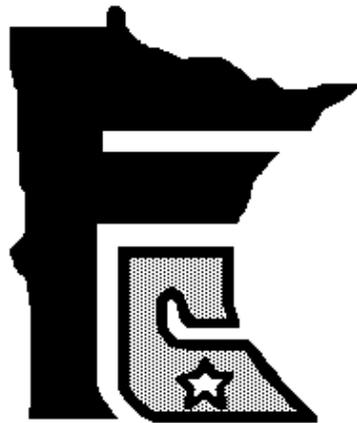


# FREEBORN COUNTY, MN



## Annual Comprehensive Financial Report For the Year Ending December 31, 2024

**FREEBORN COUNTY, MINNESOTA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2024**



**Prepared by: Freeborn County Administration**

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

FREEBORN COUNTY  
ALBERT LEA, MINNESOTA

TABLE OF CONTENTS

	Exhibit	Page
<b><u>Introductory Section</u></b>		
Letter of Transmittal		5
GFOA Certificate of Achievement		11
Elected and Appointed Officials		12
Organizational Chart		13
<b><u>Financial Section</u></b>		
Independent Auditors' Report		15
Management's Discussion and Analysis		18
<b>Basic Financial Statements</b>		
Government-Wide Financial Statements:		
Statement of Net Position - Governmental Activities	1	29
Statement of Activities - Governmental Activities	2	31
Fund Financial Statements:		
Governmental Funds		
Balance Sheet	3	34
Statement of Revenues, Expenditures, and Changes in Fund Balance	4	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Government-Wide Statement of Activities	5	40
Fiduciary Funds		
Statement of Fiduciary Net Position	6	42
Statement of Changes in Fiduciary Net Position	7	43
Notes to the Financial Statements		44
<b>Required Supplementary Information</b>		
Schedule of Changes in the Total OPEB Liability, Related Ratios, and Notes	A-1	94
Budgetary Comparison Schedules:		
General Fund	A-2	95
Road and Bridge Special Revenue Fund	A-3	98
Social Services Special Revenue Fund	A-4	99
Ditch Special Revenue Fund	A-5	100
Schedule of Proportionate Share of Net Pension Liability - General Employee's Retirement Fund (GERF)	A-6	101
Schedule of Contributions - GERF	A-7	102
Schedule of Proportionate Share of Net Pension Liability - Police and Fire Fund (P&FF)	A-8	103
Schedule of Contributions - P&FF	A-9	104
Schedule of Proportionate Share of Net Pension Liability - Correctional Fund (CF)	A-10	105
Schedule of Contributions - CF	A-11	106
Notes to the Required Supplementary Information		107
<b>Supplementary Information</b>		
Major Governmental Fund		
Budgetary Comparison Schedule - Debt Service Fund	B-1	127

FREEBORN COUNTY  
ALBERT LEA, MINNESOTA

TABLE OF CONTENTS

	Exhibit	Page
<b><u>Financial Section (Continued)</u></b>		
Fiduciary Funds		
Custodial Funds		
Combining Statement of Fiduciary Net Position	C-1	130
Combining Statement of Changes in Fiduciary Net Position	C-2	132
Other Schedules		
Schedule of Intergovernmental Revenue	D-1	135
Schedule of Expenditures of Federal Awards	D-2	137
Notes to the Schedule of Expenditures of Federal Awards		139
 <b><u>Statistical Section</u></b>		
Financial Trends:		
Net Position by Component		143
Changes in Net Position		145
Governmental Fund Balances		149
Changes in Governmental Fund Balances		151
Revenue Capacity:		
Property Tax and Special Assessment Levies and Collection		153
Assessed and Estimated Actual Value of Taxable Property		155
Principal Property Taxpayers		157
Property Tax Rates - All Direct and Overlapping Governments		158
Tax Capacity by Classification		159
Debt Capacity:		
Computation of Legal Debt Margin		160
Ratio of Outstanding Debt by Type		162
Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita		164
Computation of Underlying, Overlapping and Direct Debt		166
Demographic and Economic Information:		
New Construction and Bank Deposits		167
County Employees by Department		168
Labor Agreements		169
Ten Largest Employers		170
Population Growth Comparisons		171
Percentage of Registered Voters Voting		172
Unemployment, Income and Economic Vitality		173
Operating Information:		
Operating Indicators by Function		174
Capital Assets Statistics by Function		175

## **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: July 16, 2025**

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, 2024. 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 2025. Providing quality service to its citizens is also an important goal for the County and will continue into 2025.

The County continues to focus more and more on its youth and community wellness. It is expanding its recreational activity options by continuing to development 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 2025 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 2023 and 2024 to 2.9% and 2.8% 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 2025. 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 4.95% 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, 2023. This was the tenth 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](http://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, 2023

*Christopher P. Morrell*

Executive Director/CEO

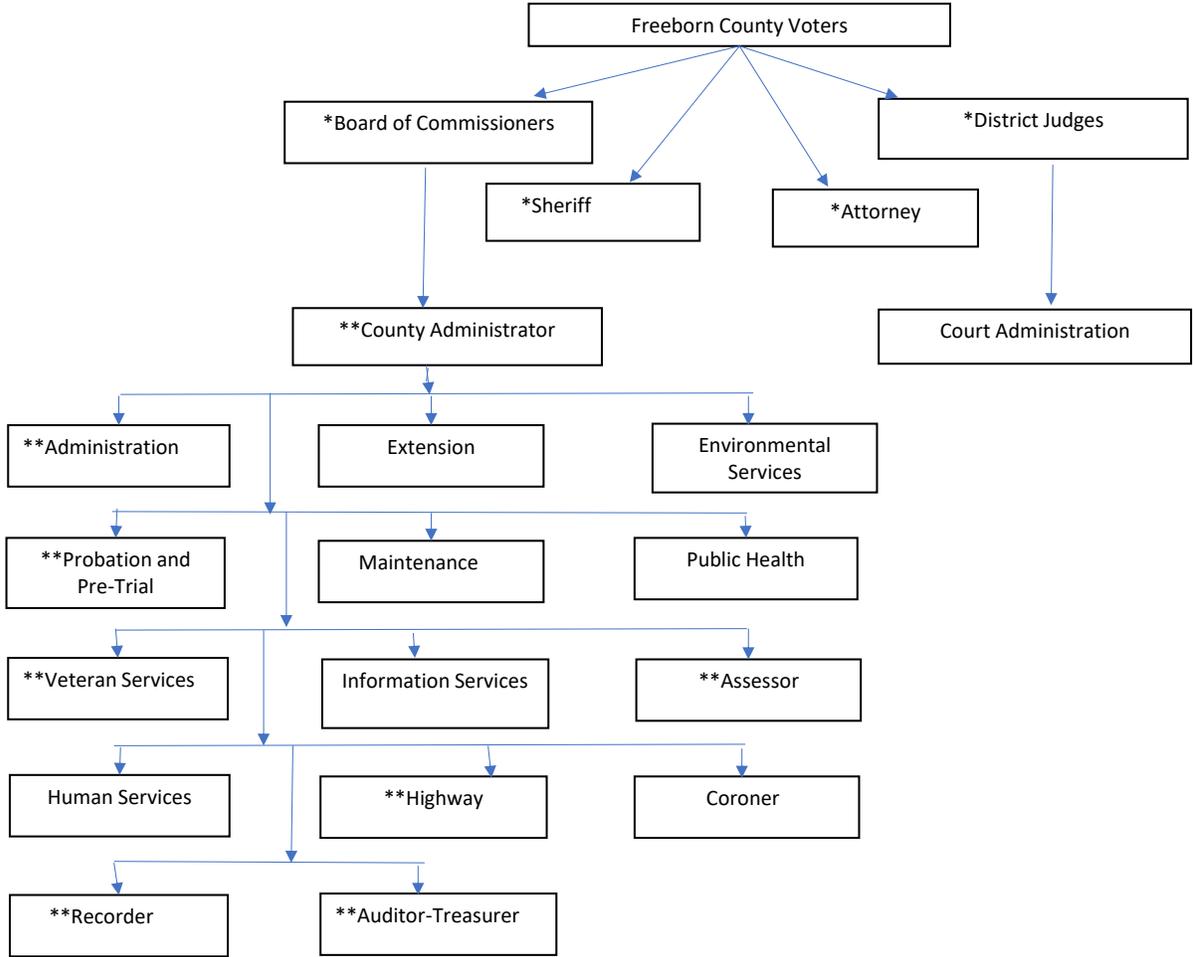
**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

**ELECTED AND APPOINTED OFFICIALS  
DECEMBER 31, 2024**

Office	Name	Term Expires
<b>Board of County Commissioners</b>		
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
<b>County Officers</b>		
<b>Elected</b>		
Attorney	David Walker	January 2027
District Judge	Ross Leuning	January 2027
District Judge	Steven Schwab	January 2027
Sheriff	Ryan Shea	January 2027
<b>Appointed</b>		
Assessor	Open Position	Indefinite
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	Heather Bagley	Indefinite

\*Chair

FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
ORGANIZATIONAL CHART  
2024



\* 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2024, and the respective changes in financial position 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 page 2 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The supplementary information 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 are presented for purposes of additional analysis and are 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, 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 July 16, 2025, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
July 16, 2025

**FREEBORN COUNTY**  
**ALBERT LEA, MINNESOTA**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(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, 2024.

**FINANCIAL HIGHLIGHTS**

- At year-end 2024, Freeborn County's assets and deferred outflows of resources exceeded its liabilities and deferred inflow of resources by \$148.6 million (net position).
- Net position consisted of:
  - ✓ \$14.0 million, or 9.4% of total net position was *restricted* for specific purposes.
  - ✓ \$126.0 million, or 84.8% of net position, represented the County's *net investment in capital assets*.
  - ✓ \$8.6 million, or 5.8% 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 2024, the County's net position increased by \$10.6 million. This increase is due to an increase in net investment of capital assets of \$4.2 million (debt amount is decreasing and the County increased the infrastructure and equipment items owned), along with an increase of deferred pension inflows of \$0.8 million which were offset by a decrease in deferred pension outflows of \$3.4 million, a decrease in bonds payable liabilities of \$0.3 million, and a net pension liabilities decrease of \$5.4 million.
- The County's governmental funds reported ending fund balances of \$36.6 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.
  - ✓ \$2.4 million, or 6.6%, 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.
  - ✓ \$10.3 million, or 28.1%, of total governmental fund balances have been restricted for specific purposes such as construction of long-term assets and repayment of refunded bonds.
  - ✓ \$9.3 million, or 25.4%, of total governmental fund balances has been committed for certain necessary purposes and will be spent in future years.
  - ✓ \$7.4 million, or 20.2%, of total governmental fund balances has been assigned for certain necessary purposes and will be spent in future years.

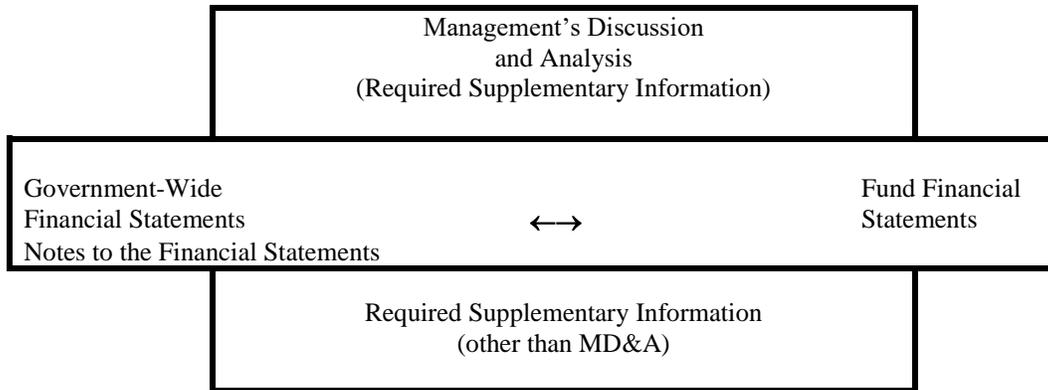
(Unaudited)

✓ \$7.2 million, or 19.7%, 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 \$20.9 million. The fund balance represents 71.5% 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 \$138,071,542 to \$148,650,749. 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	
	2024	2023
Assets		
Current and other assets	\$ 44.1	\$ 37.3
Capital assets	135.4	132.0
Total Assets	\$ 179.5	\$ 169.3
Deferred Outflows of Resources	\$ 5.1	\$ 8.6
Liabilities		
Long-term liabilities outstanding	\$ 22.2	\$ 27.1
Other liabilities	3.0	2.7
Total Liabilities	\$ 25.2	\$ 29.8
Deferred Inflows of Resources	\$ 10.8	\$ 10.0
Net Position		
Net investment in capital assets	\$ 126.0	\$ 121.8
Restricted	14.0	12.3
Unrestricted	8.6	4.0
Total Net Position	\$ 148.6	\$ 138.1

Net position of the County's governmental activities increased to \$148.6 million compared to \$138.1 million in 2023. 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 \$4.0 million at December 31, 2023, to \$8.6 million at the end of this year (2024). Unrestricted net position increased due to a decrease of net pension liability of \$5.4 million, an increase in capital assets of \$3.4 million, an increase of deferred inflows of resources related to \$0.8 million, and a decrease of deferred pension outflows of resources related to pension of \$3.5 million.

(Unaudited)

**Table 2**  
**Changes in Net Position**  
**(in millions)**

	Governmental Activities	
	2024	2023
Revenues		
Program revenues		
Fees, fines, charges, and other	\$ 9.3	\$ 8.0
Operating grants and contributions	20.0	19.3
Capital grants and contributions	1.3	0.1
General revenues		
Property taxes	27.2	26.4
Grants and contributions	2.8	2.3
Other general revenues	5.9	5.9
Total Revenues	<u>\$ 66.5</u>	<u>\$ 62.1</u>
Program Expenses		
General government	\$ 11.0	\$ 13.7
Public safety	13.1	12.1
Highways and streets	10.5	12.3
Sanitation	0.9	0.9
Human services	13.8	13.3
Health	3.6	3.4
Culture and recreation	0.5	0.4
Conservation of natural resources	2.1	2.7
Interest	0.4	0.3
Total Program Expenses	<u>\$ 55.9</u>	<u>\$ 59.1</u>
<b>Change in Net Position</b>	10.5	3.0
Net Position – January 1	<u>138.1</u>	<u>135.1</u>
Net Position at Year End	<u>\$ 148.6</u>	<u>\$ 138.1</u>

(Unaudited)

## Governmental Activities

Revenues were \$66.5 million, and expenses were \$55.9 million for the County’s governmental activities. This resulted in an increase of \$10.5 million to net position in the year ended December 31, 2024.

The amount that taxpayers ultimately financed for these activities through County taxes and other general sources was only \$25.3 million because some of the cost was paid by those who directly benefited from the programs (\$9.3 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$21.3 million). The County paid for the remaining “public benefit” portion of governmental activities with \$35.9 million in general revenues, primarily taxes, including a highway sales tax of \$2.5 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)**

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 11.0	\$ 9.5	\$ 13.7	\$ 12.7
Human services	13.8	5.6	13.3	5.7
Highway and streets	10.5	(0.1)	12.3	3.6
Public safety	13.1	9.0	12.1	8.4
Health	3.6	0.1	3.4	(0.3)
Conservation of natural resources	2.1	0.3	2.7	0.8
All others	1.8	0.9	1.6	0.8
<b>Total</b>	<b>\$ 55.9</b>	<b>\$ 25.3</b>	<b>\$ 59.1</b>	<b>\$ 31.7</b>

(Unaudited)

## 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 2024:

**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	\$ 19.1	\$ 6.2	\$ 3.0	\$ 1.6	\$ 0.7	\$ 0.4	\$ 31.0
Revenues and other financing sources	31.1	18.1	14.4	1.5	0.7	-	65.8
(Less) Expenditures and other financing uses	(29.3)	(14.9)	(14.1)	(1.3)	(0.7)	-	(60.3)
Ending Fund Balance	<u>\$ 20.9</u>	<u>\$ 9.4</u>	<u>\$ 3.3</u>	<u>\$ 1.8</u>	<u>\$ 0.7</u>	<u>\$ 0.4</u>	<u>\$ 36.5</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 increased \$1.8 million during the year primarily due to a decrease in capital outlay expenditures of \$3.3 million and an increase in charges for services revenues of \$1 million.
- Fund balances in the Road and Bridge Fund are set aside for prepaid items, liabilities and other fund purposes. The fund balance increased \$3.3 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 \$0.2 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 increased by \$0.2 million. The increase was primarily due to less expenditures for conservation.
- Fund balances in the Debt Service Fund are set aside for future principal and interest payments. The fund balance increased by approximately \$34,000 due to bond payments being slightly lower than taxes levied.

(Unaudited)

## General Fund Budgetary Highlights

The General Fund budget represents the original budget.

The original General Fund budgeted revenues were \$30.9 million. Actual revenues were below the original budget by \$0.1 million. Actual investment earning revenues exceeded the original budgeted amount by \$0.7 million due to increased interest rates during the year.

The original General Fund budgeted expenditures were \$32.0 million. Actual expenditures were under the original budget by \$2.7 million due to not spending as much on buildings, data processing and county administration.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2024, the County had \$135.3 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 \$3.2 million, or 2.4%, 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	
	2024	2023
Land	\$ 5.5	\$ 5.5
Land improvements	1.4	1.4
Work in progress	0.2	15.0
Buildings and improvements	24.2	24.7
Machinery, vehicles, furniture, and equipment	5.9	6.2
Infrastructure	98.1	79.3
Total	<u>\$ 135.3</u>	<u>\$ 132.1</u>

(Unaudited)

## Debt

At year-end, the County had \$9.3 million in bonds and notes outstanding versus \$9.6 million last year, a decrease of 3.1%, as shown in Table 6. This decrease is due to the County only paying \$0.3 million in bond payments and changes to unamortized bond premiums in 2024.

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

	Governmental Activities	
	2024	2023
General obligation bonds	\$ 9.3	\$ 9.6

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 2025 budget and tax rates.

- County General Fund expenditures for 2025 are budgeted to decrease 12% over 2024.
- The combined budget for 2025 increased \$11,065,803 or 17%, over the 2024 budget.
- Property tax levies have increased 3.5% for 2025.

## 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.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

**EXHIBIT 1**

**STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2024**

**Assets**

Cash and pooled investments	\$ 34,758,636
Petty cash and change funds	3,315
Taxes receivable	439,560
Special assessments receivable	
Prior	78,051
Noncurrent	972,000
Accounts receivable - net	1,094,885
Accrued interest receivable	131,523
Loans receivable	505,602
Due from other governments	5,560,912
Prepays	617,494
Capital assets	
Non-depreciable	6,975,107
Depreciable - net of accumulated depreciation	<u>128,380,358</u>
<b>Total Assets</b>	<b><u>\$ 179,517,443</u></b>

**Deferred Outflows of Resources**

Deferred pension outflows	\$ 5,037,213
Deferred OPEB outflows	<u>100,797</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 5,138,010</u></b>

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, 2024**

**Liabilities**

Accounts payable	\$	1,162,914
Salaries payable		835,390
Contracts payable		74,657
Due to other governments		204,434
Accrued interest payable		141,821
Noncurrent Liabilities:		
Due within one year		
Bonds and notes payable		335,000
Compensated absences		167,000
Total other postemployment benefits (OPEB) liability		94,645
Due in more than one year		
Bonds and notes payable		8,976,659
Compensated absences		2,139,925
Net pension liability		9,995,312
Total other postemployment benefits (OPEB) liability		1,126,690
		1,126,690
<b>Total Liabilities</b>	<b>\$</b>	<b><u>25,254,447</u></b>

**Deferred Inflows of Resources**

Deferred pension inflows	\$	<u>10,750,237</u>
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**Net Position**

Net investment in capital assets	\$	125,969,149
Restricted for		
General government		838,786
Public safety		717,289
Highways and streets		6,114,765
Human services		184,594
Health		434,115
Conservation of natural resources		4,771,360
Debt service		602,810
Funds held for others purposes - nonexpendable		361,388
Unrestricted		8,656,513
		8,656,513
<b>Total Net Position</b>	<b>\$</b>	<b><u><u>148,650,769</u></u></b>

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, 2024**

	<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>	
<b>Functions/Programs</b>					
<b>Primary government</b>					
<b>Governmental activities</b>					
General government	\$ 10,960,706	\$ 1,099,384	\$ 423,009	\$ -	\$ (9,438,313)
Public safety	13,094,941	2,761,370	1,330,207	-	(9,003,364)
Highways and streets	10,481,306	74,542	9,236,589	1,333,370	163,195
Sanitation	922,262	846,158	-	-	(76,104)
Human services	13,843,215	1,619,648	6,638,180	-	(5,585,387)
Health	3,575,205	1,465,840	1,971,709	-	(137,656)
Culture and recreation	530,278	36,427	-	-	(493,851)
Conservation of natural resources	2,092,678	1,398,165	368,026	-	(326,487)
Economic development	25,250	-	-	-	(25,250)
Interest	397,475	-	-	-	(397,475)
<b>Total Governmental Activities</b>	<b>\$ 55,923,315</b>	<b>\$ 9,301,534</b>	<b>\$ 19,967,720</b>	<b>\$ 1,333,370</b>	<b>\$ (25,320,691)</b>
<b>General Revenues</b>					
Property taxes				\$ 27,175,901	
Gravel taxes				116,560	
Mortgage registry and deed tax				22,202	
Wheelage taxes				627,657	
Local sales taxes				507,256	
Local highway sales tax				2,490,286	
Payments in lieu of tax				41,521	
Grants and contributions not restricted to specific programs				2,814,919	
Unrestricted investment earnings				1,673,424	
Miscellaneous				230,081	
Gain on sale of capital assets				200,111	
<b>Total General Revenues</b>				<b>\$ 35,899,918</b>	
Change in net position				\$ 10,579,227	
Net Position - Beginning				\$ 138,071,542	
<b>Net Position - Ending</b>				<b>\$ 148,650,769</b>	

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

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	<b>General</b>	<b>Road and Bridge</b>
<b><u>Assets</u></b>		
Cash and pooled investments	\$ 18,265,291	\$ 8,720,780
Petty cash and change funds	3,265	-
Taxes receivable		
Prior	439,560	-
Special assessments		
Prior	58,835	-
Noncurrent	-	-
Accounts receivable - net	339,237	-
Accrued interest receivable	130,013	-
Loans receivable	505,602	-
Due from other funds	164,137	-
Due from other governments	719,287	3,644,121
Prepays	288,353	329,141
Advances to other funds	1,929,646	-
	<b><u>\$ 22,843,226</u></b>	<b><u>\$ 12,694,042</u></b>
<b>Total Assets</b>		

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

**EXHIBIT 3**  
**(Continued)**

<u>Special Revenue Funds</u>			<u>Permanent</u>	
<u>Social Services</u>	<u>Ditch</u>	<u>Debt Service</u>	<u>Nonmajor U.S. Fish and Wildlife</u>	<u>Total</u>
\$ 2,801,461	\$ 3,850,766	\$ 744,631	\$ 375,707	\$ 34,758,636
50	-	-	-	3,315
-	-	-	-	439,560
-	19,216	-	-	78,051
-	972,000	-	-	972,000
755,648	-	-	-	1,094,885
-	-	-	1,510	131,523
-	-	-	-	505,602
389,192	-	-	-	553,329
1,183,190	14,314	-	-	5,560,912
-	-	-	-	617,494
-	-	-	-	1,929,646
<u>\$ 5,129,541</u>	<u>\$ 4,856,296</u>	<u>\$ 744,631</u>	<u>\$ 377,217</u>	<u>\$ 46,644,953</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, 2024**

	<b>General</b>	<b>Road and Bridge</b>
<b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b>		
<b>Liabilities</b>		
Accounts payable	\$ 693,488	\$ 56,867
Salaries payable	521,220	87,583
Contracts payable	74,657	-
Due to other funds	-	553,329
Due to other governments	54,855	-
Advances from other funds	-	-
	<b>\$ 1,344,220</b>	<b>\$ 697,779</b>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue	\$ 567,206	\$ 2,573,776
<b>Fund Balances</b>		
<b>Nonspendable</b>		
Advances to other funds	\$ 942,541	-
Long-term loans/notes receivable	360,165	-
Prepaid items	288,353	329,141
Missing heirs	89,435	-
Endowment permanent	-	-
<b>Restricted for</b>		
Law library	27,501	-
Recorder's technology equipment	134,352	-
Recorder's equipment	297,620	-
E-911	686,279	-
Attorney's forfeited property	58,826	-
Sheriff's forfeited property	31,010	-
Statewide housing	-	-
Local homeless aid	-	-
Highway construction projects	-	3,421,423
Gravel pit postclosure	119,566	-
Ditch maintenance and repairs	-	-
Debt service	-	-
Aquatic invasive species	320,487	-
Opioid settlement	434,115	-
Buffer strip enforcement aid	106,894	-
Sanitary sewer treatment system enforcement aid	8,888	-
<b>Committed</b>		
Highway construction projects	-	2,990,000
Individual sewage treatment system	322,560	-
Capital equipment	598,893	-
IT hardware	490,000	-
Trail maintenance	585,570	-
Computer purchases	500,000	-
Payroll	750,000	-
Economic development	750,000	-
Community college	100,000	-
Tax software	250,000	-
Elections	120,184	-
Self insurance	1,800,000	-
<b>Assigned</b>		
Subsequent year's appropriated budget	1,603,799	-
Road and bridge	-	2,681,923
Social services	-	-
Unassigned	9,154,762	-
	<b>\$ 20,931,800</b>	<b>\$ 9,422,487</b>
	<b>\$ 22,843,226</b>	<b>\$ 12,694,042</b>

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 and OPEB 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</u>	
<u>Social Services</u>	<u>Ditch</u>	<u>Debt Service</u>	<u>Nonmajor U.S. Fish and Wildlife</u>	<u>Total</u>
\$ 350,896	\$ 61,663	\$ -	\$ -	\$ 1,162,914
223,854	2,733	-	-	835,390
-	-	-	-	74,657
-	-	-	-	553,329
117,983	15,767	-	15,829	204,434
-	1,929,646	-	-	1,929,646
<u>\$ 692,733</u>	<u>\$ 2,009,809</u>	<u>\$ -</u>	<u>\$ 15,829</u>	<u>\$ 4,760,370</u>
<u>\$ 1,158,576</u>	<u>\$ 1,005,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,305,088</u>
\$ -	\$ -	\$ -	\$ -	\$ 942,541
-	-	-	-	360,165
-	-	-	-	617,494
-	-	-	-	89,435
-	-	-	361,388	361,388
-	-	-	-	27,501
-	-	-	-	134,352
-	-	-	-	297,620
-	-	-	-	686,279
-	-	-	-	58,826
-	-	-	-	31,010
108,364	-	-	-	108,364
76,230	-	-	-	76,230
-	-	-	-	3,421,423
-	-	-	-	119,566
-	3,700,290	-	-	3,700,290
-	-	744,631	-	744,631
-	-	-	-	320,487
-	-	-	-	434,115
-	-	-	-	106,894
-	-	-	-	8,888
-	-	-	-	2,990,000
-	-	-	-	322,560
-	-	-	-	598,893
-	-	-	-	490,000
-	-	-	-	585,570
-	-	-	-	500,000
-	-	-	-	750,000
-	-	-	-	750,000
-	-	-	-	100,000
-	-	-	-	250,000
-	-	-	-	120,184
-	-	-	-	1,800,000
-	-	-	-	1,603,799
-	-	-	-	2,681,923
3,093,638	-	-	-	3,093,638
-	(1,859,333)	-	-	7,295,429
<u>3,278,232</u>	<u>1,840,957</u>	<u>744,631</u>	<u>361,388</u>	<u>36,579,495</u>
<u>\$ 5,129,541</u>	<u>\$ 4,856,296</u>	<u>\$ 744,631</u>	<u>\$ 377,217</u>	
				135,355,465
				5,138,010
				(22,977,052)
				(10,750,237)
				<u>5,305,088</u>
				<u>\$ 148,650,769</u>

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, 2024**

	General	Road and Bridge
<b>Revenues</b>		
Taxes	\$ 16,036,136	\$ 8,465,124
Special assessments	796,532	-
Licenses and permits	114,519	29,320
Intergovernmental	6,444,776	9,637,744
Charges for services	4,748,490	17,260
Fines and forfeits	17,594	-
Gifts and contributions	10,730	-
Investment earnings	1,694,592	-
Miscellaneous	933,147	27,962
	<b>\$ 30,796,516</b>	<b>\$ 18,177,410</b>
<b>Expenditures</b>		
<b>Current</b>		
General government	\$ 9,685,387	\$ -
Public safety	12,277,445	-
Highways and streets	-	6,965,558
Sanitation	901,282	-
Human services	-	-
Health	3,623,778	-
Culture and recreation	518,736	-
Conservation of natural resources	875,865	-
Economic development	25,250	-
<b>Intergovernmental</b>		
Highways and streets	-	480,769
<b>Capital outlay</b>		
General Government	161,494	-
Public Safety	782,992	-
Highways and streets, including infrastructure	199,080	6,912,051
Conservation	69,782	-
Culture and Recreation	135,579	-
<b>Debt service</b>		
Principal	-	-
Interest	-	-
Administrative (fiscal) charges	-	-
	<b>\$ 29,256,670</b>	<b>\$ 14,358,378</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 1,539,846</b>	<b>\$ 3,819,032</b>
<b>Other Financing Sources (Uses)</b>		
Transfers in	\$ 164,137	\$ -
Transfers out	-	(553,329)
Proceeds from sale of capital assets	106,302	-
	<b>\$ 270,439</b>	<b>\$ (553,329)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,810,285</b>	<b>\$ 3,265,703</b>
<b>Fund Balance - January 1</b>	<b>19,121,515</b>	<b>6,156,784</b>
<b>Fund Balance - December 31</b>	<b>\$ 20,931,800</b>	<b>\$ 9,422,487</b>

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
\$ 5,678,698	\$ -	\$ 707,039	\$ -	\$ 30,886,997
-	1,497,375	-	-	2,293,907
-	-	-	-	143,839
6,750,893	1,925	-	-	22,835,338
1,394,440	-	-	-	6,160,190
2,810	-	-	-	20,404
1,625	-	-	-	12,355
-	-	-	15,828	1,710,420
222,000	14,345	-	-	1,197,454
<b>\$ 14,050,466</b>	<b>\$ 1,513,645</b>	<b>\$ 707,039</b>	<b>\$ 15,828</b>	<b>\$ 65,260,904</b>
\$ -	\$ -	\$ -	\$ -	\$ 9,685,387
368,621	-	-	-	12,646,066
-	-	-	-	6,965,558
-	-	-	-	901,282
13,842,077	-	-	-	13,842,077
-	-	-	-	3,623,778
-	-	-	-	518,736
-	1,183,920	-	15,828	2,075,613
-	-	-	-	25,250
-	-	-	-	480,769
-	-	-	-	161,494
-	-	-	-	782,992
-	-	-	-	7,111,131
-	-	-	-	69,782
-	-	-	-	135,579
-	-	325,000	-	325,000
-	73,151	346,870	-	420,021
-	-	350	-	350
<b>\$ 14,210,698</b>	<b>\$ 1,257,071</b>	<b>\$ 672,220</b>	<b>\$ 15,828</b>	<b>\$ 59,770,865</b>
<b>\$ (160,232)</b>	<b>\$ 256,574</b>	<b>\$ 34,819</b>	<b>\$ -</b>	<b>\$ 5,490,039</b>
\$ 389,192	\$ -	\$ -	\$ -	\$ 553,329
-	-	-	-	(553,329)
-	-	-	-	106,302
<b>\$ 389,192</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 106,302</b>
\$ 228,960	\$ 256,574	\$ 34,819	\$ -	\$ 5,596,341
3,049,272	1,584,383	709,812	361,388	30,983,154
<b>\$ 3,278,232</b>	<b>\$ 1,840,957</b>	<b>\$ 744,631</b>	<b>\$ 361,388</b>	<b>\$ 36,579,495</b>

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, 2024**

**Net change in fund balances - total governmental funds (Exhibit 4) \$ 5,596,341**

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	\$ 5,305,088	
Unavailable revenue - January 1	(4,268,005)	1,037,083

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	\$ 8,260,978	
Net book value of assets disposed	(159,104)	
Current year depreciation	(4,804,356)	3,297,518

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		325,000

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	\$ 9,914	
Change in net pension liability	5,385,407	
Change in other postemployment benefits	(663,941)	
Change in compensated absences	(234,146)	
Amortization of discounts/premiums	12,982	
Change in deferred outflows of resources	(3,412,990)	
Change in deferred inflows of resources	(773,941)	323,285

**Change in Net Position of Governmental Activities (Exhibit 2) \$ 10,579,227**

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, 2024**

	<b>Social Welfare Private-Purpose Trust Fund</b>	<b>Custodial Funds</b>
<b><u>Assets</u></b>		
Cash and pooled investments	\$ 60,951	\$ 1,806,071
Interest receivable	253	-
Taxes receivable	-	439,560
Special assessments receivable	-	323,427
Accounts receivable	-	38,069
	<b>\$ 61,204</b>	<b>\$ 2,607,127</b>
<b><u>Liabilities</u></b>		
Accounts payable	\$ 3,928	\$ -
Due to other governments	-	1,429,310
Loans payable	-	323,427
	<b>\$ 3,928</b>	<b>\$ 1,752,737</b>
<b><u>Net Position</u></b>		
Restricted for Individuals, organizations, other governments	\$ 57,276	\$ 854,390
	<b>\$ 57,276</b>	<b>\$ 854,390</b>

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, 2024**

	<u>Social Welfare Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
<b>Additions</b>		
Contributions:		
Individuals	\$ 663,658	\$ 660,471
Other entities	-	20,000
Investment earnings:		
Interest, dividends, other	2,974	3,934
Property tax collections for other governments	-	67,223,374
Special assessments	-	280,385
License and fees collected for state	-	8,785,453
Miscellaneous	-	822,257
<b>Total Additions</b>	<b><u>\$ 666,632</u></b>	<b><u>\$ 77,795,874</u></b>
<b>Deductions</b>		
Beneficiary payments to individuals	\$ 667,875	\$ 632,893
Payments of property tax to other governments	-	67,408,872
Payments to state	-	8,811,303
Payments to vendors	-	967,085
Payments to other entities	-	117,788
<b>Total Deductions</b>	<b><u>\$ 667,875</u></b>	<b><u>\$ 77,937,941</u></b>
<b>Change in net position</b>	<b><u>\$ (1,243)</u></b>	<b><u>\$ (142,066)</u></b>
<b>Net Position – January 1</b>	<b><u>\$ 58,519</u></b>	<b><u>\$ 996,456</u></b>
<b>Net Position – December 31</b>	<b><u><u>\$ 57,276</u></u></b>	<b><u><u>\$ 854,390</u></u></b>

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, 2024**

**GUIDE TO NOTES**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	45
2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS.....	54
3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY.....	55
4. CASH, DEPOSITS, AND INVESTMENTS.....	56
5. RECEIVABLES, UNEARNED AND UNAVAILABLE REVENUE.....	62
6. CAPITAL ASSETS.....	63
7. INTERFUND RECEIVABLES AND PAYABLES.....	64
8. LONG-TERM DEBT.....	65
9. FUND BALANCES.....	67
10. POST-EMPLOYMENT BENEFITS.....	68
11. SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS.....	87

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2024. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

**A. Financial Reporting Entity**

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 2024.

<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, 2024**

**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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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.

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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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.

**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, 2024. 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 2024 were \$1,710,420.

**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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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.

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 County's employee vacation, sick, and personal time off policies generally provide for granting leave with pay in varying amounts. Benefits considered more likely than not to be used as leave or settled at separation are recognized as a liability in the financial statements. The liability for vacation, sick and personal time off is reported in the governmental funds when the leave is used or matured as a result of employee terminations, resignations or retirements.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Other Postemployment Benefits Liability (OPEB Liability):** Freeborn County provides a single employer defined benefit healthcare plan to eligible retirees and their spouses. The plan offers medical benefits the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses were measured actuarially in accordance with GASB Statement No. 75 based on the Entry Age Normal cost method. The OPEB liability is liquidated through the General Fund and Special Revenue Funds.

**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 two items, deferred pension outflows and deferred OPEB outflows, that qualify for reporting in this category. These outflows arise only under the accrual basis of accounting.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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. The deferred OPEB outflow is related to OPEB obligations. The deferred outflows for OPEB are related to contributions after the pension plan's measurement date.

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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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.

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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**FREEBORN COUNTY**  
**ALBERT LEA, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**Adoption of New Accounting Standards:** In June 2022, the Governmental Accounting Standards Board (GASB) issued statement No. 101, *Compensated Absences*. This statement requires liabilities for compensated absences to be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributed to services rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024. The County adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption. 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, 2024**

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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**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 \$22,977,052 difference are as follows:

G.O. bonds payable	\$ 9,065,000
Plus: Issuance premium (to be amortized over life of debt)	246,659
Accrued interest payable	141,821
Net pension liability	9,995,312
Other postemployment benefit liability	1,221,335
Compensated absences	<u>2,306,925</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position – governmental activities	<u>\$ 22,977,052</u>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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**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, 3 of the County’s individual ditches had fund balance deficits.

Account balances	\$ 3,700,290
Account deficits	<u>(1,859,333)</u>
Fund Balance - Modified Accrual Basis	<u>\$ 1,840,957</u>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**4. CASH, DEPOSITS, AND INVESTMENTS**

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**Deposits**

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

Governmental activities	
Cash and pooled investments	\$ 34,758,636
Petty cash and change funds	3,315
Fiduciary funds	
Cash and pooled investments	
Private-Purpose Trust Fund	60,951
Custodial funds	<u>1,806,071</u>
 Total Cash and Investments	 <u><u>\$ 36,628,973</u></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, 2024, the County’s deposits were not exposed to custodial credit risk.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2024**

coverage and excess SIPC coverage available. Securities purchased that exceed SIPC coverage shall be transferred to the County custodian. As of December 31, 2024, 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, 2024, 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					
INB Natl Assn Spri IL US	N/A	N/A	<5%	06-Jan-25	\$ 247,978
Mainstreet BK VA US	N/A	N/A	<5%	10-Feb-25	141,021
Texas Exchange BK TX US	N/A	N/A	<5%	12-Feb-25	243,915
CIBC Bank USA IL US	N/A	N/A	<5%	24-Feb-25	243,973
Amer Express Natl UT US	N/A	N/A	<5%	03-Mar-25	243,954
Popular Bank NY US	N/A	N/A	<5%	17-Mar-25	243,770
Pinnacle Bank TN US	N/A	N/A	<5%	24-Mar-25	248,466
Ally Bk UT US	N/A	N/A	<5%	28-Apr-25	243,917
Generations BK AR US	N/A	N/A	<5%	06-May-25	243,878
Toyota Finl Svg BK NV US	N/A	N/A	<5%	19-Aug-25	239,708
Sofi BK UT US	N/A	N/A	<5%	19-Sep-25	244,983
City Natl BK CA US	N/A	N/A	<5%	24-Nov-25	245,745
BMO Harris BK NA IL US	N/A	N/A	<5%	26-Feb-26	235,781
Bank Pontiac Illin IL US	N/A	N/A	<5%	20-Apr-26	245,100
LCA BK Corp UT US	N/A	N/A	<5%	18-May-26	245,330
Discover Bank	N/A	N/A	<5%	26-Jun-26	239,987
Beal Bank NV US	N/A	N/A	<5%	17-Feb-27	234,264
Beal Bank Plano TX US	N/A	N/A	<5%	17-Feb-27	234,264
Medallion Bank UT US	N/A	N/A	<5%	08-Mar-27	234,681
Celtic Bank UT US	N/A	N/A	<5%	06-Mar-28	230,354
Uninvest B&T CO PA US	N/A	N/A	<5%	12-May-28	251,712
Pitney Bowes BK CT US	N/A	N/A	<5%	17-May-28	247,018
Total negotiable certificates of deposit					\$ 5,229,799
Municipal Bonds					
Madison Heights MI	AA-	S&P	<5%	01-Jan-25	\$ 225,000
Hermantown MN Indep Sch Dist	Aa1	Moody's	<5%	01-Feb-25	219,360
Burlington Cnty N J for Issues	AA+	S&P	<5%	01-Sep-25	239,943
New York N Y City Transitional	Aa1	Moody's	<5%	01-Feb-26	246,390
San Mateo City Calif	Aa1	Moody's	<5%	01-May-26	276,319

**FREEBORN COUNTY**  
**ALBERT LEA, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

Investment Type	Credit Risk		Concentration	Interest	Carrying (Fair) Value
	Credit Rating	Rating Agency	Risk Over 5% of Portfolio	Rate Risk Maturity Date	
Kay Cnty Okla Indpt Sch Dist	Aa1	Moody's	<5%	01-May-26	502,850
Morris Cnty N J Impt Auth	AAA	S&P	<5%	15-Jun-26	394,906
Nogales Ariz Rev Oblig	AA+	S&P	<5%	01-Jun-26	195,066
New York N Y Taxable GO BDS	AA	S&P	<5%	01-Aug-26	237,950
New York St	AA	S&P	<5%	15-Feb-27	186,393
New York N Y City Transitional	AA+	S&P	<5%	01-May-27	142,380
Wisconsin ST Gen FD Annual	AAA	S&P	<5%	01-May-27	485,290
District Columbia Rev For	AAA	S&P	<5%	01-Jun-27	424,432
Buena PK Calif Pension Oblig	AA	S&P	<5%	01-Jul-27	203,342
Encinitas Calif UN Sch Dist	AA	S&P	<5%	01-Aug-27	165,559
Norwood Mass Ref Taxable	AA	S&P	<5%	15-Aug-27	324,090
Allen Tex Economic Dev Corp	AA	S&P	<5%	01-Sep-27	152,500
Corona Calif Pension Oblig	AA	S&P	<5%	01-May-28	458,940
New York N Y Taxable GO BDS	AA	S&P	<5%	01-Aug-28	140,313
San Luis Unit/Westlands Wtr	AA	S&P	<5%	01-Sep-28	226,561
Phoenixville PA Area Sch Dist	AA	S&P	<5%	15-Nov-28	459,555
<b>Total municipal bonds</b>					<b>\$ 5,907,139</b>
<b>Treasury Notes</b>					
FHLB Bond	N/A	N/A	<5%	25-Feb-28	\$ 271,023
FNMA Bond	N/A	N/A	<5%	01-Aug-28	482,800
FHLMC Bond	N/A	N/A	<5%	01-Jan-30	1,089,451
FNMA PL Bond	N/A	N/A	<5%	01-Jan-29	1,099,230
FHLMC PL Bond	N/A	N/A	<5%	01-Jan-29	684,352
FHLMC PL Bond	N/A	N/A	<5%	01-Jan-29	1,003,890
FHLMC PL Bond	N/A	N/A	<5%	01-Jun-29	246,785
FNMA PL Bond	N/A	N/A	<5%	01-Oct-29	758,082
FHLMN PL Bond	N/A	N/A	<5%	01-Jan-30	389,144
FHLMN PL Bond	N/A	N/A	<5%	01-Jan-30	584,880
<b>Total treasury notes</b>					<b>\$ 6,609,637</b>
<b>Money markets</b>					
Magic	N/A	N/A	N/A	N/A	\$ 13,297,761
UBS Financial Services Inc.	Aaa	Moody's	N/A	N/A	164,728
<b>Total money markets</b>					<b>\$ 13,462,489</b>
<b>Total investments and money markets</b>					<b>\$ 31,209,064</b>
<b>Deposits</b>					<b>\$ 5,416,594</b>
Petty cash					3,315
<b>Total Cash and Investments</b>					<b>\$ 36,628,973</b>

N/A - Not applicable

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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 31, 2024(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.

At December 31, 2024, the Freeborn County had the following recurring fair value measurements.

	December 31, 2024	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	\$ 5,229,799	\$ -	\$ 5,229,799	\$ -
Municipal bonds	5,907,139	-	5,907,139	-
U.S. Treasury Note	<u>6,609,637</u>	<u>6,609,637</u>	<u>-</u>	<u>-</u>
 Total Investments included in the Fair value hierarchy	 <u>\$ 17,746,575</u>	 <u>\$ 6,609,637</u>	 <u>\$ 11,136,938</u>	 <u>\$ -</u>
 Investments at Amortized Cost				
MAGIC Portfolio Money Market Fund	\$ 13,297,761			
UBS Financial Services Inc. Money Market	<u>164,278</u>			
 Total Investments at Amortized Cost	 <u>\$ 13,462,489</u>			
 Total investments	 \$ 31,209,064			
Cash and Cash equivalents	<u>5,419,909</u>			
Total Cash and Investments	<u>\$ 36,628,973</u>			

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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, 2024**

**5. RECEIVABLES, UNEARNED AND UNAVAILABLE REVENUE**

**Receivables**

Receivables as of December 31, 2024, 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	\$ 439,560	\$ -	\$ 439,560	\$ -
Special assessments	1,050,051	-	1,050,051	991,216
Accounts	2,053,555	(958,670)	1,094,885	576,029
Accrued interest	131,523	-	131,523	-
Loans	505,602	-	505,602	360,165
Due from other governments	5,560,912	-	5,560,912	-
Total Governmental Activities	<u>\$ 9,741,203</u>	<u>\$ (958,670)</u>	<u>\$ 8,782,533</u>	<u>\$ 1,927,410</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 16 individual loans, ranging from a low of \$1,157 to a high of \$21,233, that make up the loans receivable balance of \$132,175. Turtle Creek Watershed loan began in 2018 with a term of 8 years. Interest rate is 5% with a \$64,933 balance remaining on the loan. Another Turtle Creek Watershed loan began in 2021 with a term of 7 years. Interest rate is 5% with a \$258,494 balance remaining on the loan. An Oakland Sanitary District loan began in 2024 with a term of 10 years. Interest rate is 4.9% with a \$50,000 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	\$ 404,298	\$ 162,908	\$ 567,206
Road and Bridge Fund	-	2,573,776	2,573,776
Social Services Fund	-	1,158,576	1,158,576
Ditch Fund	991,216	14,314	1,005,530
Total	<u>\$ 1,395,514</u>	<u>\$ 3,909,574</u>	<u>\$ 5,305,088</u>

**FREEBORN COUNTY**  
**ALBERT LEA, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**6. CAPITAL ASSETS**

Governmental activities capital asset activity for the year ended December 31, 2024, 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	1,358,309	-	-	1,358,309
Work in process				
Building improvements and road construction	15,030,712	151,132	15,152,330	29,514
Machinery, furniture, and equipment	-	130,074	-	130,074
Total capital assets not depreciated	<u>\$ 21,846,231</u>	<u>\$ 281,206</u>	<u>\$ 15,152,330</u>	<u>\$ 6,975,107</u>
Capital assets depreciated				
Buildings and improvements	\$ 40,952,398	\$ 738,525	-	\$ 41,690,923
Other land improvements	219,874	-	-	219,874
Machinery, furniture, and equipment	13,557,522	1,009,603	311,718	14,255,407
Infrastructure – sewer	2,277,837	-	-	2,277,837
Infrastructure – highway	135,832,174	21,236,984	1,021,174	156,047,984
Total capital assets depreciated	<u>\$ 192,839,805</u>	<u>\$ 22,985,112</u>	<u>\$ 1,332,892</u>	<u>\$ 214,492,025</u>
Less: accumulated depreciation for				
Buildings and improvements	\$ 16,362,530	\$ 1,173,871	68,770	\$ 17,467,631
Other land improvements	118,158	12,797	-	130,955
Machinery, furniture, and equipment	7,349,291	1,300,352	278,971	8,370,672
Infrastructure – sewer	555,121	45,469	-	600,590
Infrastructure – highway	58,242,988	2,271,867	973,037	59,541,818
Total accumulated depreciation	<u>\$ 82,628,088</u>	<u>\$ 4,804,356</u>	<u>\$ 1,320,778</u>	<u>\$ 86,111,666</u>
Total capital assets depreciated, net	<u>\$ 110,211,717</u>	<u>\$ 18,180,756</u>	<u>\$ 12,114</u>	<u>\$ 128,380,359</u>
Capital Assets, Net	<u>\$ 132,057,948</u>	<u>\$ 18,461,962</u>	<u>\$ 15,164,444</u>	<u>\$ 135,355,466</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 1,256,441
Public safety	239,223
Highways and streets, including depreciation of infrastructure assets	3,124,016
Human Services	77,534
Conservation	66,992
Culture and Recreation	19,170
Sanitation	20,980
Total Depreciation Expense - Governmental Activities	<u>\$ 4,804,356</u>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**7. INTERFUND RECEIVABLES AND PAYABLES**

The composition of inter-fund balances as of December 31, 2024, 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	\$ 389,192
Transfers to General Revenue Fund from Road and Bridge Special Revenue Fund	Move excess fund balance	164,137
Total Transfers In		\$ 553,329

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. Road and Bridge Special Revenue Fund had an excess of \$553,329 which is due to the Social Services Special Revenue Fund of \$389,192 and committed to capital assets of \$164,137.

Description	Amount
Due to Social Services Special Revenue Fund from Road and Bridge Special Revenue Fund	\$ 389,192
Due to General Fund from Road and Bridge Special Revenue Fund	164,137
Total Due To/From Other Funds	\$ 553,329

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 \$389,192 which is due from the Road and Bridge Special Revenue Fund. Road and Bridge Special Revenue Fund had an excess of \$553,329 which is due to the Social Services Special Revenue fund and \$164,137 which is due to the General Fund.

Advances From/To Other Funds		
From	To	Amount
General Fund	Ditch Special Revenue Fund	\$ 1,929,646
Total Advances To/From Other Funds		\$ 1,929,646

Advances were made to cover shortfalls/timing differences between payments and receipts. \$942,541 is expected to be long term. The rest, \$987,105 is expected to be collected within the year.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**8. LONG-TERM DEBT**

**Debt Payable**

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2024
<u>General Obligation Bonds</u>					
2022A G.O. Capital Improvement Bonds	2043	\$ 325,000 - 660,000	3.00 - 4.00	\$ 9,390,000	\$ 9,065,000
Total General Obligation Bonds				<u>\$ 9,390,000</u>	\$ 9,065,000
Plus: Unamortized Premium					<u>246,659</u>
					<u>\$ 9,311,659</u>

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

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2025	\$ 335,000	\$ 335,345
2026	350,000	323,320
2027	365,000	309,020
2028	380,000	294,120
2029	390,000	280,670
2030-2034	2,155,000	1,203,900
2035-2039	2,600,000	766,000
2040-2043	<u>2,490,000</u>	<u>204,200</u>
Total	<u>\$ 9,065,000</u>	<u>\$ 3,716,575</u>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Changes in Long-Term Liabilities**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General obligation bonds	\$ 9,390,000	\$ -	\$ 325,000	\$ 9,065,000	\$ 335,000
Plus unamortized premium	259,641	-	12,982	246,659	-
Total bonds payable	<u>\$ 9,649,641</u>	<u>\$ -</u>	<u>\$ 337,982</u>	<u>\$ 9,311,659</u>	<u>\$ 335,000</u>
Compensated absences*	<u>2,072,779</u>	<u>234,146</u>	<u>-</u>	<u>2,306,925</u>	<u>167,000</u>
Long-Term Liabilities	<u>\$ 11,722,420</u>	<u>\$ 234,146</u>	<u>\$ 337,982</u>	<u>\$ 11,618,584</u>	<u>\$ 502,000</u>

\*The change in compensated absences payable is presented as a net change.

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.

**Property Assessed Clean Energy (MinnPACE) Loan Program**

The County has entered into an agreement with the Saint Paul Port Authority to facilitate the implementation and administration of the MinnPACE loan program. Through this program, qualifying commercial building owners within the County can receive loans from the Port Authority for the purpose of financing energy efficiency and conservation building improvement projects. While the County is not liable for the repayment of the loans in any manner, it does have certain responsibilities under the agreement. By participating, the County has agreed to: (1) levy assessments against the related properties in accordance with the loan agreements between the Port Authority and property owners, (2) collect scheduled assessment payments, and (3) transfer all collections to the Port Authority. The County has met those responsibilities for 2024. At December 31, 2024, the outstanding PACE loans to be collected by the County are \$5,153,446.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**9. FUND BALANCES**

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

General Fund	\$9,154,762
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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, 2024**

**10. POST-EMPLOYMENT BENEFITS**

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**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). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

**General Employees Retirement Plan (General Plan)**

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

**Public Employees Police and Fire Retirement Plan (Police and Fire Plan)**

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

**Public Employees Local Government Correctional Service Retirement Plan (Correctional Plan)**

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

**Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

**General Employees Plan Benefits**

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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

**Police and Fire Plan Benefits**

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

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

**Correctional Plan Benefits**

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

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

**Contributions**

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

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**General Employees Fund Contributions**

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the County was required to contribute 7.50% for General Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2024, were \$1,380,904. The County's contributions were equal to the required contributions as set by state statute.

**Police and Fire Fund Contributions**

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2024 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$392,933. 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 2024 and the County was required to contribute 8.75% for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2024, were \$205,879. 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, 2024, the County reported a liability of \$7,817,942 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 \$202,156.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

County's proportionate share of the net pension liability	\$	7,817,942
State of Minnesota's proportionate share of the net liability associated with the County		<u>202,156</u>
Total	\$	<u><u>8,020,098</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was .2115% at the end of the measurement period and .2220% for the beginning of the period.

For the year ended December 31, 2024, the County recognized pension expense of \$674,020 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$2,505 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$359,698 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 735,091	\$ -
Changes in actuarial assumptions	38,170	2,958,963
Net difference between projected and actual earnings on pension plan investments	-	2,270,265
Changes in proportion	172,164	536,477
Employer contributions subsequent to the measurement date (to be calculated by employer)	699,993	-
Total	<u>\$ 1,645,418</u>	<u>\$ 5,765,704</u>

The \$699,993 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Pension Expense Amount</u>
2025	\$ (2,593,270)
2026	(504,558)
2027	(1,123,259)
2028	(599,192)

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Police and Fire Fund Pension Costs**

At December 31, 2024, the County reported a liability of \$1,903,350 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportionate share of the net pension liability was based on the County’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was .1447% at the end of the measurement period and .1485% for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota’s proportionate share of the net pension liability associated with the County totaled \$72,555.

County's proportionate share of the net pension liability	\$	1,903,350
State of Minnesota's proportionate share of the net liability associated with the County		72,555
Total	\$	1,975,905

For the year ended December 31, 2024, the County recognized pension expense of \$295,186 for its proportionate share of the Police and Fire Plan’s pension expense. The County recognized \$28,524 as grant revenue and pension expense for its proportionate share of the State of Minnesota’s pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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 \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$28,063 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 741,751	\$ -
Changes in actuarial assumptions	2,092,276	2,802,732
Net difference between projected and actual earnings on pension plan investments	-	618,875
Changes in proportion	41,422	253,761
Employer contributions subsequent to the measurement date (to be calculated by employer)	200,625	-
Total	<u>\$ 3,076,074</u>	<u>\$ 3,675,368</u>

The \$200,625 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Pension Expense Amount</u>
2025	\$ (179,267)
2026	428,170
2027	(332,662)
2028	(786,765)
2029	70,605

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Correctional Plan Pension Costs**

At December 31, 2024, the County reported a liability of \$274,020 for its proportionate share of the Correctional Plan’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportionate share of the net pension liability was based on the County’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was .8990% at the end of the measurement period and .8900% for the beginning of the period.

For the year ended December 31, 2024 the County recognized pension expense of \$401,086 for its proportionate share of the Correctional Plan’s pension expense.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$5.3 million to the Correctional Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the Correctional Plan pension allocation schedules for the \$5.3 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$47,255 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Correctional Employees Fund.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 194,235	\$ -
Changes in actuarial assumptions	-	927,080
Net difference between projected and actual earnings on pension plan investments	-	380,490
Changes in proportion	17,857	1,595
Employer contributions subsequent to the measurement date (to be calculated by employer)	103,629	-
Total	<u>\$ 315,721</u>	<u>\$ 1,309,165</u>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

The \$103,629 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Pension Expense Amount</u>
2025	\$ (1,012,582)
2026	160,146
2027	(142,222)
2028	(102,415)

**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	\$ 7,817,942	\$ 1,903,350	\$ 274,020	\$ 9,995,312
Deferred Outflows of Resources				
Related to Pensions	1,645,418	3,076,074	315,721	5,037,213
Deferred Inflows of Resources				
Related to Pensions	5,765,704	3,675,368	1,309,165	10,750,237
Pension Expense	676,525	323,710	401,086	1,401,321

**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:

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan, Police & 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 & 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% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 11.75% after one year of service to 3% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11% at age 20 to 3% at age 60.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

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

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

**General Employees Fund**

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Police and Fire Fund**

Changes in Plan Provisions:

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

**Correctional Fund**

Changes in Plan Provisions:

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

**Discount Rate**

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

**FREEBORN COUNTY**  
**ALBERT LEA, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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:

<b>Sensitivity Analysis (In Thousands)</b>						
Net Pension Liability (Asset) at Different Discount Rates						
		General Employees		Police and Fire		Correctional
		Fund		Fund		Fund
1% Lower	6.00%	\$17,075,644	6.00%	\$4,497,989	6.00%	\$2,226,738
Current Discount Rate	7.00%	\$7,817,942	7.00%	\$1,903,350	7.00%	\$274,019
1% Higher	8.00%	\$202,638	8.00%	(\$227,391)	8.00%	(\$1,281,626)

**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](http://www.mnpera.org).

**Public Employees Defined Contribution Plan (Defined Contribution Plan)**

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D and 356, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent 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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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 two percent of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

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

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 6,349	\$ 6,349	5%	5%	5%

**Other Post Employment Benefits (OPEB)**

**Plan Description**

In addition to providing a pension benefits plan, the County provides postemployment health care benefits for eligible retired employees, spouses, and dependents through a single- employer fully insured plan. The Plan does not issue a publicly available financial report.

**Contributions**

The County currently has no assets that have been irrevocably deposited into a trust for future health benefits. Freeborn County is funding this liability on a pay-as-you-go-basis. For the year ended December 31, 2024, the County contributed \$94,645 to the plan.

**Benefits Provided**

Pursuant to Minn. Stat. § 471.61, subd. 2b, Freeborn County provides postemployment health care benefits to certain retired employees. To be eligible for benefits, a participant must qualify to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and must not participate in any other health benefits program providing coverage like that herein described when they retire from active employment.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

Eligible retirees may continue coverage under the County's health benefits program. Pursuant to the provision of the plan, retirees are required to pay 100% of the total premium cost. As of January 1, 2024, there were 52 retirees, 4 spouses of a retiree, and 308 active participants receiving health benefits from the County's health plan. The County has no inactive plan members entitled to but not receiving benefits. The County also pays retiree health insurance for law enforcement personnel who are injured in the line of duty. For 2024, there was 1 former law enforcement official receiving health insurance payments from the County. The total of the health insurance payments made was \$68,508.

**Total OPEB Liability**

The County's total OPEB liability of \$1,221,335 was measured as of January 1, 2024, and was determined by an actuarial valuation as of January 1, 2024.

The schedule of changes in the county's total OPEB liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information.

**Actuarial Assumptions and Other Inputs**

The County's OPEB liability was measured as of January 1, 2024, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2024. The January 1, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Discount Rates	3.70%
Salary Increases	Varying by Service and Contract Group
Healthcare Cost Trend Rates	6.50% Over 6 Years then 4.00% Over the Next 48 Years

The actuarial assumptions used in the January 1, 2024, valuation were based on the four-year experience study for the Public Employees Retirement Association of Minnesota Police and Fire Plan completed in 2020 and the four-year experience study for the Public Employees Retirement Association of Minnesota General Employees Plan completed in 2019 and a review of the inflation assumption.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

The discount rate was based on the estimated yield of 20-year AA-rated municipal bonds as of the measurement date.

**Summary of Changes in Actuarial Assumptions**

Since the most recent actuarial valuation, the following changes have been made for the January 1, 2024, measurement date:

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

**Change in the Total OPEB Liability**

	Total Other Postemployment Benefits (OPEB) Liability (a)
Balance - December 31, 2023	\$ 557,395
Changes for the Year:	
Service Cost	57,164
Interest Cost	45,281
Assumption Changes	656,140
Benefit Payments	(94,645)
Net Changes	663,940
Balance - December 31, 2024	\$ 1,221,335

No changes in benefit provisions affected the measurement of the total OPEB liability since the prior measurement date.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Sensitivity of the Total OPEB Liability to Change in the Discount Rate**

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 that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.70 %)	Discount Rate (3.70 %)	1% Increase (4.70 %)
Total OPEB Liability	<u>\$ 1,314,950</u>	<u>\$ 1,221,335</u>	<u>\$ 1,137,022</u>

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

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

	1% Decrease (5.50 %) Decreasing to 4.00 % Then 3.00 %)	Healthcare Cost Trend Rates (6.50 %) Decreasing to 5.00 % Then 4.00 %)	1% Increase (7.50 %) Decreasing to 6.00 % Then 5.00 %)
Total OPEB Liability	<u>\$ 1,160,268</u>	<u>\$ 1,221,335</u>	<u>\$ 1,292,595</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions Subsequent to the Measurement Date	<u>\$ 100,797</u>	<u>\$ -</u>
Total	<u>\$ 100,797</u>	<u>\$ -</u>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

The \$100,797 reported as deferred outflows of resources related to OPEB liability resulting from contributions subsequent to the measurement date, but before December 31, 2024, will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2025.

For the year ended December 31, 2024, the County recognized OPEB expense of \$102,445.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**11. SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS**

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**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 2024. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

The Property and Casualty Division of MCIT is self-sustaining, and the County pays an annual premium to cover current and future losses. 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, 2024**

**Construction Commitments**

The County has an active construction project as of December 31, 2024. The Project includes the following:

	Spent-to-Date	Remaining Commitment
Governmental Activities	\$ 29,514	\$ 2,639

**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 2024, 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 Emmylou Allen, 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, 2024**

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](http://www.mnecb.org). During the year, the County paid \$9,700 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](http://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 \$351,729 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, 2024**

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. 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 2024. 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 \$286,800 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 \$1,326 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, 2024**

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 2024. 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, 2024**

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 \$6,000 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**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, 2024**

	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	Measurement Date December 31, 2024
<b>Total OPEB Liability</b>							
Difference Between Estimated and Actual Service Cost	\$ (29,748)	\$ (186,389)	\$ (40,082)	\$ (20,692)	\$ 7,372	\$ 110,677	\$ -
Interest Cost	-	-	-	-	-	-	57,164
Assumption Changes	-	-	-	-	-	-	656,140
Benefit Payments	(75,208)	(64,743)	(63,840)	(63,646)	(60,243)	(60,964)	(94,645)
Net Change in Total OPEB Liability	(104,956)	(251,132)	(103,922)	(84,338)	(52,871)	49,713	663,940
Total OPEB Liability - Beginning	1,104,901	999,945	748,813	644,891	560,553	507,682	557,395
Total OPEB Liability - Ending	\$ 999,945	\$ 748,813	\$ 644,891	\$ 560,553	\$ 507,682	\$ 557,395	\$ 1,221,335
Covered Employee Payroll	\$ 715,355	\$ 647,333	\$ 747,355	\$ 288,473	\$ 300,680	\$ 128,418	\$ 22,501,829
County's OPEB Liability as a Percentage of Covered Employee Payroll	140%	116%	86%	194%	169%	434%	5%

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, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 16,724,554	\$ 16,724,554	\$ 16,036,136	\$ (688,418)
Special assessments	905,000	905,000	796,532	(108,468)
Licenses and permits	167,915	167,915	114,519	(53,396)
Intergovernmental	7,136,077	7,136,077	6,444,776	(691,301)
Charges for services	4,136,429	4,136,429	4,748,490	612,061
Fines and forfeits	19,300	19,300	17,594	(1,706)
Gifts and contributions	2,500	2,500	10,730	8,230
Investment earnings	950,600	950,600	1,694,592	743,992
Miscellaneous	908,950	908,950	933,147	24,197
<b>Total Revenues</b>	<b>\$ 30,951,325</b>	<b>\$ 30,951,325</b>	<b>\$ 30,796,516</b>	<b>\$ (154,809)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Commissioners	\$ 271,089	\$ 246,089	\$ 243,643	\$ 2,446
Courts	335,900	385,900	381,094	4,806
County administration	2,291,433	1,831,433	1,846,835	(15,402)
County auditor-treasurer	879,456	819,456	818,647	809
License bureau	365,295	363,295	362,474	821
County assessor	720,912	687,912	686,165	1,747
Elections	190,000	138,000	136,366	1,634
Data processing	1,406,797	1,096,797	1,094,412	2,385
Attorney	1,126,566	1,196,566	1,194,846	1,720
Law library	17,900	32,900	32,081	819
Recorder	602,342	520,342	518,265	2,077
Planning and zoning	347,459	302,459	300,632	1,827
Buildings and plant	2,083,828	1,833,828	1,816,027	17,801
Veterans service officer	234,051	254,051	253,900	151
<b>Total general government</b>	<b>\$ 10,873,028</b>	<b>\$ 9,709,028</b>	<b>\$ 9,685,387</b>	<b>\$ 23,641</b>

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, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
<b>Current (Continued)</b>				
<b>Public safety</b>				
Sheriff	\$ 4,228,887	\$ 4,418,887	\$ 4,433,858	\$ (14,971)
Boat and water safety	3,800	5,300	5,103	197
Coroner	112,650	111,150	110,694	456
E-911 system	263,500	181,500	179,944	1,556
County jail	4,125,359	4,319,359	4,318,999	360
Community corrections	2,180,439	2,105,439	2,101,098	4,341
Dispatch	1,004,816	959,816	954,505	5,311
Sheriff's contingent	2,500	1,000	831	169
Civil defense	177,884	177,884	143,222	34,662
Other public safety	50,800	30,800	29,191	1,609
<b>Total public safety</b>	<b>\$ 12,150,635</b>	<b>\$ 12,311,135</b>	<b>\$ 12,277,445</b>	<b>\$ 33,690</b>
<b>Sanitation</b>				
Solid waste	\$ 52,300	\$ 44,300	\$ 43,038	\$ 1,262
Recycling	869,772	859,772	858,244	1,528
<b>Total sanitation</b>	<b>\$ 922,072</b>	<b>\$ 904,072</b>	<b>\$ 901,282</b>	<b>\$ 2,790</b>
<b>Health</b>				
Community health	\$ 981,484	\$ 859,484	\$ 857,981	\$ 1,503
Administration	611,903	692,903	692,520	383
Health education	10,000	2,500	2,451	49
WIC	274,752	294,752	293,773	979
Maternal and child health	167,996	243,996	243,934	62
Bioterrorism	295,818	45,818	44,947	871
Foundational Responsibilities	-	31,000	30,206	794
Disease prevention	47,970	50,970	50,814	156
Response Sustainability	-	26,000	25,447	553
Child and teen checkups	100,925	50,925	50,381	544
Home health	1,448,414	1,333,414	1,331,324	2,090
<b>Total health</b>	<b>\$ 3,939,262</b>	<b>\$ 3,631,762</b>	<b>\$ 3,623,778</b>	<b>\$ 7,984</b>

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, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
<b>Current (Continued)</b>				
<b>Culture and recreation</b>				
Parks	\$ 411,150	\$ 256,150	\$ 196,265	\$ 59,885
Museum	39,600	34,600	34,371	229
County/regional library	286,800	286,800	286,800	-
Other culture and recreation	1,300	1,300	1,300	-
<b>Total culture and recreation</b>	<b>\$ 738,850</b>	<b>\$ 578,850</b>	<b>\$ 518,736</b>	<b>\$ 60,114</b>
<b>Conservation of natural resources</b>				
County extension	\$ 271,051	\$ 278,051	\$ 278,033	\$ 18
Soil and water conservation	183,000	183,000	183,000	-
Agricultural inspection	65,151	65,151	64,235	916
Agricultural society/County fair	35,000	44,000	43,812	188
Water planning	188,444	212,444	211,859	585
Water quality	100,232	100,232	94,926	5,306
<b>Total conservation of natural resources</b>	<b>\$ 842,878</b>	<b>\$ 882,878</b>	<b>\$ 875,865</b>	<b>\$ 7,013</b>
<b>Economic development</b>				
Community development	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Other economic development	18,500	18,500	15,250	3,250
<b>Total economic development</b>	<b>\$ 28,500</b>	<b>\$ 28,500</b>	<b>\$ 25,250</b>	<b>\$ 3,250</b>
<b>Capital outlay</b>				
General government	\$ 225,000	\$ 235,000	\$ 161,494	\$ 73,506
Public safety	1,029,000	1,029,000	782,992	246,008
Highways and streets	1,125,000	2,560,000	199,080	2,360,920
Culture and recreation	75,000	79,000	135,579	(56,579)
Conservation of natural resources	40,000	40,000	69,782	(29,782)
<b>Total capital outlay</b>	<b>\$ 2,494,000</b>	<b>\$ 3,943,000</b>	<b>\$ 1,348,927</b>	<b>\$ 2,594,073</b>
<b>Total Expenditures</b>	<b>\$ 32,003,325</b>	<b>\$ 32,003,325</b>	<b>\$ 29,256,670</b>	<b>\$ 2,746,655</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (1,052,000)</b>	<b>\$ (1,052,000)</b>	<b>\$ 1,539,846</b>	<b>\$ 2,591,846</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 190,000	\$ 190,000	\$ 164,137	\$ (25,863)
Proceeds from sale of capital assets	25,000	25,000	106,302	81,302
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 215,000</b>	<b>\$ 215,000</b>	<b>\$ 270,439</b>	<b>\$ 55,439</b>
<b>Net Change in Fund Balance</b>	<b>\$ (837,000)</b>	<b>\$ (837,000)</b>	<b>\$ 1,810,285</b>	<b>\$ 2,647,285</b>
<b>Fund Balance - January 1</b>	<b>19,121,515</b>	<b>19,121,515</b>	<b>19,121,515</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 18,284,515</b>	<b>\$ 18,284,515</b>	<b>\$ 20,931,800</b>	<b>\$ 2,647,285</b>

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, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 8,292,990	\$ 8,292,990	\$ 8,465,124	\$ 172,134
Licenses and permits	25,000	25,000	29,320	4,320
Intergovernmental	8,493,250	8,493,250	9,637,744	1,144,494
Charges for services	27,500	27,500	17,260	(10,240)
Miscellaneous	5,000	5,000	27,962	22,962
<b>Total Revenues</b>	<b>\$ 16,843,740</b>	<b>\$ 16,843,740</b>	<b>\$ 18,177,410</b>	<b>\$ 1,333,670</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Highways and streets</b>				
Administration	\$ 621,831	\$ 641,831	\$ 638,422	\$ 3,409
Maintenance	4,448,473	5,028,473	5,027,680	793
Construction	512,784	512,784	227,673	285,111
Equipment maintenance and shop	1,135,652	1,135,652	1,071,783	63,869
<b>Total highways and streets</b>	<b>\$ 6,718,740</b>	<b>\$ 7,318,740</b>	<b>\$ 6,965,558</b>	<b>\$ 353,182</b>
<b>Intergovernmental</b>				
Highways and streets	\$ 420,000	\$ 481,000	\$ 480,769	\$ 231
<b>Capital outlay</b>				
Highways and streets	\$ 9,705,000	\$ 9,044,000	\$ 6,912,051	\$ 2,131,949
<b>Total Expenditures</b>	<b>\$ 16,843,740</b>	<b>\$ 16,843,740</b>	<b>\$ 14,358,378</b>	<b>\$ 2,485,362</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,819,032</b>	<b>\$ 3,819,032</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$ -	\$ -	\$ (553,329)	\$ (553,329)
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,265,703</b>	<b>\$ 3,265,703</b>
<b>Fund Balance - January 1</b>	<b>6,156,784</b>	<b>6,156,784</b>	<b>6,156,784</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 6,156,784</b>	<b>\$ 6,156,784</b>	<b>\$ 9,422,487</b>	<b>\$ 3,265,703</b>

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, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 5,678,698	\$ 5,678,698	\$ 5,678,698	\$ -
Intergovernmental	6,931,506	7,033,506	6,750,893	(282,613)
Charges for services	1,353,376	1,353,376	1,394,440	41,064
Fines and forfeits	1,900	1,900	2,810	910
Gifts and contributions	1,500	1,500	1,625	125
Miscellaneous	147,450	147,450	222,000	74,550
<b>Total Revenues</b>	<b>\$ 14,114,430</b>	<b>\$ 14,216,430</b>	<b>\$ 14,050,466</b>	<b>\$ (165,964)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Public safety</b>				
Victim crisis	\$ 358,606	\$ 370,606	\$ 368,621	\$ 1,985
<b>Human services</b>				
Income maintenance	\$ 3,507,770	\$ 3,407,770	\$ 3,405,291	\$ 2,479
Social services	7,161,209	7,566,209	7,565,518	691
Mental health center	3,086,845	2,871,845	2,871,268	577
<b>Total human services</b>	<b>\$ 13,755,824</b>	<b>\$ 13,845,824</b>	<b>\$ 13,842,077</b>	<b>\$ 3,747</b>
<b>Total Expenditures</b>	<b>\$ 14,114,430</b>	<b>\$ 14,216,430</b>	<b>\$ 14,210,698</b>	<b>\$ 5,732</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (160,232)</b>	<b>\$ (160,232)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ 389,192	\$ 389,192
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 228,960</b>	<b>\$ 228,960</b>
<b>Fund Balance - January 1</b>	<b>3,049,272</b>	<b>3,049,272</b>	<b>3,049,272</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 3,049,272</b>	<b>\$ 3,049,272</b>	<b>\$ 3,278,232</b>	<b>\$ 228,960</b>

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, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special assessments	\$ 1,217,500	\$ 1,487,500	\$ 1,497,375	\$ 9,875
Intergovernmental	-	-	1,925	1,925
Miscellaneous	-	13,000	14,345	1,345
<b>Total Revenues</b>	<b>\$ 1,217,500</b>	<b>\$ 1,500,500</b>	<b>\$ 1,513,645</b>	<b>\$ 13,145</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Conservation of natural resources</b>				
Other	\$ 977,337	\$ 1,185,337	\$ 1,183,920	\$ 1,417
<b>Debt service</b>				
Interest	\$ -	\$ 75,000	\$ 73,151	\$ 1,849
<b>Total Expenditures</b>	<b>\$ 977,337</b>	<b>\$ 1,260,337</b>	<b>\$ 1,257,071</b>	<b>\$ 3,266</b>
<b>Net Change in Fund Balance</b>	<b>\$ 240,163</b>	<b>\$ 240,163</b>	<b>\$ 256,574</b>	<b>\$ 16,411</b>
<b>Fund Balance - January 1</b>	<b>1,584,383</b>	<b>1,584,383</b>	<b>1,584,383</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,824,546</b>	<b>\$ 1,824,546</b>	<b>\$ 1,840,957</b>	<b>\$ 16,411</b>

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%
2024	0.2115%	\$ 7,817,942	\$ 202,156	\$ 8,020,098	\$ 17,943,828	43.57%	89.08%

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**

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b-a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
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%
2024	\$ 1,380,904	\$ 1,380,904	\$ -	\$ 18,412,053	7.50%

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%
2024	0.1447%	\$ 1,903,350	\$ 72,555	\$ 1,975,905	\$ 2,000,395	95.15%	90.17%

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**

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b-a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
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%
2024	\$ 392,933	\$ 392,933	\$ -	\$ 2,219,960	17.70%

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**

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>Covered Payroll (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
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%
2024	0.8990%	\$ 274,020	\$ 2,287,176	11.98%	97.54%

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**

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b-a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
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%
2024	\$ 205,879	\$ 205,879	\$ -	\$ 2,352,903	8.75%

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, 2024

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**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, 2024:

**General Employees Fund**

*2024 Changes*

*Changes in Actuarial Assumptions*

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023):

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

*Changes in Plan Provisions*

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

**FREEBORN COUNTY**  
**ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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*2023 Changes*

*Changes in Actuarial Assumptions*

- The investment return assumption and single discount rate was 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.

*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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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*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 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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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- 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 morality 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.

*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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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

*2017 Changes*

*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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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- 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.

*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.

**FREEBORN COUNTY**  
**ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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**Police and Fire Fund**

*2024 Changes*

*Changes in Plan Provisions*

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

*2023 Changes*

*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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

*2022 Changes*

*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).

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed 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.

**FREEBORN COUNTY**  
**ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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*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.
- 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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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- 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.
- 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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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*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.

*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**

*2024 Changes*

*Changes in Plan Provisions*

- Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.
- Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.

**FREEBORN COUNTY**  
**ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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- The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

*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.

*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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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*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.
- 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

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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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).
- 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.

**FREEBORN COUNTY**  
**ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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*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. 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. 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.

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

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**Summary of Changes in Actuarial Assumptions**

Since the most recent actuarial valuation, the following changes have been made for the January 1, 2024, measurement date:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The discount rate was changed from 4.00% to 3.7%.

**SUPPLEMENTARY INFORMATION**

**MAJOR GOVERNMENTAL FUND**

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

*EXHIBIT B-1*

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 705,464	\$ 703,889	\$ 707,039	\$ 3,150
<b>Expenditures</b>				
Debt service				
Principal	\$ 2,110,000	\$ 3,895,000	\$ 325,000	\$ 3,570,000
Interest	395,815	395,825	346,870	48,955
Administrative (fiscal) charges	6,160	6,150	350	5,800
<b>Total Expenditures</b>	<b>\$ 2,511,975</b>	<b>\$ 4,296,975</b>	<b>\$ 672,220</b>	<b>\$ 3,624,755</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,806,511)</b>	<b>\$ (3,593,086)</b>	<b>\$ 34,819</b>	<b>\$ 3,627,905</b>
<b>Fund Balance - January 1</b>	<b>709,812</b>	<b>709,812</b>	<b>709,812</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ (1,096,699)</b>	<b>\$ (2,883,274)</b>	<b>\$ 744,631</b>	<b>\$ 3,627,905</b>

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, 2024**

	Custodial Funds					
	Taxes and Penalties	Turtle Creek Watershed	Jail Canteen	Motor Vehicle	Saint Paul PACE	Recorders Clearing
<b><u>Assets</u></b>						
Cash and pooled investments	\$ 347,154	\$ 331,051	\$ 129,176	\$ -	\$ -	\$ 3,886
Taxes receivable	439,560	-	-	-	-	-
Special assessments receivable	-	323,427	-	-	-	-
Accounts receivable	-	-	-	-	-	1,097
<b>Total Assets</b>	<b>\$ 786,714</b>	<b>\$ 654,478</b>	<b>\$ 129,176</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,983</b>
<b><u>Liabilities</u></b>						
Due to other governments	298,507	331,051	-	1,785	-	4,983
Loans payable	-	323,427	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 298,507</b>	<b>\$ 654,478</b>	<b>\$ -</b>	<b>\$ 1,785</b>	<b>\$ -</b>	<b>\$ 4,983</b>
<b><u>Net Position</u></b>						
Restricted for Individuals, organizations, other governments	<b>\$ 488,207</b>	<b>\$ -</b>	<b>\$ 129,176</b>	<b>\$ (1,785)</b>	<b>\$ -</b>	<b>\$ -</b>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

*EXHIBIT C-1  
(Continued)*

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - CUSTODIAL FUNDS  
DECEMBER 31, 2024**

<u>Custodial Funds</u>					<u>Total Other Custodial Funds</u>
<u>Family Service Collaborative</u>	<u>Other Custodial</u>	<u>Cemetery Fund</u>	<u>Child Support</u>	<u>State Recoveries</u>	
\$ 831,107	\$ 146,833	\$ 10,413	\$ -	\$ 6,451	\$ 1,806,071
-	-	-	-	-	439,560
-	-	-	-	-	323,427
-	-	500	-	36,472	38,069
<u>\$ 831,107</u>	<u>\$ 146,833</u>	<u>\$ 10,913</u>	<u>\$ -</u>	<u>\$ 42,923</u>	<u>\$ 2,607,127</u>
597,853	152,208	-	-	42,923	1,429,310
-	-	-	-	-	323,427
<u>\$ 597,853</u>	<u>\$ 152,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,923</u>	<u>\$ 1,752,737</u>
<u>\$ 233,254</u>	<u>\$ (5,375)</u>	<u>\$ 10,913</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854,390</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, 2024**

	Custodial Funds					
	Taxes and Penalties	Turtle Creek Watershed	Jail Canteen	Motor Vehicle	Saint Paul PACE	Recorders Clearing
<b>Additions</b>						
Contributions:						
Individuals	\$ -	\$ -	\$ 660,471	\$ -	\$ -	\$ -
Other entities	-	-	20,000	-	-	-
Investment earnings:						
Interest, dividends, other	-	-	-	-	-	-
Property tax collections for other governments	63,429,911	-	-	-	463,228	-
Special assessments	-	280,385	-	-	-	-
License and fees collected for state	-	-	-	7,754,702	-	42,212
Miscellaneous	-	-	-	-	-	-
<b>Total Additions</b>	<b>\$ 63,429,911</b>	<b>\$ 280,385</b>	<b>\$ 680,471</b>	<b>\$ 7,754,702</b>	<b>\$ 463,228</b>	<b>\$ 42,212</b>
<b>Deductions</b>						
Beneficiary payments to individuals	\$ -	\$ -	\$ 632,893	\$ -	\$ -	\$ -
Payments of property tax to other governments	63,612,811	-	-	-	463,228	-
Payments to state	-	-	-	7,756,487	-	42,212
Payments to vendors	-	280,385	-	-	-	-
Payments to other entities	-	-	20,000	-	-	-
<b>Total Deductions</b>	<b>\$ 63,612,811</b>	<b>\$ 280,385</b>	<b>\$ 652,893</b>	<b>\$ 7,756,487</b>	<b>\$ 463,228</b>	<b>\$ 42,212</b>
<b>Change in net position</b>	<b>\$ (182,900)</b>	<b>\$ -</b>	<b>\$ 27,579</b>	<b>\$ (1,785)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Position – January 1</b>	<b>671,107</b>	<b>-</b>	<b>101,597</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position – December 31</b>	<b>\$ 488,207</b>	<b>\$ -</b>	<b>\$ 129,176</b>	<b>\$ (1,785)</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2024**

Custodial Funds					Total Other Custodial Funds
Family Service Collaborative	Other Custodial	Cemetery Fund	Child Support	State Recoveries	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 660,471
-	-	-	-	-	20,000
3,393	-	541	-	-	3,934
-	3,330,235	-	-	-	67,223,374
-	-	-	-	-	280,385
-	780,602	-	21,691	186,246	8,785,453
218,724	603,533	-	-	-	822,257
<b>\$ 222,117</b>	<b>\$ 4,714,370</b>	<b>\$ 541</b>	<b>\$ 21,691</b>	<b>\$ 186,246</b>	<b>\$ 77,795,874</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 632,893
-	3,332,833	-	-	-	67,408,872
-	804,667	-	21,691	186,246	8,811,303
31,748	654,952	-	-	-	967,085
75,586	22,202	-	-	-	117,788
<b>\$ 107,334</b>	<b>\$ 4,814,654</b>	<b>\$ -</b>	<b>\$ 21,691</b>	<b>\$ 186,246</b>	<b>\$ 77,937,941</b>
<b>\$ 114,783</b>	<b>\$ (100,284)</b>	<b>\$ 541</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (142,066)</b>
<b>118,471</b>	<b>94,909</b>	<b>10,372</b>	<b>-</b>	<b>-</b>	<b>996,456</b>
<b>\$ 233,254</b>	<b>\$ (5,375)</b>	<b>\$ 10,913</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 854,390</b>

## **OTHER SCHEDULES**

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

**EXHIBIT D-1**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Appropriations and Shared Revenue**

**State**

Highway users tax	\$	9,620,763
Disparity reduction aid		33,397
Police aid		268,492
County program aid		2,408,387
Aquatic invasive species program aid		55,653
Market value credit		373,135
State financing revenue		4,272
Enhanced 911		197,891
SCORE		106,092
Cannabis aid		2,114
Buffer strip enforcement aid		130,380
		130,380

**Total shared revenue** **\$ 13,200,576**

**Reimbursement for Services**

**State**

Minnesota Department of Human Services	\$	978,946
		978,946

**Payments**

**Local**

Local contributions	\$	6,550
Payments in lieu of taxes		41,521
		41,521

**Total payments** **\$ 48,071**

**Grants**

**State**

Minnesota Department/Board of		
Public Safety	\$	74,220
Health		791,402
Natural Resources		2,274
Secretary of State		69,691
Human Services		2,700,459
Veterans Affairs		10,000
Corrections		351,812
Water and Soil Resources		71,200
Pollution Control Agency		2,776
		2,776

**Total state** **\$ 4,073,834**

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

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

**SCHEDULE OF INTERGOVERNMENTAL REVENUE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Grants (Continued)**

**Federal**

Department of	
Agriculture	\$ 518,643
Justice	302,952
Education	1,050
Health and Human Services	3,665,749
Social Security Administration	882
Homeland Security	27,654
Transportation	16,981
	<hr/>

**Total federal** **\$ 4,533,911**

**Total state and federal grants** **\$ 8,607,745**

**Total Intergovernmental Revenue** **\$ 22,835,338**

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

*EXHIBIT D-2*

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>Federal Grantor Pass-Through Grantor Program Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Federal Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Agriculture</b>				
Passed Through Minnesota Department of Health WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	242MN004W1003	\$ 209,598	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Part of SNAP Cluster)	10.561	242MN101S2514	378,899	-
Passed Through Minnesota Department of Agriculture WIC Farmers' Market Nutrition Program (FMNP)	10.572	B0432615	<u>600</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>\$ 589,097</u></b>	<b><u>\$ -</u></b>
<b>U.S. Department of Justice</b>				
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	F-CVS-2024-FREBRNCV	\$ 25,901	\$ -
Passed Through Trial Court Treatment Court Discretionary Grant Program	16.585	J333FCDC	<u>287,391</u>	<u>-</u>
<b>Total U.S. Department of Justice</b>			<b><u>\$ 313,292</u></b>	<b><u>\$ -</u></b>
<b>U.S. Department of Transportation</b>				
Passed Through Minnesota Department of Transportation Highway Planning and Construction	20.205	00024	<b><u>\$ 16,981</u></b>	<b><u>\$ -</u></b>
<b>U.S. Department of Education</b>				
Passed Through Minnesota Department of Health Special Education-Grants for Infants and Families	84.181	H181A180029	<b><u>\$ 1,050</u></b>	<b><u>\$ -</u></b>
<b>U.S. Department of Health and Human Services</b>				
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	3000067079	\$ 29,491	\$ -
Immunization Cooperative Agreements	93.268	NH23IP922628	925	-
Covid 19 Immunization Cooperative Agreements	93.268	NH23IP922628	6,104	-
Covid 19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000508	21,552	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922188	59,811	-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Temporary Assistance for Needy Families (Part of TANF 93.558 \$616,091)	93.558	2401MNTANF	45,084	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	NE11OE000048	7,661	-
Maternal and Child Health Services Block Grant to the States	93.994	BO4MC32551	38,892	-

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, 2024**

Federal Grantor Pass-Through Grantor Program Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Health and Human Services (Continued)</b>				
Passed Through Minnesota Department of Human Services				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2301MNFSS	\$ 6,602	\$ -
Temporary Assistance for Needy Families (Part of TANF 93.558 \$616,091)	93.558	2401MNTANF	571,007	-
Child Support Services	93.563	2301MNCEST	722,886	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2401MNRCA	2,871	-
Child Care and Development Block Grant (Part of CCDF Cluster)	93.575	2401MNCCDF	11,563	-
Community-Based Child Abuse Prevention Grants	93.590	2302MNBCAP	6,381	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2301MNCWSS	2,824	-
Foster Care Title IV-E	93.658	2401MNFOST	543,091	-
Social Services Block Grant	93.667	2401MNSOSR	219,625	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2401MNSILP	720	-
Children's Health Insurance Program	93.767	2405MN5021	765	-
Medical Assistance Program (Part of Medicaid Cluster; Total \$1,560,669)	93.778	2405MN5MAP	18,021	-
Medical Assistance Program (Part of Medicaid Cluster; Total \$1,560,669) (Total Medical Assistance Program 93.778 \$1,560,669)	93.778	2405MN5ADM	1,542,648	-
Money Follows the Person Rebalancing Demonstration	93.791	12-700-00073	961	-
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 3,859,485</b>	<b>\$ -</b>
<b>U.S. Social Security Administration</b>				
Passed Through Employment & Economic Development (DEED)				
Social Security Disability Insurance (Part of DI/SSI Cluster)	96.001	B2238DD1	\$ 882	\$ -
<b>U.S. Department of Homeland Security</b>				
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	F-EMPG-2022-FREBRNCO	\$ 27,654	\$ -
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,808,441</b>	<b>\$ -</b>

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, 2024

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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, 2024. 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)	\$ 4,533,911
Unavailable in 2023, recognized as revenue in 2024	
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)
 Grants received more than 45 days after year-end, unavailable in 2024	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (AL #10.561)	77,274
Crime Victims Assistance (AL #16.575)	10,340
MaryLee Allen Promoting Safe and Stable Families Program (AL #93.556)	792
Temporary Assistance for Needy Families (AL #93.558)	136,129
Refugee and Entrant Assistance State/Replacement Designee Administered Programs (AL #93.566)	853
Child Support Services (AL #93.563)	102,457
Stephanie Tubbs Jones Child Welfare Services Program (AL #93.645)	1,412
Foster Care-Title IV-E (AL #93.658)	75,323
Children's Health Insurance Program (AL #93.767)	315
	<hr/>
Expenditures per Schedule of Expenditures of Federal Awards (Exhibit D-2)	<u>\$ 4,808,441</u>

**STATISTICAL SECTION (UNAUDITED)**

## **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**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities				
Net Investments in Capital Assets	\$ 67,044,403	\$ 70,598,432	\$ 76,357,232	\$ 85,725,655
Restricted	9,900,452	8,696,772	8,015,434	9,440,791
Unrestricted	6,195,523	6,614,367	5,092,491	1,278,822
Total Governmental Activities	<u>\$ 83,140,378</u>	<u>\$ 85,909,571</u>	<u>\$ 89,465,157</u>	<u>\$ 96,445,268</u>

Source: Freeborn County's Yearly Financial Statements

(Unaudited)

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

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

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 94,697,366	\$ 99,980,537	\$ 108,352,765	\$ 112,565,458	\$ 121,836,067	\$ 125,969,149
10,724,591	11,473,593	14,157,965	16,373,288	12,255,864	14,025,107
(3,719,993)	3,277,819	13,823,519	6,220,153	3,979,611	8,656,513
<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>	<u>\$ 148,650,769</u>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

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

	2015	2016	2017	2018
<b>Expenses</b>				
General Government	\$ 7,602,191	\$ 8,202,415	\$ 8,400,796	\$ 9,138,428
Public Safety	7,632,105	10,258,704	10,716,975	8,242,136
Highways and Streets	9,883,628	9,723,394	12,125,094	10,789,903
Sanitation	511,389	576,287	587,424	565,969
Human Services	11,032,285	12,123,000	11,879,425	12,043,061
Health	2,069,495	2,344,957	2,497,723	2,652,578
Culture and Recreation	378,127	336,666	396,611	367,370
Conservation of Natural Resources	1,888,375	2,333,311	3,291,533	2,165,526
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 Expenses	<u>\$ 41,623,242</u>	<u>\$ 46,504,311</u>	<u>\$ 50,358,830</u>	<u>\$ 46,042,220</u>
<b>Program Revenues</b>				
Charges for Services				
General Government	\$ 1,071,249	\$ 1,014,402	\$ 944,287	\$ 921,256
Public Safety	2,233,899	2,931,845	3,670,889	3,805,659
Highways and Streets	221,754	49,854	170,664	290,099
Sanitation	381,253	429,102	430,754	443,013
Human Services	890,412	1,249,098	914,573	806,297
Health	330,537	361,276	290,664	415,470
Culture and Recreation	26	148	22,964	29,234
Conservation of Natural Resources	1,441,825	1,663,978	1,490,401	1,516,143
Operating Grants and Contributions				
General Government	180,206	245,220	128,353	127,020
Public Safety	701,778	814,384	869,301	727,677
Highways and Streets	5,963,482	6,229,049	6,747,665	7,808,073
Human Services	4,711,913	5,183,990	5,610,581	5,344,443
Health	1,475,226	1,435,570	1,423,389	1,723,750
Culture and Recreation	-	-	-	447,543
Conservation of Natural Resources	263,911	684,436	790,941	-
Capital Grants and Contributions				
General Government	1,940,278	-	-	74,321
Public Safety	14,951	-	-	-
Highways and Streets	114,775	1,120,690	3,579,484	1,992,021
Conservation of Natural Resources	-	-	492,000	-
Total Governmental Activities Program Revenues	<u>\$ 21,937,475</u>	<u>\$ 23,413,042</u>	<u>\$ 27,576,910</u>	<u>\$ 26,472,019</u>

(Unaudited)

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

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

2019	2020	2021	2022	2023	2024
\$ 8,951,212	\$ 8,523,576	\$ 8,882,060	\$ 13,453,195	\$ 13,759,339	\$ 10,960,706
9,801,433	9,275,328	9,175,128	12,158,910	12,104,442	13,094,941
12,111,044	12,131,412	7,283,774	15,283,109	12,312,485	10,481,306
598,877	583,319	703,322	778,291	901,776	922,262
11,983,435	12,505,577	11,208,170	12,441,408	13,297,693	13,843,215
2,653,550	4,920,000	3,877,664	3,265,754	3,370,144	3,575,205
356,583	397,822	405,681	420,054	367,392	530,278
2,381,990	2,313,404	3,328,745	2,015,198	2,683,968	2,092,678
30,500	25,500	25,500	142,900	31,750	25,250
226,986	193,504	99,879	291,781	328,057	397,475
<u>\$ 49,095,610</u>	<u>\$ 50,869,442</u>	<u>\$ 44,989,923</u>	<u>\$ 60,250,600</u>	<u>\$ 59,157,046</u>	<u>\$ 55,923,315</u>
\$ 1,183,814	\$ 895,412	\$ 947,145	\$ 1,042,855	\$ 876,364	\$ 1,099,384
3,136,007	2,719,485	1,977,620	1,279,567	2,023,145	2,761,370
235,203	192,254	249,140	80,932	91,196	74,542
518,400	714,463	702,283	679,744	830,378	846,158
1,109,744	1,065,017	1,165,878	1,399,761	1,351,887	1,619,648
907,290	831,540	988,881	999,428	1,523,007	1,465,840
9,920	34,764	17,994	16,095	12,283	36,427
1,760,430	1,599,968	2,284,294	1,689,082	1,326,797	1,398,165
175,365	873,018	6,118,104	310,735	209,715	423,009
746,297	935,949	931,683	1,240,491	1,707,933	1,330,207
7,823,092	8,721,684	8,894,444	8,954,832	8,499,756	9,236,589
5,661,129	6,135,506	5,720,740	5,980,373	6,234,991	6,638,180
1,720,415	5,750,095	2,088,090	1,757,285	2,135,037	1,971,709
-	-	-	-	-	-
232,696	420,545	399,703	382,162	483,563	368,026
-	17,940	-	-	-	-
-	-	-	-	-	-
34,092	2,868,831	3,501,174	1,082,790	132,266	1,333,370
-	-	-	-	-	-
<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>	<u>\$ 30,602,624</u>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

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

	2015	2016	2017	2018
<b>Net (Expense) Revenue</b>				
General Government	\$ (6,942,793)	\$ (7,328,156)	\$ (8,015,831)	\$ (8,015,831)
Public Safety	(6,512,475)	(6,176,785)	(3,708,800)	(3,708,800)
Highways and Streets	(2,323,801)	(1,627,281)	(699,710)	(699,710)
Sanitation	(147,185)	(156,670)	(122,956)	(122,956)
Human Services	(5,689,912)	(5,354,271)	(5,892,321)	(5,892,321)
Health	(548,111)	(783,670)	(513,358)	(513,358)
Culture and Recreation	(336,518)	(373,647)	109,407	(338,136)
Conservation of Natural Resources	(182,639)	(1,010,191)	(649,383)	(201,840)
Economic Development	(12,647)	(25,000)	(39,276)	(39,276)
Interest on Long-Term Debt	(592,930)	(438,249)	(37,973)	(37,973)
Total Governmental Activities Net (Expense) Revenue	<u>\$ (23,289,011)</u>	<u>\$ (23,273,920)</u>	<u>\$ (19,570,201)</u>	<u>\$ (19,570,201)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Taxes	\$ 20,915,483	\$ 23,651,372	\$ 24,064,810	\$ 24,893,116
Payment in Lieu of Taxes	97,317	28,560	35,247	35,309
Unrestricted Grants and Contributions	1,543,235	1,712,330	2,023,587	2,180,739
Investment Earnings	245,464	432,665	213,862	483,486
Miscellaneous	18,228	-	-	384
Gain on Sale of Capital Assets	74,548	35,535	-	62,179
Total Governmental Activities	<u>\$ 22,894,275</u>	<u>\$ 25,860,462</u>	<u>\$ 26,337,506</u>	<u>\$ 27,655,213</u>
<b>Change in Net Position</b>	<u>\$ (394,736)</u>	<u>\$ 2,586,542</u>	<u>\$ 6,767,305</u>	<u>\$ 8,085,012</u>

Source: Freeborn County's Yearly Financial Statements

(Unaudited)

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

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

2019	2020	2021	2022	2023	2024
\$ (7,592,033)	\$ (6,737,206)	\$ (1,816,811)	\$ (12,099,605)	\$ (12,673,260)	\$ (9,438,313)
(5,919,129)	(5,619,894)	(6,265,825)	(9,638,852)	(8,373,364)	(9,003,364)
(4,018,657)	(348,643)	5,360,984	(5,164,555)	(3,589,267)	163,195
(80,477)	131,144	(1,039)	(98,547)	(71,398)	(76,104)
(5,212,617)	(5,305,054)	(4,321,552)	(5,061,274)	(5,710,815)	(5,585,387)
(25,845)	1,661,635	(800,693)	(509,041)	287,900	(137,656)
(346,663)	(363,058)	(387,687)	(403,959)	(355,109)	(493,851)
(388,864)	(292,891)	(644,748)	56,046	(873,608)	(326,487)
(30,500)	(25,500)	(25,500)	(28,500)	(31,750)	(25,250)
(226,986)	(193,504)	(99,879)	(291,781)	(328,057)	(397,475)
<u>\$ (23,841,771)</u>	<u>\$ (17,092,971)</u>	<u>\$ (9,002,750)</u>	<u>\$ (33,240,068)</u>	<u>\$ (31,718,728)</u>	<u>\$ (25,320,691)</u>
\$ 25,842,122	\$ 27,420,786	\$ 28,198,967	\$ 29,471,773	\$ 30,423,928	\$ 30,939,862
36,620	36,601	37,291	37,541	32,426	41,521
2,128,365	2,167,146	2,140,101	2,239,752	2,335,867	2,814,919
922,551	473,140	24,664	(13,339)	1,754,211	1,673,424
43,517	25,283	92,285	153,385	37,797	230,081
79,288	-	111,742	175,606	47,142	200,111
<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>\$ 35,899,918</u>
<u>\$ 5,210,692</u>	<u>\$ 13,029,985</u>	<u>\$ 21,602,300</u>	<u>\$ (1,175,350)</u>	<u>\$ 2,912,643</u>	<u>\$ 10,579,227</u>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

**GOVERNMENTAL FUND BALANCES  
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 341,917	\$ 385,419	\$ 935,925	\$ 1,142,742
Restricted	715,509	998,176	1,040,571	1,185,045
Committed	408,633	3,049,860	2,817,127	2,294,572
Assigned	-	-	-	-
Unassigned	10,034,644	8,212,526	6,795,893	5,139,155
Total General Fund	<u>\$ 11,500,703</u>	<u>\$ 12,645,981</u>	<u>\$ 11,589,516</u>	<u>\$ 9,761,514</u>
All Other Governmental Funds				
Nonspendable	\$ 461,542	\$ 707,005	\$ 433,751	\$ 362,787
Restricted	5,705,943	6,258,286	15,047,024	6,910,033
Committed	-	-	-	-
Assigned				
Road and Bridge	3,678,532	3,674,377	3,432,531	3,985,411
Human Service	7,165,337	5,806,384	5,795,221	6,080,210
Unassigned	(218,908)	(399,003)	(1,058,116)	(1,496,925)
Total All Other Governmental Funds	<u>\$ 16,792,446</u>	<u>\$ 16,047,049</u>	<u>\$ 23,650,411</u>	<u>\$ 15,841,516</u>
All Governmental Funds				
Nonspendable	\$ 803,459	\$ 1,092,424	\$ 1,369,676	\$ 1,505,529
Restricted	6,421,452	7,256,462	16,087,595	8,095,078
Committed	408,633	3,049,860	2,817,127	2,294,572
Assigned	10,843,869	9,480,761	9,227,752	10,065,621
Unassigned	9,815,736	7,813,523	5,737,777	3,642,230
Total All Governmental Funds	<u>\$ 28,293,149</u>	<u>\$ 28,693,030</u>	<u>\$ 35,239,927</u>	<u>\$ 25,603,030</u>

Source: Freeborn County's Financial Statements

(Unaudited)

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

**GOVERNMENTAL FUND BALANCES  
LAST TEN FISCAL YEARS**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 969,191	\$ 358,613	\$ 548,560	\$ 1,266,719	\$ 1,191,153	\$ 1,680,494
1,194,791	1,781,293	1,361,241	3,744,064	1,862,818	2,225,538
2,027,731	7,710,233	9,179,651	9,510,106	6,952,053	6,267,207
-	-	-	-	867,000	1,603,799
6,559,366	6,692,314	7,341,467	8,279,437	8,248,491	9,154,762
<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>	<u>\$ 20,931,800</u>
\$ 328,612	\$ 595,296	\$ 645,760	\$ 729,334	\$ 812,090	\$ 690,529
6,868,331	6,285,431	6,885,292	7,992,068	7,433,892	8,050,938
-	800,000	2,000,000	-	-	2,990,000
2,219,612	2,187,367	2,209,957	2,517,256	2,676,495	2,681,923
2,761,722	2,792,340	2,702,103	2,673,845	2,839,349	3,093,638
(1,048,172)	(975,785)	(1,365,511)	(990,745)	(1,900,187)	(1,859,333)
<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>	<u>\$ 15,647,695</u>
\$ 1,297,803	\$ 953,909	\$ 1,194,320	\$ 1,996,053	\$ 2,003,243	\$ 2,371,023
8,063,122	8,066,724	8,246,533	11,736,132	9,296,710	10,276,476
2,027,731	8,510,233	11,179,651	9,510,106	6,952,053	9,257,207
4,981,334	4,979,707	4,912,060	5,191,101	6,382,844	7,379,360
5,511,194	5,716,529	5,975,956	7,288,692	6,348,304	7,295,429
<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>	<u>\$ 36,579,495</u>

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

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

	2015	2016	2017	2018
<b>Revenues</b>				
Taxes	\$ 20,878,781	\$ 23,715,974	\$ 24,075,507	\$ 24,784,395
Special Assessments	2,172,363	2,245,972	2,046,830	2,002,200
Licenses and Permits	106,821	164,509	103,349	169,869
Intergovernmental	15,826,392	16,382,810	19,767,495	21,798,448
Charges for Services	3,765,702	3,975,878	4,841,541	4,897,859
Fines and Forfeits	41,664	34,772	32,329	23,995
Gifts and Contributions	13,019	23,099	37,382	6,545
Investment Income	245,464	432,665	214,560	485,030
Miscellaneous	982,627	1,353,027	1,104,929	954,934
<b>Total Revenues</b>	<b>\$ 44,032,833</b>	<b>\$ 48,328,706</b>	<b>\$ 52,223,922</b>	<b>\$ 55,123,275</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	\$ 6,643,520	\$ 6,984,439	\$ 7,247,743	\$ 7,821,352
Public Safety	7,437,235	8,389,229	9,247,492	9,523,826
Highways and Streets	9,396,052	10,818,218	14,298,508	15,569,703
Sanitation	495,023	555,980	568,068	542,980
Social Services	10,865,074	11,582,745	11,467,816	11,295,964
Health	2,030,585	2,197,002	2,367,095	2,421,019
Culture and Recreation	378,127	336,666	396,611	367,370
Conservation of Natural Resources	1,883,629	2,291,269	3,257,725	2,082,175
Economic Development	11,500	12,647	25,000	39,276
<b>Intergovernmental</b>				
Highways and Streets	348,751	361,195	360,068	421,073
<b>Capital Outlay</b>	2,100,910	1,124,568	1,542,415	2,584,837
<b>Debt Service</b>				
Principal Retirement	2,725,000	2,720,000	2,770,000	11,790,000
Interest	688,016	611,710	540,424	502,090
Bond Issuance Costs	-	-	67,002	-
Administrative (fiscal) charges	3,525	5,061	6,425	6,150
<b>Total Expenditures</b>	<b>\$ 45,006,947</b>	<b>\$ 47,990,729</b>	<b>\$ 54,162,392</b>	<b>\$ 64,967,815</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (974,114)</b>	<b>\$ 337,977</b>	<b>\$ (1,938,470)</b>	<b>\$ (9,844,540)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	1,060,736	513,534	299,378
Transfers Out	-	(1,060,736)	(513,534)	(299,378)
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	-	75,768
<b>Total Other Financing Sources (Uses)</b>	<b>74,548</b>	<b>49,333</b>	<b>8,525,729</b>	<b>75,768</b>
<b>Net Change in Fund Balance</b>	<b>\$ (899,566)</b>	<b>\$ 387,310</b>	<b>\$ 6,587,259</b>	<b>\$ (9,768,772)</b>
Debt Service as a Percentage of Noncapital Expenditures	7.96%	7.12%	6.43%	19.71%

Source: Freeborn County's Financial Statements

(Unaudited)

FREEBORN COUNTY  
ALBERT LEA, MINNESOTA

CHANGES IN GOVERNMENTAL FUND BALANCES  
LAST TEN FISCAL YEARS

2019	2020	2021	2022	2023	2024
\$ 25,908,755	\$ 27,352,238	\$ 28,204,475	\$ 29,591,810	\$ 30,391,797	\$ 30,886,997
2,310,017	2,493,074	2,554,425	2,645,052	2,310,702	2,293,907
140,497	175,056	192,375	140,944	189,512	143,839
19,144,108	27,617,271	22,662,997	27,014,653	23,449,467	22,835,338
5,741,113	5,002,678	4,212,525	3,778,567	5,022,425	6,160,190
28,603	19,563	32,218	21,433	25,475	20,404
10,479	6,895	5,570	3,614	5,908	12,355
925,186	475,925	8,599	5,830	1,783,061	1,710,420
1,060,475	777,488	1,395,049	975,517	660,143	1,197,454
<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>	<u>\$ 65,260,904</u>
\$ 8,102,900	\$ 7,707,028	\$ 8,189,353	\$ 12,051,665	\$ 12,191,163	\$ 9,685,387
9,706,773	9,855,175	10,195,366	10,700,084	11,295,692	12,646,066
17,756,431	14,458,716	13,924,862	18,357,862	17,450,832	6,965,558
584,417	570,015	688,339	763,308	879,547	901,282
12,073,073	12,572,943	11,533,295	11,936,867	12,915,524	13,842,077
2,681,238	4,958,785	3,976,131	3,050,710	3,258,482	3,623,778
346,595	396,989	404,925	418,241	419,806	518,736
2,388,453	2,302,477	2,444,283	1,951,935	2,561,397	2,075,613
30,500	25,500	25,500	142,900	31,750	25,250
416,771	434,380	399,398	597,162	431,000	480,769
2,090,433	1,871,430	818,451	7,510,086	4,641,480	8,260,978
2,575,000	2,110,000	3,280,000	2,045,000	2,110,000	325,000
341,034	304,377	214,738	147,463	438,011	420,021
-	-	-	114,892	-	-
2,600	2,200	2,700	927	350	350
<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>\$ 59,770,865</u>
\$ (3,826,985)	\$ 6,350,173	\$ 3,170,892	\$ (5,611,682)	\$ (4,786,544)	\$ 5,490,039
2,722,835	3,430,013	682,457	2,474,679	410,168	553,329
(2,722,835)	(3,430,013)	(682,457)	(2,474,679)	(410,168)	(553,329)
-	-	-	9,390,000	-	-
-	-	-	-	-	-
-	-	-	259,640	-	-
93,310	-	150,511	175,606	47,614	106,302
93,310	-	150,511	9,825,246	47,614	106,302
<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>	<u>\$ 5,596,341</u>
6.03%	4.81%	7.67%	4.16%	4.80%	1.44%

**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
2015	\$ 19,846,355	\$ 19,605,075	98.8 %	\$ 241,097	\$ 19,846,172
2016	20,703,982	20,513,131	99.1	189,753	20,702,884
2017	21,135,172	20,885,092	98.8	248,273	21,133,365
2018	21,901,150	21,597,973	98.6	302,530	21,900,503
2019	22,891,000	22,610,578	98.8	276,555	22,887,133
2020	24,274,185	23,949,504	98.7	320,258	24,269,762
2021	24,867,024	24,511,431	98.6	342,411	24,853,842
2022	25,507,251	25,250,350	99.0	222,527	25,472,877
2023	26,270,534	25,897,160	98.6	189,536	26,086,696
2024	27,015,121	26,656,934	98.7	-	26,656,934

(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 %	\$ 2,134,718	\$ 2,134,671	100.0 %	\$ 47
100.0	2,269,156	2,269,043	100.0	113
100.0	2,035,207	2,034,890	100.0	317
100.0	1,894,009	1,893,201	100.0	808
100.0	2,329,861	2,328,429	99.9	1,432
100.0	2,714,877	2,714,039	100.0	838
99.9	2,595,659	2,592,984	99.9	2,675
99.9	2,694,948	2,689,813	99.8	5,135
99.3	2,952,814	2,940,499	99.6	12,315
98.7	2,926,036	2,883,577	98.5	42,459

**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
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
2023	2024	54,225,533	5,982,545,100	2,451,740	122,834,700

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

Source: Freeborn County Auditor/Treasurer -Abstract of Assessment of Real and Personal Property for 2024

(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>
\$ 41,384,772	50.028	\$ 4,709,106,500	0.9
38,899,950	54.332	4,433,917,900	0.9
38,799,589	56.447	4,357,662,300	0.9
37,502,743	61.038	4,186,915,400	0.9
38,797,980	62.566	4,287,368,000	0.9
39,244,224	63.365	4,346,595,400	0.9
39,451,733	64.654	4,320,555,400	0.9
40,838,364	64.328	4,436,650,200	0.9
50,934,899	51.577	5,415,086,300	0.9
56,677,273	47.665	6,105,379,800	0.9

(Unaudited)

FREEBORN COUNTY  
ALBERT LEA, MINNESOTA

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2024			2015		
		Taxable Capacity Value	Rank	Percentage of Total County Capacity Value	Taxable Capacity Value	Rank	Percentage of Total County Capacity Value
ITC Midwest, LLC	Utilities	\$ 1,018,589	1	1.82%	\$ 539,584	4	1.31%
Northern Natural Gas Co	Utilities	870,536	2	1.56%	695,189	1	1.69%
Alliance Pipeline LP	Utilities	685,358	3	1.22%	648,878	2	1.57%
Pembina Cochin LLC	Utilities	307,576	4	0.55%			
Vortex Cold Storage	Commercial	305,466	5	0.55%			
Minnesota Energy Resources Corp	Utilities	278,250	6	0.50%			
Union Pacific Corporation	Commercial	221,934	7	0.40%	167,559	6	0.41%
Cedar River Railroad Co	Commercial	192,470	8	0.34%			
Armstrong Land Holdings Inc	Agriculture	192,439	9	0.34%			
Dairyland Power Cooperative	Utilities	191,789	10	0.34%	187,768	5	0.46%
Interstate Power & Light Co	Utilities				559,829	3	1.36%
Steven p & Leann Anderson	Agriculture				154,573	7	0.37%
Wal-Mart Real Estate Business	Commercial				149,945	8	0.36%
O. Dale Larson Trust	Industrial				143,918	9	0.35%
Swenson Groveland Farms, LLC	Agriculture				137,724	10	0.33%
All Others		51,713,321		92.38%	37,861,679		91.79%
		<u>\$ 55,977,728</u>		<u>100.00%</u>	<u>\$ 41,246,646</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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Freeborn County</b>										
General	16.5030	19.2720	20.1280	22.3540	25.6180	28.2410	30.9570	32.0980	28.7290	25.2420
Road and Bridge	9.8870	10.5130	8.9680	9.4640	10.6730	11.4090	11.1800	10.9000	9.9850	9.5630
Social Services	11.8080	12.5550	14.1500	14.5130	13.8330	14.1960	14.2720	13.3280	10.6060	10.1450
Waste	0.1700	0.1590	0.1480	0.1510	-	-	-	-	-	-
Capital Improvements	2.3160	2.8940	3.1020	3.2580	1.6340	1.7300	1.7370	1.8210	1.2890	2.0080
Library	0.8560	0.9320	0.9450	1.0030	0.9740	0.9920	0.9940	0.9560	0.7650	0.6870
Capital Bond	1.0430	1.1320	1.1140	1.1400	1.0870	1.0590	1.0500	0.9730	1.3990	1.2630
2011A	1.6170	1.7170	1.7420	1.8010	3.3530	3.2580	3.2290	2.9520	-	-
2011B	1.2750	1.3640	1.3670	1.4090	1.3370	1.3400	1.2700	1.0660	-	-
2011C	1.6460	1.7220	1.7320	1.7770	-	-	-	-	-	-
Radio	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	0.2530
Total Freeborn County	49.6600	55.0660	56.2250	60.2590	60.8610	63.7430	64.9050	64.1940	53.1170	49.1610
<b>Townships</b>										
Albert Lea	15.6260	16.3100	16.4730	17.3990	16.4420	16.3770	15.8630	15.9000	13.3830	15.2420
Alden	6.1470	7.1320	7.5090	7.6730	7.4000	7.8130	8.1800	7.7590	7.1130	5.7920
Bancroft	10.0850	11.5060	11.4210	11.6080	11.4000	11.2420	10.9770	11.5700	9.4080	8.6470
Bath	7.9060	8.5860	8.7480	7.8420	7.6940	11.2730	11.1860	10.3810	8.0290	7.4670
Carlston	9.7610	10.9200	10.6020	11.0390	10.7730	10.8900	10.9500	10.6340	8.6110	7.2290
Freeborn	9.1040	9.7430	9.5140	9.1730	8.9250	8.0780	8.4480	8.3260	5.8870	5.3120
Freeman	6.7590	8.1090	8.3360	8.6370	8.3630	9.1310	9.1820	9.5150	8.4350	7.0030
Geneva	8.3430	9.2040	9.4730	10.0170	9.7560	9.6770	9.9300	9.6340	7.3170	6.3210
Hartland	5.6300	6.2760	6.4730	6.4070	6.0190	5.9970	6.1110	5.9650	5.0440	4.5260
Hayward	9.3600	9.4620	9.0080	8.6810	7.6210	12.0130	12.0010	11.7140	6.4380	5.6490
London	9.4730	10.7060	11.0290	11.7050	11.5360	11.5210	11.4200	10.9760	8.8980	7.5580
Manchester	5.6650	6.0120	5.4060	5.2750	4.7400	4.9120	4.9010	4.7070	3.8020	3.9090
Mansfield	8.4920	9.7050	10.0710	10.6950	10.8920	10.8220	11.3290	11.6880	9.3830	7.6640
Moscow	11.7540	12.9230	13.4940	14.6480	15.6280	15.6130	17.9770	17.1840	13.0930	10.9850
Newry	8.5020	9.4390	9.7350	10.3470	10.1090	10.0990	10.2910	9.8020	7.5580	6.3710
Nunda	9.1870	10.0000	10.1990	10.7440	10.6340	10.9960	11.0460	10.3630	8.7760	7.2940
Oakland	9.3510	10.2590	10.4380	11.3280	10.9550	11.6580	11.9320	11.0970	9.4860	8.1190
Pickrel Lake	5.9100	6.3160	6.5020	8.0010	7.9580	9.9800	9.9240	9.9030	15.4750	7.7660
Riceland	7.6160	8.2930	8.4430	8.8090	8.4760	9.0530	9.0170	8.8830	7.2040	6.2070
Shell Rock	5.6420	6.1730	6.2650	6.5520	6.7730	7.3100	7.1610	6.7510	5.4650	5.9270
<b>Cities</b>										
Albert Lea	63.2160	64.3220	63.0870	64.8660	61.9080	60.0640	60.3370	60.6760	52.2900	54.0250
Alden	100.4690	99.7370	93.6570	96.4220	92.1160	94.2220	88.7280	93.7800	78.7780	75.9850
Clarks Grove	52.8210	54.6880	55.0710	50.5920	48.5550	41.0970	42.8040	43.1420	35.1850	36.8380
Conger	139.3750	143.8460	143.6260	152.3350	144.8970	124.8050	119.0670	124.0530	85.5730	93.6180
Emmons	146.6990	145.4870	144.3780	148.8740	141.7510	135.7810	138.3710	130.8040	103.8970	97.2060
Freeborn	155.4240	159.6660	162.2870	174.9180	175.9070	159.1760	136.4440	135.2840	96.2240	105.8560
Geneva	49.8020	50.4430	48.2690	46.0090	49.1090	50.3050	55.5950	51.9580	40.9400	44.7190
Glenville	45.8360	45.8920	46.7430	46.9740	42.3450	34.6480	31.4880	28.8110	24.1150	25.6930
Hartland	140.2610	146.5790	147.6840	133.6010	116.7040	108.8480	108.9260	109.5000	74.3300	74.1830
Hayward	164.5510	155.5250	154.2900	156.5940	154.8140	137.0710	139.1200	139.8810	121.3060	114.1790
Hollandale	114.6910	114.7110	107.1110	105.5660	102.8650	83.8260	80.5710	83.1990	79.7120	87.9060
Manchester	104.6640	109.0210	134.0360	143.8850	160.9420	153.5780	143.0650	160.1380	125.0160	129.1730
Myrtle	69.3400	68.9850	75.0470	77.6580	76.8680	63.0270	46.1500	45.1170	33.8670	37.4210
Twin Lakes	15.9450	16.2940	15.8910	17.7600	18.2970	18.3690	16.9810	18.1680	15.4870	16.3780
<b>School Districts</b>										
SD 241	25.1970	25.0870	25.4820	27.3570	27.6050	27.9680	27.5580	26.0770	21.7090	19.8590
SD 242	14.9850	20.6190	24.5390	26.6240	25.7200	26.0480	25.5920	24.6120	19.7500	17.9520
SD 492	28.3740	27.4910	26.8870	27.1450	27.2630	31.4600	28.9270	28.9440	24.3070	20.3100
SD 497	21.8200	26.9350	24.0810	23.3740	26.8120	30.1000	27.7450	25.7090	20.0080	15.5420
SD 756	19.8120	23.6980	23.2860	22.2710	21.6530	18.6920	22.2780	36.0210	29.6490	23.4500
SD 2134	18.0700	22.1450	18.6450	18.8850	20.0170	19.7140	19.8170	18.3260	15.9490	12.3960
SD 2168	8.5410	8.6990	7.3980	7.0170	6.9110	10.8800	10.6610	10.4320	11.9030	9.6610
SD 2886	3.2790	3.4200	3.7400	3.9350	3.7570	5.0530	4.6700	4.5730	3.7820	3.5730

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
2015 % of Total	24,711,441 60%	8,770,777 21%	3,001,570 7%	1,672,736 4%	884,410 2%	2,343,838 6%	(138,126) 0%	\$41,246,646
2016 % of Total	21,762,538 56%	8,856,814 23%	3,016,707 8%	1,622,741 4%	1,084,133 3%	2,557,017 7%	(118,829) 0%	\$38,781,121
2017 % of Total	20,785,418 54%	9,421,729 24%	3,039,218 8%	1,623,251 4%	1,167,647 3%	2,762,326 7%	(289,401) -1%	\$38,510,188
2018 % of Total	19,517,474 52%	9,575,479 26%	3,053,961 8%	1,640,243 4%	1,363,976 4%	2,351,610 6%	(310,491) 90%	\$37,192,252
2019 % of Total	19,430,074 50%	10,739,149 28%	3,004,086 8%	1,747,345 5%	1,419,322 4%	2,458,004 6%	(320,246) -1%	\$38,477,734
2020 % of Total	19,431,405 50%	11,564,060 30%	3,062,983 8%	1,843,144 5%	1,238,612 3%	2,104,020 5%	(334,813) -1%	\$38,909,411
2021 % of Total	18,503,205 47%	12,150,178 31%	3,062,449 8%	1,865,765 5%	1,492,292 4%	2,377,844 6%	(321,836) -1%	\$39,129,897
2022 % of Total	19,125,795 47%	12,667,132 31%	3,167,414 8%	1,893,866 5%	1,649,178 4%	2,334,979 6%	(289,155) -1%	\$40,549,209
2023 % of Total	24,098,389 48%	16,574,404 33%	3,625,156 7%	2,161,350 4%	1,706,159 3%	2,769,441 5%	(515,620) -1%	\$50,419,279
2024 % of Total	29,528,839 53%	17,254,110 31%	3,638,774 7%	2,182,431 4%	1,622,391 3%	2,450,728 4%	(699,545) -1%	\$55,977,728

Source: Freeborn County Auditor/Treasurer Abstract of Assessment of Real and Personal Property for 2024

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

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

	2015	2016	2017	2018
Market Valuation of Taxable Property (1)	\$ 4,709,106,500	\$ 4,433,917,900	\$ 4,357,662,300	\$ 4,186,915,400
Legal Debt Percentage Allowed (2)	3.00%	3.00%	3.00%	3.00%
Legal Debt Limit	141,273,195	133,017,537	130,729,869	125,607,462
Amount of Debt Applicable to Debt Limit				
General Obligation Debt	21,325,000	18,605,000	23,910,000	18,330,000
Less: Amount Available in Debt Service Funds	4,284,934	4,261,379	4,564,815	4,211,939
Total Debt Applicable to Limit	17,040,066	14,343,621	19,345,185	14,118,061
Unused Margin of Indebtedness	<u>\$ 124,233,129</u>	<u>\$ 118,673,916</u>	<u>\$ 111,384,684</u>	<u>\$ 111,489,401</u>
Percent of Legal Debt Incurred	15.09%	13.99%	18.29%	14.59%

(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

2019	2020	2021	2022	2023	2024
\$ 4,287,368,000	\$ 4,346,595,400	\$ 4,320,555,400	\$ 4,436,650,200	\$ 5,415,086,300	\$ 6,105,379,800
3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
128,621,040	130,397,862	129,616,662	133,099,506	162,452,589	183,161,394
9,545,000	7,435,000	4,155,000	11,500,000	9,390,000	9,065,000
3,259,090	3,169,237	2,294,879	2,537,236	709,812	744,631
6,285,910	4,265,763	1,860,121	8,962,764	8,680,188	8,320,369
\$ 122,335,130	\$ 126,132,099	\$ 127,756,541	\$ 124,136,742	\$ 153,772,401	\$ 174,841,025
7.42%	5.70%	3.21%	8.64%	5.78%	4.95%

**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>			
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	-	-
2024	9,311,659	-	-

(1) Personal income is disclosed on page 164

(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>
\$ 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	0.56%	30,895	312
9,311,659	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
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	4,591,440,800	36,342,933	14,856,277	4,261,379
2017	30,550	1,264,313,000	4,305,573,100	36,037,263	21,400,566	4,564,815
2018	30,495	1,394,588,000	4,219,103,400	35,151,133	10,424,874	4,211,939
2019	30,281	1,433,993,000	4,068,935,600	36,339,950	8,467,138	4,087,081
2020	30,895	1,529,242,000	4,164,064,700	34,140,204	6,424,401	3,851,004
2021	30,749	1,654,000,000	4,241,108,000	37,073,831	4,331,666	2,238,004
2022	30,904	1,701,058,000	4,201,387,500	38,503,317	11,843,570	2,359,126
2023	30,513	1,711,903,000	4,319,656,100	48,164,358	9,649,641	558,077
2024	N/A	N/A	5,982,545,100	54,225,533	9,311,659	602,810

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 %
\$ 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	0.4	0.3	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	0.1	29.7	17.7	0.7	0.4
2,337,320	212.16	77.19	0.2	0.1	17.7	6.4	0.4	0.2
480,662	140.21	15.56	0.1	0.0	11.7	1.3	0.3	0.0
9,605,566	385.17	312.39	0.3	0.2	30.8	24.9	0.7	0.6
7,290,515	312.25	235.91	0.2	0.1	20.0	15.1	0.6	0.4
9,091,564	316.25	297.96	0.2	0.2	20.0	18.9	0.6	0.5
8,708,849	N/A	N/A	0.2	0.1	17.2	16.1	N/A	N/A

(Unaudited)

**FREEBORN COUNTY  
ALBERT LEA, MINNESOTA**

**COMPUTATION OF UNDERLYING, OVERLAPPING, AND DIRECT DEBT  
DECEMBER 31, 2024**

	Net G.O. Debt Outstanding	Applicable to Freeborn County	
		Percent (1)	Amount
<b>Cities</b>			
City of Alden	\$ 1,576,000	100.0	\$ 1,576,000
City of Conger	425,000	100.0	425,000
City of Freeborn	991,000	100.0	991,000
City of Hartland	1,041,000	100.0	1,041,000
City of Hayward	89,610	100.0	89,610
City of Manchester	51,000	100.0	51,000
City of Albert Lea	43,955,322	100.0	43,955,322
<b>Total Cities</b>	<b>48,128,932</b>		<b>48,128,932</b>
<b>Independent School Districts</b>			
No. 241	33,850,318	100.0	33,850,318
No. 242	7,460,000	99.3	7,407,780
No. 492	27,359,587	6.4	1,751,014
No. 497	3,085,000	13.8	425,730
No. 756	35,995,000	25.0	8,998,750
No. 2134	14,830,000	23.8	3,529,540
No. 2168	13,141,000	29.5	3,876,595
<b>Total Independent School Districts</b>	<b>135,720,905</b>		<b>59,839,727</b>
<b>Total Overlapping Debt</b>	<b>183,849,837</b>	<b>58.7</b>	<b>107,968,659</b>
<b>Freeborn County Direct Debt</b>	<b>9,065,000</b>	<b>100.0</b>	<b>9,065,000</b>
<b>Totals</b>	<b>\$ 192,914,837</b>		<b>\$ 117,033,659</b>

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>
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
2024	1,840,600	11,532,700	1,721,300	15,094,600	772,000,000

(1) Source: Freeborn County Assessor

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

(Unaudited)

FREEBORN COUNTY  
ALBERT LEA, MINNESOTA

COUNTY EMPLOYEES BY DEPARTMENT

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund</b>										
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	-	-	-	-
Administration	6.00	6.00	6.60	6.60	8.00	8.00	9.00	9.00	7.00	6.50
Auditor/Treasurer	7.00	6.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Assessor	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.50	6.50	6.00
Motor Vehicle	5.00	5.00	5.00	7.00	7.00	7.00	5.00	5.00	5.00	5.00
Information Technology	6.00	6.00	5.00	5.00	5.00	5.00	6.00	6.00	5.00	4.00
Attorney	7.00	7.00	8.00	8.00	8.00	8.00	8.00	9.00	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	6.50	6.50	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Veterans Service	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50
Medical Death Investigators	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	6.00
Sheriff (1)	23.00	21.00	26.00	26.00	26.00	26.00	26.00	26.00	32.00	33.50
Dispatch (2)	9.00	8.00	7.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00
Transport Deputies (1)	3.00	8.00	8.00	8.00	6.00	6.00	6.00	6.00	-	-
Detention Center	33.00	35.00	40.00	37.00	36.00	36.00	32.00	32.00	32.00	28.00
Probation and Pre-Trial	11.00	9.00	10.00	11.00	11.00	11.00	12.00	13.50	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	25.00	24.00	31.00	33.00	36.00	36.00	32.00	33.00	33.00	31.50
Extension	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Environmental Services	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.00	6.50
Total General Fund	174.00	174.00	194.60	197.60	202.00	202.00	193.00	197.50	194.00	190.00
<b>Road and Bridge Fund</b>										
Road and Bridge	34.00	35.00	36.00	34.00	32.00	32.00	31.00	32.00	31.00	31.50
<b>Social Services Fund</b>										
Social Services	84.00	91.00	88.00	88.00	89.00	89.00	89.00	89.00	93.00	89.00
<b>Ditch Fund</b>										
Ditch	0.50	1.00	1.00	1.00	-	1.00	1.00	1.00	1.00	1.00
Total Employees	292.50	301.00	319.60	320.60	323.00	324.00	314.00	319.50	319.00	311.50

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**

<b>Union</b>	<b>Number of Employees (1)</b>	<b>Contract Term</b>
American Federation of State, County and Municipal Employees, AFL-CIO Council 65, Local 1018A	82	1.1.22 - 12.31.24
Minnesota Public Employees Association (Detention Deputies)	30	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)	5	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
<b>Non Union</b>	160.5	
<b>Total</b>	311.50	

(1) As of 12-31-24 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	2024			2015		
		Number of Employees	Rank	Percent of Total Employees	Number of Employees	Rank	Percent of Total Employees
Mayo Clinic Health Systems	Medical Services	998	1	6.1 %	1,200	1	7.4 %
Albert Lea Area Schools	Education	820	2	5.0	492	3	3.0
Albert Lea Select Foods	Meat Processing	565	3	3.4	500	2	3.1
Innovance (Lou-Rich & Almco)	Metal Fabrication	411	4	2.5	350	4	2.2
Freeborn County	Local Government	330	5	2.0	292	7	1.8
Riverland Community College	Post Secondary Education	300	6	1.8	296	6	1.8
Cargill	Food Processor	300	7	1.8	310	5	1.9
Mrs. Gerry's	Food Processor	285	8	1.7	-	-	-
Hy-Vee	Retailer	259	9	1.6	285	8	1.8
St. John's Lutheran Home	Nursing Care Facilities	221	10	1.3	-	-	-
Cargill	Food Processor	300		1.8	310	5	1.9
Good Samaritan Center	Outpatient Care Center	-		-	273	9	1.7
Wal-Mart	Retailer	-		-	265	10	1.6
All Other Employees		<u>11,694</u>		<u>70.9</u>	<u>11,651</u>		<u>71.8</u>
Total Employees		<u>16,483</u>		<u>100.0 %</u>	<u>16,224</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)
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	30,513	(1.3)	13,046	0.0	5,800,386	(0.0)
2024	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. 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
Aug. 13, 2024	18,587	2,282	12.3	Nov. 5, 2024	18,979	16,795	88.5

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
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	1,711,903,000	56,100	71,866	68,531
2024	2.3	2.6	3.8	N/A	N/A	72,555	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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Government</b>										
New Hires (Regular Employees)	51	42	42	36	31	27	22	42	45	43
New Hires (Temporary/Seasonal)	12	3	6	3	7	18	6	5	3	16
Total Employees Supported	292	301	319	321	323	324	348	353	353	330
Number of Parcels in County	23,060	23,024	23,057	23,110	23,253	23,314	23,327	23,334	23,347	23,348
Number of Permits in County	248	244	281	264	299	373	305	375	392	396
Adult Felony	286	300	356	398	271	334	270	308	270	245
Juvenile Felony	19	28	16	33	25	20	31	44	35	54
Adult GM	177	194	256	344	191	205	150	231	229	265
Juvenile GM	14	9	15	14	7	7	6	14	10	7
Adult Misdemeanor	380	319	255	306	537	201	108	255	295	319
Juvenile Misdemeanor	124	123	128	165	116	64	84	164	144	85
Chips	85	82	78	83	120	76	75	103	79	50
Number of Technology Requests Completed	N/A	N/A	9,100	9,035	1,350	9,748	4,300	4,755	11,875	5,021
Number of GIS External Services Provided	N/A	95	95	195	347	373	325	319	625	349
Office Visits - Veterans Services	2,183	2,278	2,102	1,859	1,760	741	1,024	1,824	1,932	831
Letters - Veterans Services	816	1,429	1,403	1,471	1,244	822	668	768	260	193
Phone Calls - Veterans Services	5,402	5,491	5,188	4,927	4,864	5,890	7,305	5,542	7,172	4,160
Transported Veterans to VA Medical Center	786	800	789	983	836	295	365	320	382	428
Deceased Veterans	134	93	92	96	82	126	125	106	112	103
New Veterans	N/A	115	114	98	89	61	62	47	55	50
<b>Public Safety</b>										
Adults on Supervision at End of Year	710	604	632	621	725	577	781	752	507	576
Juveniles on Supervision at End of Year	133	154	158	152	140	137	150	161	193	159
Community Service Hours Done by Offenders	7,034	7,226	7,025	7,105	6,646	6,096	5,550	5,511	3,083	6,206
Investigations (Pre-Sentence, Pre-Trial, Pre-Release)	438	320	330	303	319	247	180	220	199	176
<b>Social Services</b>										
Minnesota Healthcare Cases	2,593	3,723	3,741	4,050	3,730	4,484	4,780	5,089	5,029	5,030
<b>Health</b>										
Number of Children Enrolled in Infant Follow-Along Program	301	282	266	223	230	218	176	142	117	131
Number of Emergency Preparedness Exercises	6	3	4	7	6	2	-	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
<b>Conservation Of Natural Resources</b>										
Extension Services Volunteers	137	153	283	202	198	150	97	93	96	98
Extension Services 4-H Enrollment	625	526	853	716	775	450	386	447	442	458
Extension Services 4-H Participants	2,464	2,292	2,843	3,646	3,652	2,214	390	432	656	479
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
<b>Environmental Services</b>										
Landfill Tons	19,333	20,593	18,813	22,155	22,078	24,485	21,956	21,999	23,684	23,632
Demolition	9,751	9,127	945	642	622	781	781	2,103	3,900	4,721
Recycling Tons	17,601	13,286	7,192	7,643	5,548	7,101	11,009	11,170	11,177	14,219

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government buildings	3	3	3	3	3	4	4	4	4	4
Highways:										
Miles	634	634	634	634	634	634	634	634	634	634
Buildings	10	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	13
County parks	4	4	4	4	4	4	4	4	4	4

Source: Freeborn County Highway and Administration Departments