,270,534	25,897,160	98.6	-	25,897,160

(1) Does not include interest and penalties.

Note: (2) Includes collection of current year taxes and delinquent tax collections.

Source: Freeborn County Auditor/Treasurer

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**PROPERTY TAX AND SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Total Collections as a Percent of Current Levy (2)</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected</u>	<u>Ratio of Collections to Amount Due</u>	<u>Total Delinquent Assessments</u>
100.0 %	\$ 1,979,342	\$ 1,979,313	100.0 %	\$ 29
100.0	2,134,718	2,134,658	100.0	60
100.0	2,269,156	2,269,028	100.0	128
100.0	2,035,207	2,034,833	100.0	374
100.0	1,894,009	1,893,073	100.0	936
100.0	2,329,861	2,328,297	99.9	1,564
99.9	2,714,877	2,711,448	99.9	3,429
99.9	2,595,659	2,589,793	99.8	5,866
99.7	2,694,948	2,684,745	99.6	10,203
98.6	2,952,814	2,913,449	98.7	39,365

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS**

Assessment Year	Payable Year	Real Property		Personal Property	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2013	2014	\$ 37,480,081	\$ 4,328,050,000	\$ 2,279,255	\$ 114,488,500
2014	2015	39,040,934	4,591,440,800	2,343,838	117,665,700
2015	2016	36,342,933	4,305,573,100	2,557,017	128,344,800
2016	2017	36,037,263	4,219,103,400	2,762,326	138,558,900
2017	2018	35,151,133	4,068,935,600	2,351,610	117,979,800
2018	2019	36,339,950	4,164,064,700	2,458,030	123,303,300
2019	2020	34,140,204	4,241,108,000	2,104,020	105,487,400
2020	2021	37,073,831	4,201,387,500	2,377,902	119,167,900
2021	2022	38,503,317	4,319,656,100	2,335,047	116,994,100
2022	2023	48,164,358	5,276,304,500	2,770,541	138,781,800

Note: (1) Does not include reductions for tax increment districts.

Source: Freeborn County Auditor/Treasurer -Abstract of Assessment of Real and Personal Property for 2023

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS**

<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Total Estimated Actual Value</u>	<u>Ratio of Assessed to Estimated Value</u>
\$ 39,759,336	48.340	\$ 4,442,538,500	0.9
41,384,772	47.956	4,709,106,500	0.9
38,899,950	53.224	4,433,917,900	0.9
38,799,589	54.473	4,357,662,300	0.9
37,502,743	58.399	4,186,915,400	0.9
38,797,980	59.000	4,287,368,000	0.9
39,244,224	61.854	4,346,595,400	0.9
39,451,733	63.032	4,320,555,400	0.9
40,838,364	62.459	4,436,650,200	0.9
50,934,899	51.577	5,415,086,300	0.9

(Unaudited)

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2023			2014		
		Taxable Capacity Value	Rank	Percentage of Total County Capacity Value	Taxable Capacity Value	Rank	Percentage of Total County Capacity Value
ITC Midwest, LLC	Utilities	\$ 1,257,851	1	2.49%	\$ 539,584	4	2.53%
Northern Natural Gas Co	Utilities	820,122	2	1.63%	695,189	1	3.25%
Alliance Pipeline LP	Utilities	711,094	3	1.41%	648,878	2	3.04%
Dairyland Power Cooperative	Utilities	317,222	4	0.63%	187,768	5	0.88%
Minnesota Energy Resources Corp	Utilities	300,634	7	0.60%			
Pembina Cochin LLC	Utilities	284,686	5	0.56%			
Union Pacific Corporation	Commercial	257,440	6	0.51%	137,559	10	0.64%
Vortex Cold Storage	Commercial	226,482	8	0.45%			
Cedar River Railroad Co	Commercial	216,404	9	0.43%			
Wal-Mart Real Estate Business	Commercial	162,392	10	0.32%	149,945	7	0.70%
Interstate Power & Light Co	Utilities				559,829	3	2.62%
Steven p & Leann Anderson	Agriculture				154,573	6	0.72%
O. Dale Larson Trust	Industrial				143,918	8	0.67%
Swenson Groveland Farms, LLC	Agriculture				137,724	9	0.64%
All Others		45,864,952		90.98%	18,010,693		84.28%
		<u>\$ 50,419,279</u>		<u>100.00%</u>	<u>\$ 21,365,660</u>		<u>100.00%</u>

Source: Freeborn County Auditor-Treasurer

(Unaudited)

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN ASSESSMENT YEARS

Unit of Government	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Freeborn County										
General	16.3390	16.5030	19.2720	20.1280	22.3540	25.6180	28.2410	30.9570	32.0980	28.7290
Road and Bridge	9.8790	9.8870	10.5130	8.9680	9.4640	10.6730	11.4090	11.1800	10.9000	9.9850
Social Services	12.7250	11.8080	12.5550	14.1500	14.5130	13.8330	14.1960	14.2720	13.3280	10.6060
Waste	0.1770	0.1700	0.1590	0.1480	0.1510	-	-	-	-	-
Capital Improvements	2.4170	2.3160	2.8940	3.1020	3.2580	1.6340	1.7300	1.7370	1.8210	1.2890
Library	0.8760	0.8560	0.9320	0.9450	1.0030	0.9740	0.9920	0.9940	0.9560	0.7650
Capital Bond	1.0880	1.0430	1.1320	1.1140	1.1400	1.0870	1.0590	1.0500	0.9730	1.3990
2011A	1.7960	1.6170	1.7170	1.7420	1.8010	3.3530	3.2580	3.2290	2.9520	-
2011B	1.4160	1.2750	1.3640	1.3670	1.4090	1.3370	1.3400	1.2700	1.0660	-
2011C	1.8210	1.6460	1.7220	1.7320	1.7770	-	-	-	-	-
Radio	1.2010	1.1520	1.1630	1.1710	1.2210	1.1840	-	-	-	-
Public Health	-	1.3870	1.6430	1.6580	2.1680	1.1680	1.5180	0.2160	0.1000	0.3440
Total Freeborn County	49.7350	49.6600	55.0660	56.2250	60.2590	60.8610	63.7430	64.9050	64.1940	53.1170
Townships										
Albert Lea	16.4310	15.6260	16.3100	16.4730	17.3990	16.4420	16.3770	15.8630	15.9000	13.3830
Alden	6.4850	6.1470	7.1320	7.5090	7.6730	7.4000	7.8130	8.1800	7.7590	7.1130
Bancroft	10.5110	10.0850	11.5060	11.4210	11.6080	11.4000	11.2420	10.9770	11.5700	9.4080
Bath	8.2930	7.9060	8.5860	8.7480	7.8420	7.6940	11.2730	11.1860	10.3810	8.0290
Carlston	10.0060	9.7610	10.9200	10.6020	11.0390	10.7730	10.8900	10.9500	10.6340	8.6110
Freeborn	10.2660	9.1040	9.7430	9.5140	9.1730	8.9250	8.0780	8.4480	8.3260	5.8870
Freeman	6.7020	6.7590	8.1090	8.3360	8.6370	8.3630	9.1310	9.1820	9.5150	8.4350
Geneva	8.8770	8.3430	9.2040	9.4730	10.0170	9.7560	9.6770	9.9300	9.6340	7.3170
Hartland	5.9960	5.6300	6.2760	6.4730	6.4070	6.0190	5.9970	6.1110	5.9650	5.0440
Hayward	10.0520	9.3600	9.4620	9.0080	8.6810	7.6210	12.0130	12.0010	11.7140	6.4380
London	10.0950	9.4730	10.7060	11.0290	11.7050	11.5360	11.5210	11.4200	10.9760	8.8980
Manchester	6.0770	5.6650	6.0120	5.4060	5.2750	4.7400	4.9120	4.9010	4.7070	3.8020
Mansfield	8.2710	8.4920	9.7050	10.0710	10.6950	10.8920	10.8220	11.3290	11.6880	9.3830
Moscow	12.4950	11.7540	12.9230	13.4940	14.6480	15.6280	15.6130	17.9770	17.1840	13.0930
Newry	8.4420	8.5020	9.4390	9.7350	10.3470	10.1090	10.0990	10.2910	9.8020	7.5580
Nunda	9.9350	9.1870	10.0000	10.1990	10.7440	10.6340	10.9960	11.0460	10.3630	8.7760
Oakland	9.1840	9.3510	10.2590	10.4380	11.3280	10.9550	11.6580	11.9320	11.0970	9.4860
Pickerel Lake	5.8350	5.9100	6.3160	6.5020	8.0010	7.9580	9.9800	9.9240	9.9030	15.4750
Riceland	8.1190	7.6160	8.2930	8.4430	8.8090	8.4760	9.0530	9.0170	8.8830	7.2040
Shell Rock	6.1020	5.6420	6.1730	6.2650	6.5520	6.7730	7.3100	7.1610	6.7510	5.4650
Cities										
Albert Lea	62.0500	63.2160	64.3220	63.0870	64.8660	61.9080	60.0640	60.3370	60.6760	52.2900
Alden	89.0060	100.4690	99.7370	93.6570	96.4220	92.1160	94.2220	88.7280	93.7800	78.7780
Clarks Grove	44.1710	52.8210	54.6880	55.0710	50.5920	48.5550	41.0970	42.8040	43.1420	35.1850
Conger	136.2020	139.3750	143.8460	143.6260	152.3350	144.8970	124.8050	119.0670	124.0530	85.5730
Emmons	145.2370	146.6990	145.4870	144.3780	148.8740	141.7510	135.7810	138.3710	130.8040	103.8970
Freeborn	151.5210	155.4240	159.6660	162.2870	174.9180	175.9070	159.1760	136.4440	135.2840	96.2240
Geneva	45.3850	49.8020	50.4430	48.2690	46.0090	49.1090	50.3050	55.5950	51.9580	40.9400
Glenville	51.5010	45.8360	45.8920	46.7430	46.9740	42.3450	34.6480	31.4880	28.8110	24.1150
Hartland	138.0870	140.2610	146.5790	147.6840	133.6010	116.7040	108.8480	108.9260	109.5000	74.3300
Hayward	165.2590	164.5510	155.5250	154.2900	156.5940	154.8140	137.0710	139.1200	139.8810	121.3060
Hollandale	117.3300	114.6910	114.7110	107.1110	105.5660	102.8650	83.8260	80.5710	83.1990	79.7120
Manchester	95.7060	104.6640	109.0210	134.0360	143.8850	160.9420	153.5780	143.0650	160.1380	125.0160
Myrtle	69.2000	69.3400	68.9850	75.0470	77.6580	76.8680	63.0270	46.1500	45.1170	33.8670
Twin Lakes	15.8540	15.9450	16.2940	15.8910	17.7600	18.2970	18.3690	16.9810	18.1680	15.4870
School Districts										
SD 241	25.1790	25.1970	25.0870	25.4820	27.3570	27.6050	27.9680	27.5580	26.0770	21.7090
SD 242	15.0250	14.9850	20.6190	24.5390	26.6240	25.7200	26.0480	25.5920	24.6120	19.7500
SD 492	27.5920	28.3740	27.4910	26.8870	27.1450	27.2630	31.4600	28.9270	28.9440	24.3070
SD 497	20.5760	21.8200	26.9350	24.0810	23.3740	26.8120	30.1000	27.7450	25.7090	20.0080
SD 756	24.3790	19.8120	23.6980	23.2860	22.2710	21.6530	18.6920	22.2780	36.0210	29.6490
SD 2134	18.1620	18.0700	22.1450	18.6450	18.8850	20.0170	19.7140	19.8170	18.3260	15.9490
SD 2168	16.6160	8.5410	8.6990	7.3980	7.0170	6.9110	10.8800	10.6610	10.4320	11.9030
SD 2886	3.4560	3.2790	3.4200	3.7400	3.9350	3.7570	5.0530	4.6700	4.5730	3.7820

Source: Freeborn County Auditor/Treasurer

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**TAX CAPACITY BY CLASSIFICATION
LAST TEN FISCAL YEARS**

Payable Year % of Total	Agriculture	Residential	Commercial	Industrial	Utilities	Personal Property	Tax Increment	Net Tax Capacity
2014	23,078,678	8,758,029	3,031,284	1,696,880	915,210	2,279,255	(224,141)	\$39,535,195
% of Total	59%	22%	8%	4%	2%	6%	-1%	
2015	24,711,441	8,770,777	3,001,570	1,672,736	884,410	2,343,838	(138,126)	\$41,246,646
% of Total	60%	21%	7%	4%	2%	6%	0%	
2016	21,762,538	8,856,814	3,016,707	1,622,741	1,084,133	2,557,017	(118,829)	\$38,781,121
% of Total	56%	23%	8%	4%	3%	7%	0%	
2017	20,785,418	9,421,729	3,039,218	1,623,251	1,167,647	2,762,326	(289,401)	\$38,510,188
% of Total	54%	24%	8%	4%	3%	7%	-1%	
2018	19,517,474	9,575,479	3,053,961	1,640,243	1,363,976	2,351,610	(310,491)	\$37,192,252
% of Total	52%	26%	8%	4%	4%	6%	-1%	
2019	19,430,074	10,739,149	3,004,086	1,747,345	1,419,322	2,458,004	(320,246)	\$38,477,734
% of Total	50%	28%	8%	5%	4%	6%	-1%	
2020	19,431,405	11,564,060	3,062,983	1,843,144	1,238,612	2,104,020	(334,813)	\$38,909,411
% of Total	50%	30%	8%	5%	3%	5%	-1%	
2021	18,503,205	12,150,178	3,062,449	1,865,765	1,492,292	2,377,844	(321,836)	\$39,129,897
% of Total	47%	31%	8%	5%	4%	6%	-1%	
2022	19,125,795	12,667,132	3,167,414	1,893,866	1,649,178	2,334,979	(289,155)	\$40,549,209
% of Total	47%	31%	8%	5%	4%	6%	-1%	
2023	24,098,389	16,574,404	3,625,156	2,161,350	1,706,159	2,769,441	(515,620)	\$50,419,279
% of Total	48%	33%	7%	4%	3%	5%	-1%	

Source: Freeborn County Auditor/Treasurer Abstract of Assessment of Real and Personal Property for 2023

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Market Valuation of Taxable Property (1)	\$ 4,442,538,500	\$ 4,709,106,500	\$ 4,433,917,900	\$ 4,357,662,300
Legal Debt Percentage Allowed (2)	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>
Legal Debt Limit	133,276,155	141,273,195	133,017,537	130,729,869
Amount of Debt Applicable to Debt Limit				
General Obligation Debt	24,050,000	21,325,000	18,605,000	23,910,000
Less: Amount Available in Debt Service Funds	<u>4,493,278</u>	<u>4,284,934</u>	<u>4,261,379</u>	<u>4,564,815</u>
Total Debt Applicable to Limit	<u>19,556,722</u>	<u>17,040,066</u>	<u>14,343,621</u>	<u>19,345,185</u>
Unused Margin of Indebtedness	<u>\$ 113,719,433</u>	<u>\$ 124,233,129</u>	<u>\$ 118,673,916</u>	<u>\$ 111,384,684</u>
Percent of Legal Debt Incurred	18.05%	15.09%	13.99%	18.29%

(1) Source: Freeborn County Auditor/Treasurer

(2) Minnesota Statute Section 475.53, subd. 1 LIMIT ON NET DEBT except as otherwise provided in sections 475.51 to 475.74, no municipality except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the market value of taxable property therein.

(Unaudited)

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 4,186,915,400	\$ 4,287,368,000	\$ 4,346,595,400	\$ 4,320,555,400	\$ 4,436,650,200	\$ 5,415,086,300
<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>
125,607,462	128,621,040	130,397,862	129,616,662	133,099,506	162,452,589
18,330,000	9,545,000	7,435,000	4,155,000	11,500,000	9,390,000
<u>4,211,939</u>	<u>3,259,090</u>	<u>3,169,237</u>	<u>2,294,879</u>	<u>2,537,236</u>	<u>709,812</u>
<u>14,118,061</u>	<u>6,285,910</u>	<u>4,265,763</u>	<u>1,860,121</u>	<u>8,962,764</u>	<u>8,680,188</u>
<u>\$ 111,489,401</u>	<u>\$ 122,335,130</u>	<u>\$ 126,132,099</u>	<u>\$ 127,756,541</u>	<u>\$ 124,136,742</u>	<u>\$ 153,772,401</u>
14.59%	7.42%	5.70%	3.21%	8.64%	5.78%

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	General Obligation Capital Notes	Special Assessment Bonds
<u>Governmental Activities:</u>			
2014	\$ 18,674,159	\$ 2,065,000	\$ 3,937,866
2015	16,792,718	1,675,000	3,411,571
2016	14,856,277	1,275,000	2,955,277
2017	21,400,566	865,000	2,503,983
2018	10,424,874	440,000	1,700,515
2019	8,467,138	-	1,428,514
2020	6,424,401	-	1,269,790
2021	4,331,666	-	-
2022	11,843,570	-	-
2023	9,649,641	-	-

(1) Personal income is disclosed on page 172

(2) United States Census Bureau

N/A Not Available

Source: Freeborn County Financial Statements

(Unaudited)

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

<u>Total Outstanding Debt</u>	<u>Percentage of Personal Income (1)</u>	<u>Population (2)</u>	<u>Debt per Capita</u>
\$ 24,677,025	1.98%	30,831	\$ 800
21,879,289	1.73%	30,642	714
19,086,554	1.57%	30,446	627
24,769,549	1.96%	30,550	811
12,565,389	0.90%	30,495	412
9,895,652	0.69%	30,281	327
7,694,191	0.50%	30,895	249
4,331,666	0.26%	30,749	141
11,843,570	0.70%	30,904	383
9,649,641	N/A	N/A	N/A

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**RATIO OF NET BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income	Estimated Actual Value	Assessed Value	(1)	Less Debt
		Freeborn County			Gross Bonded Debt	Service Funds
2014	30,831	\$ 1,245,146,000	\$ 4,442,538,500	\$ 39,759,336	\$ 18,674,159	\$ 4,331,391
2015	30,642	1,266,479,000	4,591,440,800	39,040,934	16,792,718	5,860,392
2016	30,446	1,219,212,000	4,305,573,100	36,342,933	14,856,277	4,261,379
2017	30,550	1,264,313,000	4,219,103,400	36,037,263	21,400,566	4,564,815
2018	30,495	1,394,588,000	4,068,935,600	35,151,133	10,424,874	4,211,939
2019	30,281	1,433,993,000	4,164,064,700	36,339,950	8,467,138	4,087,081
2020	30,895	1,529,242,000	4,241,108,000	34,140,204	6,424,401	3,851,004
2021	30,749	1,654,000,000	4,201,387,500	37,073,831	4,331,666	2,238,004
2022	30,904	1,701,058,000	4,319,656,100	38,503,317	11,843,570	2,359,126
2023	N/A	N/A	5,276,304,500	48,164,358	9,649,641	558,077

Source: Freeborn County Administration except for Population, which is from the State Demographer and Personal Income, which is from the Bureau of Economic Analysis

(1) Includes all General Obligation debt of the County including refunded bonds.

N/A=not available

(Unaudited)

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

RATIO OF NET BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Net Bonded Debt	Debt Per Capita		Debt to Actual Valuation		Debt to Assessed Valuation		Debt to Personal Income	
	Total	Net	Total %	Net %	Total %	Net %	Total %	Net %
\$ 14,342,768	\$ 605.69	\$ 465.21	0.4	0.3	47.0	36.1	1.5	1.2
10,932,326	548.03	356.78	0.4	0.2	43.0	28.0	1.3	0.9
10,594,898	487.95	347.99	0.3	0.2	40.9	29.2	1.2	0.9
16,835,751	700.51	551.09	0.5	0.4	59.4	46.7	1.7	1.3
6,212,935	341.86	203.74	0.3	0.2	29.7	17.7	0.7	0.4
4,380,057	279.62	144.65	0.2	0.1	23.3	12.1	0.6	0.3
2,573,397	207.94	83.29	0.2	0.1	18.8	7.5	0.4	0.2
2,093,662	140.87	68.09	0.1	0.0	11.7	5.6	0.3	0.1
9,484,444	383.24	306.90	0.3	0.2	30.8	24.6	0.7	0.6
9,091,564	N/A	N/A	0.2	0.2	20.0	18.9	N/A	N/A

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**COMPUTATION OF UNDERLYING, OVERLAPPING, AND DIRECT DEBT
DECEMBER 31, 2023**

	Net G.O. Debt Outstanding	Applicable to Freeborn County	
		Percent (1)	Amount
Cities			
City of Alden	\$ 1,851,000	100.0	\$ 1,851,000
City of Conger	485,000	100.0	485,000
City of Freeborn	948,943	100.0	948,943
City of Hartland	1,091,000	100.0	1,091,000
City of Hayward	143,627	100.0	143,627
City of Manchester	68,000	100.0	68,000
City of Albert Lea	32,347,539	100.0	32,347,539
Total Cities	<u>36,935,109</u>		<u>36,935,109</u>
Independent School Districts			
No. 241	35,958,932	100.0	35,958,932
No. 242	8,195,000	99.3	8,137,635
No. 492	32,870,845	6.4	2,103,734
No. 497	3,875,000	13.8	534,750
No. 756	38,265,000	25.0	9,566,250
No. 2134	18,360,000	23.8	4,369,680
No. 2168	14,284,000	29.5	4,213,780
Total Independent School Districts	<u>151,808,777</u>		<u>64,884,761</u>
Total Overlapping Debt	188,743,886	-	101,819,870
Freeborn County Direct Debt	<u>11,500,000</u>	100.0	<u>11,500,000</u>
Totals	<u>\$ 200,243,886</u>		<u>\$ 113,319,870</u>

Source: Freeborn County Auditor/Treasurer

Note: (1) Determined by the portion of property subject to taxation by Freeborn County.

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**NEW CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>(1) Farm</u>	<u>(1) Residential</u>	<u>(1) Commercial Industrial</u>	<u>(1) Total</u>	<u>(2) Bank Deposits</u>
2014	\$ 3,497,700	\$ 7,499,100	\$ 4,534,600	\$ 15,531,400	\$ 588,000,000
2015	3,759,500	6,359,300	2,580,800	12,699,600	590,000,000
2016	1,584,500	10,808,800	2,159,200	14,552,500	618,000,000
2017	3,068,200	7,449,800	1,528,300	12,046,300	615,000,000
2018	1,508,500	7,768,900	2,644,900	11,922,300	620,000,000
2019	825,000	7,367,600	2,114,000	10,306,600	616,277,000
2020	1,177,500	7,674,700	1,756,400	10,608,600	691,000,000
2021	2,209,900	6,357,100	7,723,300	16,290,300	829,000,000
2022	3,803,700	10,597,600	15,848,400	30,249,700	851,742,000
2023	1,840,600	11,532,700	1,721,300	15,094,600	804,814,000

(1) Source: Freeborn County Assessor

(2) Source: FDIC Summary of Deposits for Freeborn County

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

COUNTY EMPLOYEES BY DEPARTMENT

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Commissioners	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Courts	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Administration	6.00	6.00	6.00	6.60	6.60	8.00	8.00	9.00	9.00	7.00
Auditor/Treasurer	8.50	7.00	6.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00
Assessor	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.50	6.50
Motor Vehicle	6.50	5.00	5.00	5.00	7.00	7.00	7.00	5.00	5.00	5.00
Information Technology	5.00	6.00	6.00	5.00	5.00	5.00	5.00	6.00	6.00	5.00
Attorney	8.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00
Recorder	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Maintenance	7.50	6.50	6.50	8.00	8.00	9.00	9.00	9.00	9.00	9.00
Veterans Service	2.00	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Medical Death Investigators	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Sheriff (1)	26.50	23.00	21.00	26.00	26.00	26.00	26.00	26.00	26.00	32.00
Dispatch (2)	-	9.00	8.00	7.00	8.00	10.00	10.00	10.00	10.00	10.00
Boat and Water Safety	0.50	-	-	-	-	-	-	-	-	-
Transport Deputies (1)	6.00	3.00	8.00	8.00	8.00	6.00	6.00	6.00	6.00	-
Detention Center	38.00	33.00	35.00	40.00	37.00	36.00	36.00	32.00	32.00	32.00
Probation and Pre-Trial	9.00	11.00	9.00	10.00	11.00	11.00	11.00	12.00	13.50	13.50
Emergency Management	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Health	26.00	25.00	24.00	31.00	33.00	36.00	36.00	32.00	33.00	33.00
Extension	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Environmental Services	9.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.00
Total General Fund	<u>183.50</u>	<u>174.00</u>	<u>174.00</u>	<u>194.60</u>	<u>197.60</u>	<u>202.00</u>	<u>202.00</u>	<u>193.00</u>	<u>197.50</u>	<u>194.00</u>
Road and Bridge Fund										
Road and Bridge	34.00	34.00	35.00	36.00	34.00	32.00	32.00	31.00	32.00	31.00
Social Services Fund										
Social Services	81.50	84.00	91.00	88.00	88.00	89.00	89.00	89.00	89.00	93.00
Ditch Fund										
Ditch	0.50	0.50	1.00	1.00	1.00	-	1.00	1.00	1.00	1.00
Total Employees	<u>299.50</u>	<u>292.50</u>	<u>301.00</u>	<u>319.60</u>	<u>320.60</u>	<u>323.00</u>	<u>324.00</u>	<u>314.00</u>	<u>319.50</u>	<u>319.00</u>

The above numbers represent full time employee equivalents

(1) Transport Deputies and Sheriff returned to one department in 2023

(2) City turned 911 Dispatch Center over to the County in 2015

Source: Freeborn County Administration

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

LABOR AGREEMENTS

Union	Number of Employees (1)	Contract Term
American Federation of State, County and Municipal Employees, AFL-CIO Council 65, Local 1018A	83	1.1.22 - 12.31.24
Minnesota Public Employees Association (Detention Deputies)	24	1.1.22 - 12.31.24
Minnesota Public Employees Association (Patrol Deputies)	18	1.1.22 - 12.31.24
Minnesota Public Employees Association (Detention Sergeants)	4	1.1.22 - 12.31.24
Minnesota Public Employees' Association (Patrol Sergeants)	3	1.1.22 - 12.31.24
Law Enforcement Labor Services, Inc. (Dispatch)	10	1.1.22 - 12.31.24
Minnesota Public Employees Association (Detectives)	2	1.1.22 - 12.31.24
Teamsters Local 320 (Jail Programmers)	1	1.1.22 - 12.31.24
Non Union	174	
Total	319.00	

(1) As of 12-31-23 and includes part-time and full-time employees

Source: County Administration

(Unaudited)

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

TEN LARGEST EMPLOYERS
CURRENT AND NINE YEARS AGO

Employer	Business/Service	2023			2014		
		Number of Employees	Rank	Percent of Total Employees	Number of Employees	Rank	Percent of Total Employees
Mayo Clinic Health Systems	Medical Services	1,000	1	6.2 %	1,200	1	7.5 %
Albert Lea Area Schools	Education	820	2	5.1	492	3	3.1
Albert Lea Select Foods	Meat Processing	490	3	3.1	500	2	3.1
Innovance (Lou-Rich & Almco)	Metal Fabrication	425	4	2.6	350	4	2.2
Freeborn County	Local Government	313	5	1.9	292	7	1.8
Riverland Community College	Post Secondary Education	300	6	1.9	296	6	1.9
Mrs. Gerry's	Food Processor	285	7	1.8	-	-	-
Hy-Vee	Retailer	260	8	1.6	285	8	1.8
Wal-Mart	Retailer	250	9	1.6	265	10	1.7
St. John's Lutheran Home	Nursing Care Facilities	221	10	1.4	-	-	-
Cargill	Food Processor	-	-	-	310	5	1.9
Good Samaritan Center	Outpatient Care Center	-	-	-	273	9	1.7
All Other Employees		<u>11,694</u>		<u>72.8</u>	<u>11,651</u>		<u>73.2</u>
Total Employees		<u>16,058</u>		<u>100.0 %</u>	<u>15,914</u>		<u>100.0 %</u>

Source: Minnesota Department of Employment and Economic Development, most current information available

(Unaudited)

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

POPULATION GROWTH COMPARISONS
LAST TEN FISCAL YEARS

Year	Freeborn County				State of Minnesota	
	Population	Percent Increase (Decrease)	Households	Percent Increase (Decrease)	Population	Percent Increase (Decrease)
2014	30,831	(0.2) %	13,123	(0.2) %	5,489,594	1.3 %
2015	30,642	(0.6)	13,071	(0.4)	5,490,216	0.0
2016	30,446	(0.6)	13,046	(0.2)	5,525,050	0.6
2017	30,550	0.3	13,121	0.6	5,576,606	0.9
2018	30,495	(0.2)	13,110	(0.1)	5,629,416	0.9
2019	30,281	(0.7)	13,009	(0.8)	5,639,632	0.2
2020	30,895	2.0	13,005	(0.0)	5,706,494	1.2
2021	30,749	(0.5)	13,076	0.5	5,707,390	0.0
2022	30,904	0.5	13,043	(0.3)	5,801,769	1.7
2023	N/A	N/A	N/A	N/A	N/A	N/A

Source: State Demographer

N/A - This information is not yet available

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**PERCENTAGE OF REGISTERED VOTERS VOTING
LAST TEN ELECTIONS**

Primary Elections				General Election			
Date	Total			Date	Total		
	Registered Voters	Number Voting	Percentage Voting		Registered Voters	Number Voting	Percentage Voting
Sept. 14, 2004	18,659	4,219	22.6 %	Nov. 2, 2004	18,918	17,775	94.0 %
Sept. 12, 2006	19,264	3,861	20.0	Nov. 7, 2006	19,378	15,252	78.7
Sept. 09, 2008	19,189	4,081	21.3	Nov. 4, 2008	19,376	17,369	89.6
Aug. 10, 2010	18,627	5,841	31.4	Nov. 2, 2010	18,716	13,564	72.5
Aug. 14, 2012	17,714	2,813	15.9	Nov. 6, 2012	17,946	16,817	93.7
Aug. 12, 2014	17,563	3,889	22.1	Nov. 4, 2014	17,709	12,528	70.7
Aug. 10, 2016	17,282	1,421	8.2	Nov. 8, 2016	17,920	16,195	90.4
Aug. 14, 2018	17,575	4,831	27.5	Nov. 6, 2018	17,716	14,109	79.6
Mar. 3, 2020	17,962	4,512	25.1	Nov. 3, 2020	19,689	16,894	85.8
Aug. 9, 2022	18,742	6,804	36.3	Nov. 8, 2022	19,026	13,129	69.0

Source: Freeborn County Auditor/Treasurer

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA**

**UNEMPLOYMENT, INCOME AND ECONOMIC VITALITY
LAST TEN FISCAL YEARS**

Year	Unemployment Percentages (1)			Personal	Per Capita Personal Income (2)		
	Freeborn County	State of Minnesota	United States	Income (2) Freeborn County	Freeborn County	State of Minnesota	United States
2014	4.2 %	4.0 %	6.2 %	\$ 1,245,146,000	\$ 40,374	\$ 48,711	\$ 46,129
2015	3.7	3.7	4.8	1,204,670,000	39,407	51,146	48,451
2016	4.4	4.0	4.5	1,219,212,000	40,045	52,038	49,246
2017	4.0	3.4	3.9	1,264,313,000	41,405	54,359	51,640
2018	3.9	3.2	3.7	1,394,588,000	45,808	57,566	54,446
2019	3.7	3.5	3.4	1,433,993,000	47,356	59,683	56,663
2020	3.4	4.6	6.5	1,529,242,000	50,364	61,540	59,729
2021	2.7	2.6	3.7	1,654,000,000	53,790	66,232	64,117
2022	2.2	3.0	3.3	1,701,058,000	55,377	68,010	65,423
2023	1.8	1.9	3.5	N/A	N/A	71,866	68,531

(1) Minnesota Department of Economic Security

(2) Per Bureau of Economic Analysis

N/A - This information is not yet available.

(Unaudited)

**FREEBORN COUNTY
ALBERT LEA, MINNESOTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
New Hires (Regular Employees)	33	51	42	42	36	31	27	22	42	45
New Hires (Temporary/Seasonal)	10	12	3	6	3	7	18	6	5	3
Total Employees Supported	300	292	301	319	321	323	324	348	353	353
Number of Parcels in County	23,010	23,060	23,024	23,057	23,110	23,253	23,314	23,327	23,334	23,347
Number of Permits in County	267	248	244	281	264	299	373	305	375	392
Adult Felony	305	286	300	356	398	271	334	270	308	270
Juvenile Felony	35	19	28	16	33	25	20	31	44	35
Adult GM	151	177	194	256	344	191	205	150	231	229
Juvenile GM	15	14	9	15	14	7	7	6	14	10
Adult Misdemeanor	419	380	319	255	306	537	201	108	255	295
Juvenile Misdemeanor	154	124	123	128	165	116	64	84	164	144
Chips	66	85	82	78	83	120	76	75	103	79
Number of Technology Requests Completed	N/A	N/A	N/A	9,100	9,035	1,350	9,748	4,300	4,755	11,875
Number of GIS External Services Provided	N/A	N/A	95	95	195	347	373	325	319	625
Office Visits - Veterans Services	2,222	2,183	2,278	2,102	1,859	1,760	741	1,024	1,824	1,932
Letters - Veterans Services	N/A	816	1,429	1,403	1,471	1,244	822	668	768	260
Phone Calls - Veterans Services	N/A	5,402	5,491	5,188	4,927	4,864	5,890	7,305	5,542	7,172
Transported Veterans to VA Medical Center	949	786	800	789	983	836	295	365	320	382
Deceased Veterans	76	134	93	92	96	82	126	125	106	112
New Veterans	N/A	N/A	115	114	98	89	61	62	47	55
Public Safety										
Adults on Supervision at End of Year	922	710	604	632	621	725	577	781	752	507
Juveniles on Supervision at End of Year	255	133	154	158	152	140	137	150	161	193
Community Service Hours Done by Offenders	6,538	7,034	7,226	7,025	7,105	6,646	6,096	5,550	5,511	3,083
Investigations (Pre-Sentence, Pre-Trial, Pre-Release)	348	438	320	330	303	319	247	180	220	199
Social Services										
Minnesota Healthcare Cases	2,362	2,593	3,723	3,741	4,050	3,730	4,484	4,780	5,089	5,029
Health										
Number of Children Enrolled in Infant Follow-Along Program	319	301	282	266	223	230	218	176	142	117
Number of Emergency Preparedness Exercises	8	6	3	4	7	6	2	-	2	-
Number of Youth Participated in Public Health Sponsored Smoking Cessation Classes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Conservation Of Natural Resources										
Extension Services Volunteers	131	137	153	283	202	198	150	97	93	96
Extension Services 4-H Enrollment	413	625	526	853	716	775	450	386	447	442
Extension Services 4-H Participants	2,531	2,464	2,292	2,843	3,646	3,652	2,214	390	432	656
Extension Services Nutrition Direct Participants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Extension Services Nutrition Direct Contacts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Environmental Services										
Landfill Tons	17,065	19,333	20,593	18,813	22,155	22,078	24,485	21,956	21,999	23,684
Demolition	8,648	9,751	9,127	945	642	622	781	781	2,103	3,900
Recycling Tons	15,716	17,601	13,286	7,192	7,643	5,548	7,101	11,009	11,170	11,177

N/A - No data available.

Source: Various County Departments

(Unaudited)

FREEBORN COUNTY
ALBERT LEA, MINNESOTA

CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government buildings	3	3	3	3	3	3	4	4	4	4
Highways:										
Miles	634	634	634	634	634	634	634	634	634	634
Buildings	9	10	10	10	10	10	10	10	10	10
Culture and Recreation:										
Parks acreage	256	256	256	256	256	256	256	256	256	256
Miles	-	13	13	13	13	13	13	13	13	13
County parks	4	4	4	4	4	4	4	4	4	4

Source: Freeborn County Highway and Administration Departments