LAC QUI PARLE COUNTY, MINNESOTA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Lac qui Parle County, Minnesota
Madison, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lac qui Parle 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, the discretely presented component unit, 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, budgetary comparison schedules, schedule of changes in the County's total OPEB liability and related ratios, schedule of proportionate share of net pension liability and schedule of pension contributions 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 budgetary comparison schedule – debt service fund, the combining statement of fiduciary net position, combining statement of changes in fiduciary net position, schedule of intergovernmental revenue, Lac qui Parle – Yellow Bank Watershed District statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedule – debt service fund, the combining statement of fiduciary net position, combining statement of changes in fiduciary net position, schedule of intergovernmental revenue, Lac qui Parle – Yellow Bank Watershed District statements and schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of County Commissioners
Lac qui Parle County, Minnesota

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Alexandria, Minnesota
August 28, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(Unaudited)

The Management's Discussion and Analysis (MD&A) provides an overview and analysis of the County's financial activities for the fiscal year ended December 31, 2024. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the financial statements. All amounts, unless otherwise indicated, are expressed in whole dollars.

FINANCIAL HIGHLIGHTS

- Governmental activities' total net position is $98,777,527 of which $69,637,267 represents net investment in capital assets, and $10,441,980 is restricted to specific purposes. The $18,698,280 remaining may be used to meet the County's ongoing obligations to citizens and creditors.

- The County's net position increased by $5,552,877 for the year ended December 31, 2024. The increase is a result of increases in taxes and decreases in highways and streets expenses.

- The fund balances of the governmental funds decreased by $6,934,671 with the largest decrease in the capital projects fund. The capital projects fund decreased $8,922,339 due to expenditures on the facilities projects in 2024.

- For the year ended December 31, 2024, the unassigned, assigned, and committed fund balance of the General Fund was $6,035,582, or 96.1% of the total General Fund expenditures for the year.

- The assigned and committed fund balance of the Road and Bridge Special Revenue Fund was $4,921,050 or 61.4% of the total Road and Bridge Special Revenue Fund expenditures for the year.

- The assigned and committed fund balance of the Family Services Special Revenue Fund was $3,403,517, or 102.8% of the total Family Services Special Revenue Fund expenditures for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the basic financial statements. The basic financial statements consist of three parts: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other required supplementary information.

Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

The statement of net position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the County using the accrual basis of accounting, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating. It is important to consider other nonfinancial factors, such as changes in the County's property tax base and the condition of County roads and other capital assets, to assess the overall health of the County.

The statement of activities presents the County's governmental activities. Most of the basic services are reported here, including general government, public safety, highways and streets, sanitation, human services, culture and recreation, conservation of natural resources, and economic development. Property taxes and state and federal grants finance most of these activities. The County has no business-type activities for which the County is legally accountable. The County has one discrete and one blended component unit for which it is legally accountable.

The government-wide statements are Exhibits 1 and 2 of this report.

Fund Financial Statements

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 or 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.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of these funds and the balances left at year-end available for spending. These funds are reported using modified accrual accounting. Such information may be useful in evaluating a government's near-term financial requirements.

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

The County adopts an annual appropriated budget for its General Fund, Road and Bridge Special Revenue Fund, Family Services Special Revenue Fund, and Ditch Special Revenue Fund. A budgetary comparison schedule has been provided as required supplementary information for each of these funds to demonstrate compliance with this budget. The County adopts a budget for the debt service fund and a budgetary comparison schedule has been provided as supplementary information.

The County presents the Lac qui Parle County Economic Development Authority as a blended component unit.

The basic governmental fund financial statements are Exhibits 3 through 6 of this report.

<ins>Fiduciary funds</ins> are used to account for resources held for the benefit of parties outside of the County. Fiduciary funds are not reflected in the government-wide statements because the resources of these funds are not available to support the County's own programs or activities. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All fiduciary activities are reported in a separate statement of fiduciary net position and change in fiduciary net position on Exhibit 7 and Exhibit 8.

Notes to the Financial Statements

Notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 85 of this report.

Supplementary Information

This report present certain supplementary information and other schedules including the budgetary comparison schedule – debt service fund, the combining statement of fiduciary net position, combining statement of changes in fiduciary net position, schedule of intergovernmental revenue, Lac qui Parle – Yellow Bank Watershed District statements and schedules and schedule of expenditures of federal awards.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position serves as a useful indicator of the County's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $98,777,527 at the close of 2024. The largest portion of Lac qui Parle County's net position (70.5%) reflects the County's investment in capital assets (land, buildings, equipment, and infrastructure such as roads and bridges). However, it should be noted that these assets are not available for future spending. Comparative data with 2023 is presented.

Governmental Activities
Net Position

	2024	2023
Assets		
Current and Other Assets	$ 37,223,857	$ 44,269,917
Capital Assets	82,021,342	71,089,866
Total Assets	119,245,199	115,359,783
Deferred Outflows of Resources	1,498,137	2,306,410
Liabilities		
Long-term Liabilities	14,580,790	16,299,706
Other Liabilities	4,627,651	5,498,751
Total Liabilities	19,208,441	21,798,457
Deferred Inflows of Resources	2,757,368	2,643,086
Net Position		
Net Investment in Capital Assets	69,637,267	66,851,803
Restricted	10,441,980	10,687,474
Unrestricted	18,698,280	15,685,373
Total Net Position	$ 98,777,527	$ 93,224,650

Unrestricted net position in the amount of $18,698,280--the part of net position that may be used to meet the County’s ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements--was 18.9% of the net position.

Governmental Activities

The County's governmental activities increased net position by $5,552,877. Key elements in this increase in net position are as follows for 2024, with comparative data for 2023.

Governmental Activities
Changes in Net Position

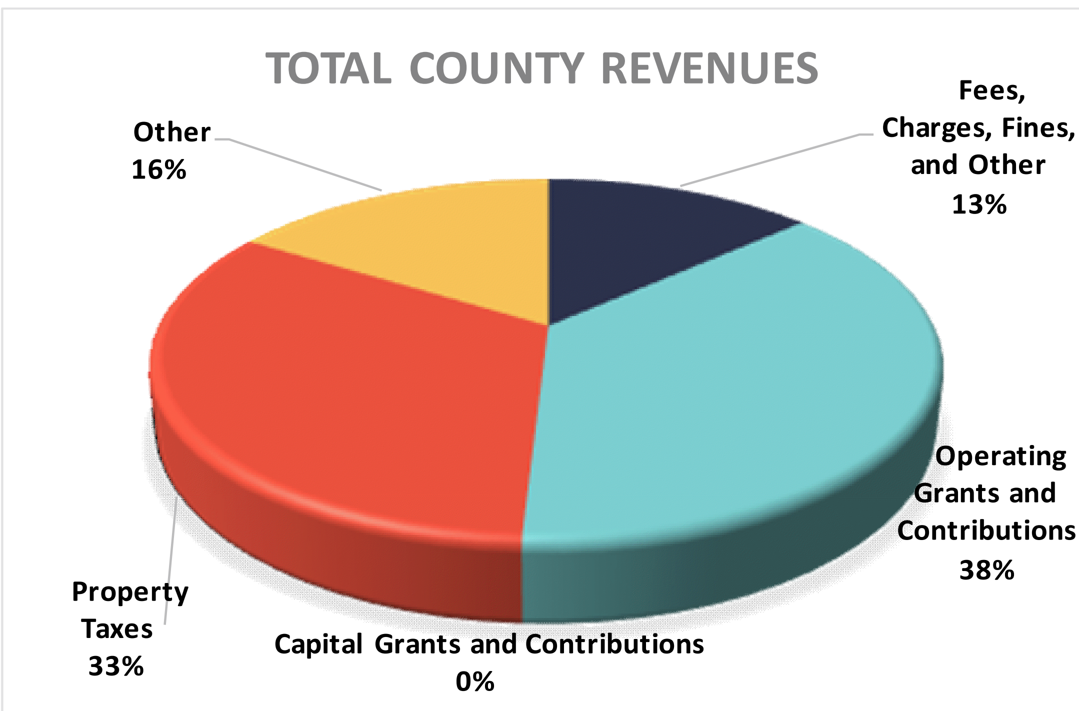
	2024	2023
Revenues		
Program Revenues		
Fees, Charges, Fines, and Other	$ 3,164,485	$ 4,285,399
Operating Grants and Contributions	8,956,299	10,191,508
General Revenues		
Property Taxes	7,865,578	6,790,816
Other	3,829,543	3,797,085
Total Revenues	23,815,905	25,064,808
Expenses		
General Government	2,758,521	2,503,862
Public Safety	2,301,581	2,350,620
Highways and Streets	6,393,309	7,985,251
Sanitation	262,437	179,966
Human Services	3,207,478	3,376,562
Culture and Recreation	186,804	164,587
Conservation of Natural Resources	2,481,780	3,314,273
Economic Development	193,082	242,115
Debt Service	478,036	559,438
Total Expenses	18,263,028	20,676,674
Increase in Net Position	5,552,877	4,388,134
Net Position - January 1	93,224,650	88,836,516
Net Position - December 31	$ 98,777,527	$ 93,224,650

The County-wide cost of all governmental activities this year was $18,263,028.

- Some of the cost was paid by the users of the County's programs ($3,164,485).
- The federal and state governments subsidized certain programs with grants and contributions ($8,956,299).
- The remainder of the County's governmental activities costs of $6,142,244, however, was paid for by County taxpayers and the taxpayers of our state. This portion of governmental activities and the increase in net position was covered by $8,305,020 in taxes, $876,732 in state aid, and with investment earnings and other general revenues.

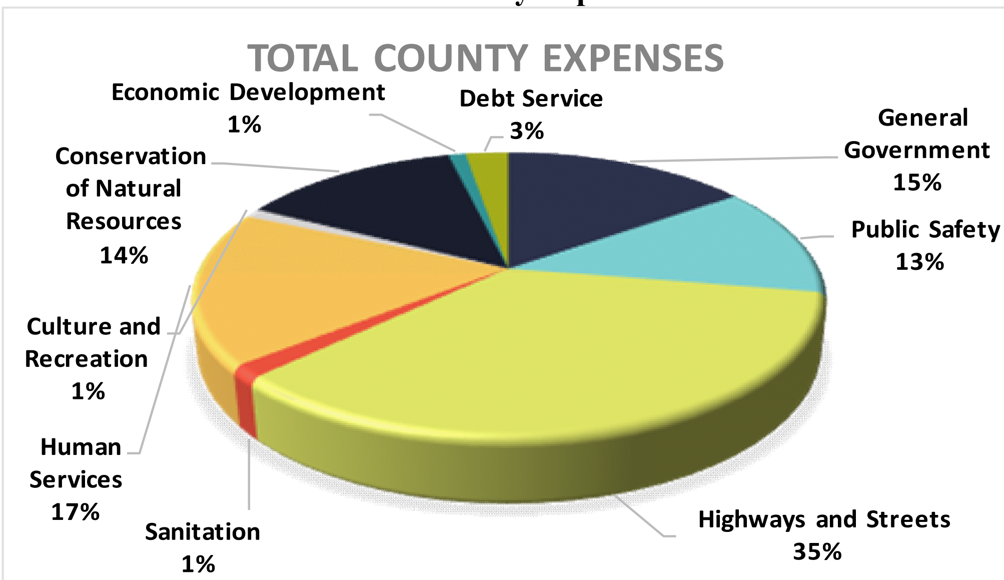
The County's total revenues were $23,815,905. Table 1 presents the percent of total County revenues by source for the year ended December 31, 2024. Operating grants and contributions decreased $1,235,209 due to a decrease in state aid for highways. Fees, charges, fines and other revenues decreased $1,120,914 over the prior year primarily due to decreases in special assessments on ditch improvements. Property taxes increased $1,074,762 over the prior year due to a levy increase.

Table 1
Total County Revenues



Total expenses were $18,263,028. Table 2 presents the county costs by function.

Table 2
Total County Expenses



Expenses decreased $2,413,646 from the previous year primarily due to a decrease in Highway projects.

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

Table 3
Governmental Activities

	2024	
	Total Cost of Services	Net Cost of Services
General Government	$ 2,758,521	$ (2,165,241)
Public Safety	2,301,581	(1,675,163)
Highways and Streets	6,393,309	(413,561)
Human Services	3,207,478	(1,027,197)
All others	3,602,139	(861,082)
Totals	$ 18,263,028	$ (6,142,244)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

At the end of the current fiscal year, governmental funds reported combined ending fund balances of $22,845,524 a decrease of $6,934,671 in comparison with the prior year. Of the combined ending fund balances, $19,194,399 represents unrestricted (committed, assigned, and unassigned) fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is classified as either nonspendable or restricted to indicate that it is not available for new spending because it has already been restricted for various reasons either by state law, grant agreements, bond covenants, or is not in spendable form.

The General Fund is the main operating fund for the County. At the end of the current fiscal year, it had an unrestricted fund balance of $6,035,582. As a measure of the General Fund's liquidity, it may be useful to compare unrestricted fund balance to total expenditures. The General Fund's unrestricted fund balance represents 96.1% of total General Fund expenditures. During 2024, the ending fund balance increased by $773,933 due primarily to an increase in taxes.

The Road and Bridge Special Revenue Fund had an unrestricted fund balance of $4,921,050 at fiscal year-end, representing 61.4% of its annual expenditures. The ending fund balance increased $363,704 during 2024. The primary reason for the increase was due to increased intergovernmental revenue.

The Family Services Special Revenue Fund had an unrestricted fund balance of $3,403,517 at fiscal year-end, representing 102.8% of its annual expenditures. The ending fund balance increased $226,160 during 2024, primarily due to less expenditures than budgeted for in the current year.

The Ditch Special Revenue Fund had an unrestricted fund balance of ($1,424,892) at fiscal year-end. Revenues exceeded expenditures in the ditch fund by $589,260. Expenditures were greater than budgeted expenditures by $2,173,795 due to ditch redetermination damages that were not budgeted for.

The Debt Service fund had a total fund balance of $639,481 at the end of the fiscal year which was an increase of $62,525 from the prior year. The fund balance of the Debt Service Fund was established to record the bond payments for the Series 2021A G.O. bonds.

The Capital Project fund was established in 2021 to account for proceeds from bonds issued for construction. The ending fund balances in 2024 decreased $8,922,339 for a total ending fund balance of $6,193,882.

General Fund Budgetary Highlights

Actual revenues exceed budgeted revenues by $388,132. This was primarily due to the County's investment earnings coming in higher than what was budgeted for.

Actual expenditures were lower than budgeted expenditures by $385,285 largely due to a special project that was budgeted for but had no expenditures in 2024.

CAPITAL ASSETS

The County's capital assets at December 31, 2024, totaled $82,021,342 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, equipment, infrastructure and right-to-use assets.

Table 4
Capital Assets at Year-End

	2024	2023
Land	$ 466,079	$ 164,903
Right-of-Way	470,198	470,198
Construction in Progress	14,718,959	4,932,927
Buildings	2,411,856	2,494,782
Improvements Other than Building	81,406	85,381
Machinery, Furniture and Equipment	2,954,570	2,562,318
Infrastructure	60,832,516	60,264,106
Right-to-Use, Buildings	50,587	65,240
Right-to-Use, Equipment	35,171	50,011
Totals	$ 82,021,342	$ 71,089,866

Additional information about the County's capital assets can be found in Note 3.A.3 to the financial statements.

LONG-TERM DEBT

At December 31, 2024, the County had total net outstanding bonds and notes payable of $11,282,230 and a lease liability of $93,937. The total outstanding long-term debt is backed by the full faith and credit of the government.

Minnesota statutes limit the amount of debt a county may levy to 3% of its total market value. At the end of 2024, the County's outstanding debt was less than 0.01% of its total estimated market value.

Additional information on the County's long-term debt can be found in Notes 3.C.3 to 3.C.6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The County's elected and appointed officials considered many factors when setting the 2025 budget, tax rates, and fees that will be charged for the year.

- The unemployment rate for Lac qui Parle County at the end of 2024 was 2.1%. This is comparable with the state unemployment rate of 2.7% and shows a decrease from the County's 2.2% rate of one year ago. The low unemployment rates, combined with a workforce that is aging and shrinking, has increased pressure on the County and other local employers to remain competitive in the job market. These factors did have a tangible effect on the 2024 budget and will continue to impact in future years.

- In 2021 the County made its first interest-only bond payment on the Capital Facilities Plan. It is apparent that several of the County's major building assets are at or nearing replacement age, and the Plan provides a structured approach to address these needs. The Plan has been adopted by the County Board, and the implementation of the Plan calls for construction of a Government Center over the course of the next 1-2 years at a projected cost of $18 million. $10 million will be financed through bond issuance, and the remainder will be financed by spending down the County's cash reserves. This financing plan will allow for the necessary investments while keeping fund reserves at acceptable levels and also minimizing the impact on the County's annual property tax levy.

- Agriculture is the singularly dominant local industry, and tillable ag land makes up the biggest portion of the County's tax base. Land values had increased significantly from 2005 - 2014 following a temporary surge in grain commodity prices, but have stabilized or trended slightly downward overall since 2015. For assessment years 2015-2019, land values decreased. The following chart shows ag land value changes for selected years:

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)

Year	Change
2021	+0.70%
2022	+9.30%
2023	+19.70%
2024	+12.00%
2025	+20.00%

The lack of diversification in the local economy, along with the historical volatility of commodity prices, adds an additional dimension of economic risk to the County's financial health.

- Investment returns for the County reached nearly 5% in the years leading up to 2007, but the Great Recession in the late 2000's and early 2010's resulted in rates bottoming out to near 0% for nearly a decade. Historically Lac qui Parle County's surplus fund balances have generated investment revenues which offset reliance on other revenue streams, most notably the County's annual property tax levy. After a period of recovery in 2018 and 2019, interest rates went to near 0% again during the Covid-19 pandemic. 2022 and 2023 rates have been rising sharply and 2024 and 2025 rates remain stable. As investment rates remain stable, the County will be able to use these investment returns as a valuable funding tool.

- The 2025 property tax levy slightly decreased from 2024 to 3.86%, which is similar to the average increase of 3.86% for the preceding 5 years. Over the long term, the County expects to follow a trend of stable and manageable levy increases that the tax base can reasonably absorb, and the levies will continue to be based on structurally sound and balanced budgets. Barring additional unfunded mandates, cost shifts, and aid reductions from the state, the County's budget and financial health appear to be stabilized. However, this optimism should be tempered by the risk factors outside of County management control, most notably state intergovernmental revenues and other political actions.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)

County Tax Rate and Levy History

Year	Tax Rate	Tax Levy	Levy Increase
2025	26.7%	$7,309,073	3.86%
2024	26.9%	$7,037,428	3.98%
2023	31.2%	$6,768,059	4.50%
2022	33.5%	$6,476,612	5.21%
2021	32.1%	$6,155,803	1.75%
2020	32.3%	$6,049,929	2.25%
2019	31.1%	$5,916,814	2.93%
2018	32.3%	$5,748,230	1.83%
2017	30.4%	$5,645,179	6.77%
2016	27.8%	$5,442,677	2.94%
2015	24.2%	$5,287,221	3.99%
2014	27.1%	$5,084,355	4.14%
2013	37.1%	$4,882,431	8.76%
2012	38.7%	$4,489,222	9.80%
2011	33.8%	$4,088,544	12.80%
2010	31.3%	$3,624,596	0.0%

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Lac qui Parle County's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Mr. Jake Sieg, the County's Administrator, Lac qui Parle County Courthouse, 600 - 6th Street, Suite 6, Madison, Minnesota 56256.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT 1

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government	Discretely Presented Component Unit
	Governmental Activities	Lac qui Parle-Yellow Bank Watershed District
ASSETS		
Cash and Investments	$ 26,035,898	$ 3,232,387
Accounts Receivable, Net	10,574,927	860,902
Due from Primary Government	-	4,572
Note Receivable	134,060	-
Lease Receivable	-	94,681
Prepaid Items	478,972	-
Capital Assets:		
Non-Depreciable	15,655,236	628,458
Depreciable - Net of Accumulated Depreciation	66,280,348	4,193,965
Right-to-Use - Net of Accumulated Amortization	85,758	-
Total Assets	119,245,199	9,014,965
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	1,451,847	73,354
OPEB Related	46,290	-
Total Deferred Outflows of Resources	1,498,137	73,354
LIABILITIES		
Accounts Payable and Other Current Liabilities	4,396,592	165,429
Due to Component Unit	4,572	-
Unearned Revenue	122,633	621,454
Interest Payable	103,854	-
Long Term Liabilities:		
Due Within One Year	623,705	163,857
Due in More Than One Year	11,255,225	1,055,991
Net Pension Liability	2,299,831	163,811
Current Other Postemployment Benefits Liability	22,153	-
Other Postemployment Benefits Liability	379,876	-
Total Liabilities	19,208,441	2,170,542
DEFERRED INFLOWS OF RESOURCES		
Pension Related	2,607,228	109,569
OPEB Related	128,950	-
Taxes Collected for Subsequent Levy	21,190	-
Lease Related	-	105,682
Total Deferred Inflows of Resources	2,757,368	215,251
NET POSITION		
Net Investment in Capital Assets	69,637,267	4,822,423
Restricted For:		
General Government	481,722	-
Public Safety	743,988	-
Highways and Streets	6,336,543	-
Conservation of Natural Resources	1,978,515	1,332,822
Debt Service	555,715	-
Economic Development	190,128	-
Opioid Epidemic Response	139,892	-
Other Purposes	15,477	-
Unrestricted	18,698,280	547,281
Total Net Position	$ 98,777,527	$ 6,702,526

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

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Revenues		
FUNCTIONS/PROGRAMS	Expenses	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
General Government	$ 2,758,521	$ 354,032	$ 239,248	$ -
Public Safety	2,301,581	349,233	277,185	-
Highways and Streets	6,393,309	70,324	5,909,424	-
Sanitation	262,437	142,262	119,833	-
Human Services	3,207,478	174,979	2,005,302	-
Culture and Recreation	186,804	1,850	57,611	-
Conservation of Natural Resources	2,481,780	2,071,805	347,696	-
Economic Development	193,082	-	-	-
Debt Service	478,036	-	-	-
Total Governmental Activities	$ 18,263,028	$ 3,164,485	$ 8,956,299	$ -
COMPONENT UNIT				
Lac qui Parle-Yellow Bank Watershed District	$ 1,649,429	$ 695,251	$ 431,084	$ -

GENERAL REVENUES
Property Taxes
Mortgage Registry and Deed Tax
Wheelage Tax
Payments in Lieu of Tax
Grants and Contributions not Restricted for a Particular Purpose
Investment Earnings
Miscellaneous

Total General Revenues

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

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

EXHIBIT 2
(Continued)

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Discretely Presented Component Unit
Governmental Activities	Lac qui Parle-Yellow Bank Watershed District
$ (2,165,241)	$ -
(1,675,163)	-
(413,561)	-
(342)	-
(1,027,197)	-
(127,343)	-
(62,279)	-
(193,082)	-
(478,036)	-
(6,142,244)	-
$ -	$ (523,094)
7,865,578	336,638
8,292	-
88,714	-
342,436	3,976
876,732	17,399
1,579,951	10,354
933,418	71,068
11,695,121	439,435
5,552,877	(83,659)
93,224,650	6,786,185
$ 98,777,527	$ 6,702,526

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

FUND FINANCIAL STATEMENTS

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Road and Bridge	Family Services	Ditch	EDA	Debt Service	Capital Projects	Total Governmental Funds
ASSETS								
Cash and Investments	$ 6,167,190	$ 6,332,625	$ 3,287,960	$ 924,093	$ 92,970	$ 631,948	$ 8,597,262	$ 26,034,048
Petty Cash and Change Funds	1,650	-	200	-	-	-	-	1,850
Taxes Receivable - Delinquent	32,817	13,993	10,515	-	6,019	5,058	-	68,402
Special Assessments Receivable								
Delinquent	1,831	-	-	113	-	-	-	1,944
Noncurrent	-	-	-	3,102,270	-	-	-	3,102,270
Accounts Receivable	6,249	-	170,637	-	-	-	-	176,886
Notes Receivable	-	-	10,969	-	123,091	-	-	134,060
Interest Receivable	187,760	92,690	-	12,738	802	9,033	88,602	391,625
Due from Other Governments	121,953	6,425,357	260,530	25,960	-	-	-	6,833,800
Due From Other Funds	1,288,200	-	-	-	-	-	-	1,288,200
Prepaid Items	6,961	441,314	30,697	-	-	-	-	478,972
Total Assets	$ 7,814,611	$ 13,305,979	$ 3,771,508	$ 4,065,174	$ 222,882	$ 646,039	$ 8,685,864	$ 38,512,057
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	$ 172,260	$ 139,744	$ 55,292	$ 47,089	$ -	$ 1,500	$ 481,239	$ 897,124
Salaries Payable	103,939	48,976	71,607	-	-	-	-	224,522
Contracts Payable	-	1,151,373	-	-	-	-	1,936,535	3,087,908
Due to Other Funds	-	-	-	1,288,200	-	-	-	1,288,200
Due to Other Governments	29,030	8,533	31,305	45,528	-	-	72,642	187,038
Due to Component Unit	-	-	-	4,572	-	-	-	4,572
Unearned Revenue	122,333	300	-	-	-	-	-	122,633
Total Liabilities	427,562	1,348,926	158,204	1,385,389	-	1,500	2,490,416	5,811,997
DEFERRED INFLOWS OF RESOURCES								
Taxes Collected for Subsequent Levy	11,093	4,687	3,459	-	385	-	1,566	21,190
Unavailable Revenue	68,793	6,341,887	160,154	3,128,344	129,110	5,058	-	9,833,346
Total Deferred Inflows of Resources	79,886	6,346,574	163,613	3,128,344	129,495	5,058	1,566	9,854,536

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

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT 3
(Continued)

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Road and Bridge	Family Services	Ditch	EDA	Debt Service	Capital Projects	Total Governmental Funds
FUND BALANCES								
Nonspendable								
Prepaid Items	$ 6,961	$ 441,314	$ 30,697	$ -	$ -	$ -	$ -	$ 478,972
Restricted								
Highway Allotments	-	248,115	-	-	-	-	-	248,115
Recorder's Compliance Fund	40,421	-	-	-	-	-	-	40,421
Recorder's Technology Fund	21,878	-	-	-	-	-	-	21,878
E-911	743,988	-	-	-	-	-	-	743,988
Forfeitures	3,683	-	-	-	-	-	-	3,683
Income Maintenance -PrimeWest	-	-	3,422	-	-	-	-	3,422
Social Services -PrimeWest	-	-	12,055	-	-	-	-	12,055
EDA Loans	38,910	-	-	-	-	-	-	38,910
County Park Betty Johnson Estate	248,210	-	-	-	-	-	-	248,210
Building Bond Proceeds	-	-	-	-	-	-	-	-
EDA Revolving Loans	-	-	-	-	28,127	-	-	28,127
Affordable Housing	167,530	-	-	-	-	-	-	167,530
Ditch Maintenance and Construction	-	-	-	976,333	-	-	-	976,333
Debt Service	-	-	-	-	-	639,481	-	639,481
Committed								
Solid Waste Assessments	2,134	-	-	-	-	-	-	2,134
County Park Bridge	66,818	-	-	-	-	-	-	66,818
Pictometry Flyover	26,833	-	-	-	-	-	-	26,833
Capital Equipment	-	927,068	-	-	-	-	-	927,068
Buildings and Grounds	-	35,000	-	-	-	-	-	35,000
Future Road Construction	-	807,012	-	-	-	-	-	807,012
Capital Facilities Project	-	-	-	-	-	-	6,193,882	6,193,882
Assigned								
Out of Home Placements	-	-	219,545	-	-	-	-	219,545
Rule 20	-	-	160,000	-	-	-	-	160,000
City Contract Vehicle Purchases	122,460	-	-	-	-	-	-	122,460
Sheriff's Forfeiture	38,654	-	-	-	-	-	-	38,654
Sheriff's Contingency	3,615	-	-	-	-	-	-	3,615
County Park Board	46,784	-	-	-	-	-	-	46,784
Buffer Law	321,672	-	-	-	-	-	-	321,672
IT Capital Purchases	62,619	-	-	-	-	-	-	62,619
Sheriff Fundraising	6,179	-	-	-	-	-	-	6,179
Canabis Aid	2,114	-	-	-	-	-	-	2,114
Road and Bridge	-	3,151,970	-	-	-	-	-	3,151,970
Human Services	-	-	3,023,972	-	-	-	-	3,023,972
Economic Development	-	-	-	-	65,260	-	-	65,260
Unassigned	5,335,700	-	-	(1,424,892)	-	-	-	3,910,808
Total Fund Balances (Deficit)	7,307,163	5,610,479	3,449,691	(448,559)	93,387	639,481	6,193,882	22,845,524
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	$ 7,814,611	$ 13,305,979	$ 3,771,508	$ 4,065,174	$ 222,882	$ 646,039	$ 8,685,864	$ 38,512,057

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

EXHIBIT 4

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS		$ 22,845,524
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		82,021,342
Other long-term assets (deferred inflows of resources) are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.		9,833,346
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows of Resources Related to Pensions		1,451,847
Deferred Inflows of Resources Related to Pensions		(2,607,228)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows of Resources Related to OPEB		46,290
Deferred Inflows of Resources Related to OPEB		(128,950)
Long-term liabilities, including bonds payable and net pension liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General Obligation Bonds and Notes	$ (10,953,328)	
Bond Premiums	(328,902)	
Lease Liability	(93,937)	
Accrued Interest	(103,854)	
Compensated Absences	(502,763)	
Net Pension Liability	(2,299,831)	
Total Other Postemployment Benefits	(402,029)	(14,684,644)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 98,777,527

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

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Road and Bridge	Family Services	Ditch	EDA	Debt Service	Capital Projects	Total Governmental Funds
REVENUES								
Taxes	$ 3,651,618	$ 1,509,019	$ 1,130,144	$ -	$ 134,972	$ 546,633	$ -	$ 6,972,386
Other Taxes	8,292	88,714	-	-	-	-	-	97,006
Special Assessments	124,442	-	-	2,153,690	-	-	-	2,278,132
Licenses and Permits	23,415	-	-	-	-	-	-	23,415
Intergovernmental	1,759,674	6,181,225	1,848,603	129,425	6,084	80,257	-	10,005,268
Charges for Services	575,196	69,544	388,314	-	-	-	-	1,033,054
Fines and Forfeits	2,115	-	-	-	-	-	-	2,115
Gifts and Contributions	8,449	-	-	-	-	-	-	8,449
Investment Earnings	668,042	304,757	46	24,546	6,049	29,443	547,068	1,579,951
Miscellaneous	223,694	226,350	169,717	505,811	11,063	-	-	1,136,635
Total Revenues	7,044,937	8,379,609	3,536,824	2,813,472	158,168	656,333	547,068	23,136,411
EXPENDITURES								
CURRENT								
General Government	2,872,624	-	-	-	-	1,995	-	2,874,619
Public Safety	2,030,156	-	-	-	-	-	-	2,030,156
Highways and Streets	-	7,323,987	-	-	-	-	-	7,323,987
Sanitation	251,407	-	-	-	-	-	-	251,407
Human Services	-	-	3,234,951	-	-	-	-	3,234,951
Health	7,153	-	-	-	-	-	-	7,153
Culture and Recreation	185,628	-	-	-	-	-	-	185,628
Conservation of Natural Resources	537,595	-	-	1,940,510	-	-	-	2,478,105
Economic Development	7,000	-	-	-	186,082	-	-	193,082
INTERGOVERNMENTAL	374,871	690,187	64,663	65,409	-	-	-	1,195,130
CAPITAL OUTLAY	-	-	-	-	-	-	9,252,145	9,252,145
DEBT SERVICE								
Principal	14,697	1,481	10,307	156,000	-	385,000	-	567,485
Interest and Fiscal Charges	389	250	227	52,293	-	206,813	217,262	477,234
Total Expenditures	6,281,520	8,015,905	3,310,148	2,214,212	186,082	593,808	9,469,407	30,071,082
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	763,417	363,704	226,676	599,260	(27,914)	62,525	(8,922,339)	(6,934,671)
OTHER FINANCING SOURCES (USES)								
Transfers In	10,516	-	-	-	-	-	-	10,516
Transfers Out	-	-	(516)	(10,000)	-	-	-	(10,516)
Total Other Financing Sources (Uses)	10,516	-	(516)	(10,000)	-	-	-	-
NET CHANGE IN FUND BALANCES	773,933	363,704	226,160	589,260	(27,914)	62,525	(8,922,339)	(6,934,671)
Fund Balances (Deficit) - Beginning of Year	6,533,230	5,246,775	3,223,531	(1,037,819)	121,301	576,956	15,116,221	29,780,195
FUND BALANCES (DEFICIT) - END OF YEAR	$ 7,307,163	$ 5,610,479	$ 3,449,691	$ (448,559)	$ 93,387	$ 639,481	$ 6,193,882	$ 22,845,524

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

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (6,934,671)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.		
Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Asset Adjustments	$ 13,449,498	
Net Book Value of Capital Asset Disposals	(3,947)	
Current Year Depreciation and Amortization	(2,514,075)	10,931,476
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		844,958
Governmental funds report expenditures as pension contributions are made. However, in the statement of activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions, and the investment experience.		166,488
Other postemployment benefit expenditures on the governmental funds are measured by current year employer contributions. Other postemployment benefit expenses in the Statement of Activities are measured by the change in other postemployment benefit obligation and the related outflows of resources.		(12,128)
Repayment of liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of General Obligation Bonds and Notes	541,000	
Amortization of Bond Premium	37,655	
Repayment of Lease Liability	26,485	605,140
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	6,336	
Change in Compensated Absences	(54,722)	(48,386)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 5,552,877

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

FIDUCIARY FUNDS

EXHIBIT 7

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024

	Social Welfare Private Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ 3,142	$ 520,191
Taxes Receivable - Delinquent	-	29,679
Due From Other Governments	-	17,537
Accrued Interest Receivable	-	1,443
Total Assets	$ 3,142	$ 568,850
LIABILITIES		
Due to Others	$ -	$ 15,802
Due to Other Governments	-	390,208
Total Liabilities	$ -	$ 406,010
DEFERRED INFLOWS OF RESOURCES		
Taxes Collected for Subsequent Levy	$ -	$ 21,189
NET POSITION		
Restricted For:		
Individuals, Organizations and Other Governments	$ 3,142	$ 141,651

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

EXHIBIT 8

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

	Social Welfare Private Purpose Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Individuals	$ 22,204	$ 181,692
Property Tax Collections for Other Governments	-	9,219,704
License and Fees Collected for State	-	1,407,428
Grants for Other Entities	-	59,901
Miscellaneous	-	4,419
Total Additions	22,204	10,873,144
DEDUCTIONS		
Beneficiary Payments to Individuals	23,888	-
Payments of Property Taxes to Other Governments	-	9,207,118
Payments to State	-	1,589,120
Payments to Other Entities	-	70,560
Total Deductions	23,888	10,866,798
CHANGE IN FIDUCIARY NET POSITION	(1,684)	6,346
Fiduciary Net Position, Beginning of Year	4,826	135,305
FIDUCIARY NET POSITION - END OF YEAR	$ 3,142	$ 141,651

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

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

1. Summary of Significant Accounting Policies

The County's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as of and for the year ended December 31, 2024. The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in U.S. GAAP and used by the County are discussed below.

A. Financial Reporting Entity

Lac qui Parle County was established in 1871 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 Lac qui Parle County (primary government) and its component units for which the County is financially accountable. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year.

The County has considered all potential units for which it is financially accountable and other organizations for which the nature and significant of the relationship with the County are such that the exclusion would cause the County's financial statements to be misleading or incomplete. The Lac qui Parle County Economic Development Authority (the EDA) is considered to be part of the primary government and is presented as a blended component unit. The County Board of Commissioners are members of the EDA board. Separate financial statements are not issued for the EDA.

Discretely Presented Component Unit

While part of the reporting entity, the discretely presently component unit is presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. The following component unit of Lac qui Parle County is discretely presented:

Component Unit	Component Unit of Reporting Entity Because	Separate Financial Statements
Lac qui Parle-Yellow Bank Watershed District	County appoints a majority of the Board, and it is a financial burden to the County.	Separate financial statements are not prepared.

Significant accounting policies of the discretely presented component unit does not differ significantly from those of the County.

1. Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Joint Ventures

The County participates in several joint ventures which are described in Note 5.C.

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (the statement of net position and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately.

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

2. 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 separate columns in the fund financial statements. The County reports all of its governmental funds as major funds.

1. Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

The County reports the following major governmental funds:

- The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those 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 committed property tax revenues used for the construction and maintenance of roads, bridges, and other projects affecting County roadways.

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

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

- The EDA 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 development programs.

- The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

- The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the County reports the following fiduciary fund type:

- Social Welfare Private Purpose Trust Fund – The Private Purpose Trust Fund is used to report all fiduciary activities that are held in a trust for social welfare accounts.

- Custodial Funds – are custodial in nature. The funds are used for a variety of purposes: to account for the collection and disbursement of taxes on behalf of other local governments within the County, as an agent for the local collaborative, estate recoveries and other state revenues.

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. The County considers all revenues as available if collected within 60 days after the end of the current period.

Property taxes are recognized as revenues in the year for which they are levied provided they are also available. Shared revenues are generally recognized in the period the appropriation goes into effect and the revenues are available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and are available. 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 leasing arrangements are reported as other financing sources.

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

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

1. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor-Treasurer for the purpose of increasing earnings through investment activities. Pooled investment earnings for 2024 were $1,579,951.

1. Summary of Significant Accounting Policies (Continued)

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

      1. Deposits and Investments (Continued)

         Lac qui Parle County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which was created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The MAGIC Fund is not registered with the Securities and Exchange Commission. The County's investment in the pool is measured at the amortized cost per share provided by the pool for the portfolio investments and at net asset value (NAV) for the term investments. More information including the most recent audited financial statement is available on their website www.magicfund.org.

      2. Receivables and Payables

         Activities between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

         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 May 15 and the second half payment due October 15 or November 15. Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

         Special assessments receivable consist of delinquent special assessments payable in the years 2014 through 2024 and deferred special assessments payable in 2023 and after. Unpaid special assessments at December 31 are classified in the financial statements as delinquent special assessments.

         No allowance for uncollectible taxes/special assessments has been provided because such amounts are not expected to be material.

         The County had no accounts receivable scheduled to be collected beyond one year.

1. Summary of Significant Accounting Policies (Continued)

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

3. Prepaid Items

Prepaid items consist of prepaid supplies held for consumption. Certain payments to vendors reflect costs applicable to future account periods and are recorded as prepaid items in both government-wide and fund level financial statements. The cost of prepaid items is recorded as expenditures during the periods benefited.

4. Capital Assets

Capital assets, which include property, plant, equipment, right-to-use and infrastructure assets (such as roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. The County and the Lac qui Parle-Yellow Bank Watershed District define capital assets as assets with an initial, individual cost of $5,000 or more 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 acquisition value (entry price) on the date of donation.

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

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

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

Assets	Years
Buildings	25 - 40
Land Improvements	20 - 35
Public Domain Infrastructure	15 - 70
Furniture, Equipment, and Vehicles	3 - 15

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

1. Summary of Significant Accounting Policies (Continued)

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

5. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability for compensated absences reported in the financial statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

A liability for compensated absences is reported in the governmental funds if they normally would be liquidated with expendable available financial resources. Compensated absences are accrued when incurred in the government-wide statements. The government-wide statement of net position reports both current and noncurrent portions of compensated absences.

The current portion consists of an amount based on a trend analysis of current usage of vacation. The noncurrent portion consists of the remaining amount of vacation, total vested sick leave, and comp time.

6. Long-Term Obligations

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

In the fund financial statements, governmental funds 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.

1. Summary of Significant Accounting Policies (Continued)

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

7. Pension Plan

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 County's net pension liability is liquidated through the General Fund and other governmental funds that have personal services. The Lac qui Parle-Yellow Bank Watershed District's net pension liability is liquidated by its General Fund.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The County has two items, deferred pension and deferred other postemployment benefits outflows that qualifies for this category. These outflows arise only under the accrual basis of accounting and consist of contributions paid subsequent to the measurement date, differences between expected and actual plan experience, changes in actuarial assumptions, pension plan changes in proportionate share, and differences between projected and actual earnings on pension plan investments.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenue from delinquent taxes receivable, delinquent and deferred special assessments receivable, lease related, and grant monies receivable for amounts that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet.

1. Summary of Significant Accounting Policies (Continued)

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

8. Deferred Outflows/Inflows of Resources (Continued)

The County reports a deferred inflow for taxes collected for the subsequent tax year levy in the fund level statements, the government wide statements and in the fiduciary fund statements. The County also has deferred pension and OPEB inflows. These inflows arise only under the full accrual basis of accounting and consist of differences between expected and actual economic experience, changes in assumptions, differences between projected and actual earnings on pension plan investments, and also pension plan changes in proportionate share and, accordingly, are reported only in the statement of net position. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

9. Unearned Revenue

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

10. Classification of Net Position

Net position in the government-wide and the component unit 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 amortization, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets. At December 31, 2024, the Lac qui Parle-Yellow Bank Watershed District reported no debt other than accounts payable related to acquisition, construction, or improvement of capital 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.

1. Summary of Significant Accounting Policies (Continued)

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

11. Classification of Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which Lac qui Parle County and the Lac qui Parle-Yellow Bank Watershed District are bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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

- Restricted - amounts for which constraints have been placed on the use of resources either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 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 for the County or Board of Managers for the Lac qui Parle-Yellow Bank Watershed District. 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 or the Lac qui Parle-Yellow Bank Watershed District intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Board or the County Administrator, who has been delegated that authority by Board resolution. The Lac qui Parle-Yellow Bank Watershed District Administrator has been delegated this authority for the District.

- 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.

1. Summary of Significant Accounting Policies (Continued)

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

11. Classification of Fund Balances (Continued)

Lac qui Parle County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and 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.

12. Minimum Fund Balance

Lac qui Parle County has adopted a minimum fund balance policy for the General Fund. The General Fund is heavily reliant on property tax revenues to fund current operations. However, current property tax revenues are not available for distribution until June. Therefore, the County Board has determined it needs to maintain a minimum unrestricted fund balance (committed, assigned, and unassigned) of no less than five months of operating expenditures. At December 31, 2024, unrestricted fund balance for the General Fund exceeded the minimum fund balance level.

13. 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 certain estimates and assumptions that affect the report amounts of assets, deferred outflows of resources, liabilities and deferred inflows 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.

1. Summary of Significant Accounting Policies (Continued)

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

14. Adoption of New Accounting Standards

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

The County adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard did not result in any material adjustments.

2. Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Budget

The following fund had expenditures in excess of budget:

Fund	Expenditures	Budget	Excess
Major Governmental Funds:			
Ditch Fund	$ 2,214,212	$ 40,417	$ 2,173,795

B. Deficit Fund Balance

The Ditch Fund reported a deficit fund balance of $448,559 as of December 31, 2024. Deficit fund balances are due to expenditures exceeding revenues in the current year and will be recovered through future special assessments.

3. Detailed Notes on All Funds

A. Assets and Deferred Outflows of Resources

1. Deposits and Investments

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

Government-wide Statement of Net Position		
Governmental Activities		
Cash and Investments	$	26,035,898
Statement of Fiduciary Net Position		
Cash and Cash Equivalents		523,333
Total Cash and Investments	$	26,559,231

Petty Cash and Change Funds	$	1,850
Checking		1,603,314
Money Market Savings		602,074
Invested in MAGIC		24,351,993
Total Deposits and Investments	$	26,559,231

a. Deposits

The County is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and to 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 10% 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 not owned or controlled by the financial institution furnishing the collateral.

3. Detailed Notes on All Funds (Continued)

A. Assets and Deferred Outflows of Resources (Continued)

1. Deposits and Investments (Continued)

a. Deposits (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. It is the County's policy to minimize deposit custodial credit risk by obtaining collateral or bond for all uninsured amounts on deposit and obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law. As December 31, 2024, the County's deposits were not exposed to custodial credit risk.

b. 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 rated in the highest quality category by two nationally recognized rating agencies and maturing in 270 days or less; and

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

3. Detailed Notes on All Funds (Continued)

A. Assets and Deferred Outflows of Resources (Continued)

1. Deposits and Investments (Continued)

b. Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a 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 County's exposure to credit risk as of December 31, 2024 is as follows:

	S&P/Moody Rating	Value
Investment Pool/MAGIC Fund		
Portfolio	Not Rated	$ 6,308,216
Term	Not Rated	18,043,777
		$ 24,351,993

Custodial Credit Risk

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 in the possession of an outside party. The County has adopted a policy to minimize investment custodial credit risk by permitting brokers that obtain investments for the County to hold them only to the extent Securities Investor Protection Corporation (SIPC) coverage and excess SIPC coverage are available, and that they qualify under Minn. Stat. § 118A.06 to hold investments.

3. Detailed Notes on All Funds (Continued)

A. Assets and Deferred Outflows of Resources (Continued)

1. Deposits and Investments (Continued)

b. Investments (Continued)

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. It is the County's policy to minimize concentration of credit risk by diversifying the investment portfolio.

Fair Value Measurements

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

The MAGIC term investment pool is valued at net asset value (NAV) as it does not meet the liquidity criteria to be valued at amortized cost. The County would face penalties if early redemptions were made from the term investment pool. There are no unfunded commitments relating to this investment. The County reports its investment in the term investment pool at the NAV per share, the fair value established by the pool.

The Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its NAV not reasonably practical.

Shares of MAGIC Term Series are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely, they must provide notice at least seven days prior to the premature redemption date. The value of a premature redemption is equal to the original price for such share, plus dividends thereon, at the projected yield, less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

3. Detailed Notes on All Funds (Continued)

A. Assets and Deferred Outflows of Resources (Continued)

2. Receivables

Accounts receivables as of December 31, 2024, for the County's governmental activities follow:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Taxes Receivable - Delinquent	$ 68,402	$ -
Special Assessments	3,104,214	2,171,167
Accounts Receivable	176,886	130,594
Interest Receivable	391,625	-
Due from Other Governments	6,833,800	-
Total Governmental Activities	$ 10,574,927	$ 2,301,761

3. Detailed Notes on All Funds (Continued)

A. Assets and Deferred Outflows of Resources (Continued)

3. Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated				
Land	$ 164,903	$ 301,176	$ -	$ 466,079
Right-of-Way	470,198	-	-	470,198
Construction-in-Process	4,932,927	12,680,931	2,894,899	14,718,959
Total Capital Assets, Not Being Depreciated	5,568,028	12,982,107	2,894,899	15,655,236
Capital Assets, Being Depreciated				
Buildings	3,932,435	-	-	3,932,435
Improvements Other than Buildings	119,846	-	-	119,846
Machinery, Furniture, and Equipment	8,278,161	926,162	35,930	9,168,393
Infrastructure	90,949,696	2,436,128	-	93,385,824
	103,280,138	3,362,290	35,930	106,606,498
Less Accumulated Depreciation for				
Buildings	1,437,653	82,926	-	1,520,579
Improvements Other than Buildings	34,465	3,975	-	38,440
Machinery, Furniture, and Equipment	5,715,843	529,963	31,983	6,213,823
Infrastructure	30,685,590	1,867,718	-	32,553,308
Total Accumulated Depreciation	37,873,551	2,484,582	31,983	40,326,150
Total Capital Assets, Being Depreciated, Net	65,406,587	877,708	3,947	66,280,348
Right-to-Use Assets, Being Amortized				
Buildings	$ 87,838	$ -	$ -	$ 87,838
Equipment	73,584	-	-	73,584
Total Right-to-Use Assets, Being Amortized	161,422	-	-	161,422
Less Accumulated Amortization for				
Buildings	22,598	14,653	-	37,251
Equipment	23,573	14,840	-	38,413
Total Accumulated Amortization	46,171	29,493	-	75,664
Total Right-to-Use Assets, Being Amortized, Net	115,251	(29,493)	-	85,758
Governmental Activities Capital Assets, Net	$ 71,089,866	$ 13,830,322	$ 2,898,846	$ 82,021,342

3. Detailed Notes on All Funds (Continued)

A. Assets and Deferred Outflows of Resources (Continued)

3. Capital Assets (Continued)

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

Governmental Activities	
General Government	$ 118,448
Public Safety	134,384
Highways and Streets	2,218,335
Sanitation	10,535
Human Services	30,137
Conservation of Natural Resources	1,176
Culture and Recreation	1,060
Total Depreciation and Amortization Expense	$ 2,514,075

4. Lease Receivable

The County, acting as lessor, leases farm land under a long-term, non-cancelable lease agreement. The lease expired on December 31, 2024. During the year ended December 31, 2024, the County recognized $79,193 and $296 in lease revenue and interest revenue, respectively, pursuant to this contract.

B. Interfund Receivables, Payables, and Transfers

Due To/From Other Funds

Due to General Fund from Ditch Special Revenue Fund	$ 1,288,200	Provide cash flow for various drainage systems.

The balance is expected to be liquidated within one year.

Interfund Transfers

Fund Transferred To	Fund Transferred From	Amount	Purpose
General Fund	Ditch Fund	$ 10,000	Ditch administrative and accounting services provided
General Fund	Family Services Fund	516	Move Opioid Interest
		$ 10,516	

3. Detailed Notes on All Funds (Continued)

C. Liabilities and Deferred Inflows of Resources

1. Payables

Payables at December 31, 2024, were as follows:

	Governmental Activities
Accounts Payable	$ 897,124
Salaries Payable	224,522
Contracts Payable	3,087,908
Due to Other Governments	187,038
Total Payables	$ 4,396,592

2. Unearned Revenues/Deferred Inflows of Resources

Unearned revenues and deferred inflows of resources consist of special assessments, taxes, taxes levied for the subsequent period collected prior to year-end, and state grants not collected soon enough after year-end to pay liabilities of the current period, and state grants received but not yet earned. The fiduciary funds reported a deferred inflow of resources of $21,189 for taxes collected as prepayments for taxes levied for the subsequent year. Unearned revenues and deferred inflows of resources at December 31, 2024, are summarized below by fund:

	Special Assessments	Taxes	Taxes Collected for Subsequent Levy	Grants and Reimbursements	Loans and Interest	Total
Major Governmental Funds						
General	$ 1,831	$ 32,817	$ 11,093	$ 156,478	$ -	$ 202,219
Road and Bridge	-	13,993	4,687	6,328,194	-	6,346,874
Family Services	-	10,515	3,459	149,639	-	163,613
Ditch	3,102,271	113	-	25,960	-	3,128,344
Debt Service	-	5,058	-	-	-	5,058
EDA	-	-	385	-	129,110	129,495
Capital Projects	-	-	1,566	-	-	1,566
Total	$ 3,104,102	$ 62,496	$ 21,190	$ 6,660,271	$ 129,110	$ 9,977,169
Liability						
Unearned Revenue	$ -	$ -	$ -	$ 122,633	$ -	$ 122,633
Deferred Inflows of Resources						
Unavailable Revenue	3,104,102	62,496	-	6,537,638	129,110	9,833,346
Taxes Collected for Subsequent Levy	-	-	21,190	-	-	21,190
Total	$ 3,104,102	$ 62,496	$ 21,190	$ 6,660,271	$ 129,110	$ 9,977,169

3. Detailed Notes on All Funds (Continued)

C. Liabilities and Deferred Inflows of Resources (Continued)

3. Bonds and Notes Payable

Type of Indebtedness	Final Maturity	Installment Amount	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2024
General Obligation Drainage Bonds, Series 2015A	2031	$3,000 - $10,000	3.5	$308,000	$48,328
General Obligation Drainage Notes, Series 2016A	2032	$26,000 - $35,000	2.75	$465,000	$258,000
General Obligation Drainage Notes, Series 2018A	2034	$14,000 - $29,000	3.95	$328,000	$241,000
General Obligation Drainage Notes, Series 2020A	2037	$59,000 - $77,000	1.9	$1,061,000	$897,000
General Obligation Capital Improvement Plan Bonds, Series 2021A	2042	$330,000 - $585,000	3	$9,540,000	$8,825,000
General Obligation Drainage Notes, Series 2022A	2037	$43,000- $60,000	2.2	$772,000	$684,000

4. Lease Liability

On May 1, 2019, the County entered into a long-term, noncancelable lease agreement with the Lac qui Parle Agricultural Society for space in a storage shed. The lease will expire on December 31, 2030 and has an interest rate of 1.22%.

Long-term, noncancelable lease agreements are reported for copiers with commencement dates ranging from June 1, 2020 to February 2, 2023. The leases will expire on dates ranging from June 1, 2025 to February 2, 2027 and have an interest rates of 0.7-4.3%.

The County has two long-term, noncancelable lease agreements for postage machines with commencement dates of January 1, 2020 and June 28, 2021. The leases will expire on March 1, 2025 and September 30, 2026 and have an interest rate of 0.7%.

On May 1, 2023, the County entered into a long-term, noncancelable lease agreement with for office space with a 4.3% interest rate. The lease will expire on May 1, 2025.

On May 25, 2023, the County entered into a long-term, noncancelable lease agreement with Axon for tasers with an interest rate of 4.3%. The lease will expire on June 1, 2028.

3. Detailed Notes on All Funds (Continued)

C. Liabilities and Deferred Inflows of Resources (Continued)

5. Debt Service Requirements

Payments on the Series 2015A through Series 2022A general obligation bonds and notes are made by the Ditch Special Revenue Fund. Payments on the Series 2021A G.O. bonds are made from the Debt Service Fund. Payments on the lease liability are made by the General Fund, Road and Bridge Fund and the Family Services Fund. Debt service requirements at December 31, 2024, were as follows:

Year Ending	General Obligation Bonds		General Obligation Notes		Lease Liability	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 400,000	$ 196,716	$ 157,000	$ 47,819	$ 24,563	$ 1,743
2026	411,000	184,524	161,000	44,009	19,939	1,221
2027	427,000	171,921	165,000	40,091	18,574	702
2028	437,000	158,926	169,000	36,066	12,834	259
2029	452,000	145,556	173,000	31,932	8,959	119
2030-2034	2,401,328	573,965	852,000	96,286	9,068	9
2035-2039	2,630,000	323,138	403,000	7,261	-	-
2040-2042	1,715,000	58,094	-	-	-	-
Total	$ 8,873,328	$ 1,812,840	$ 2,080,000	$ 303,464	$ 93,937	$ 4,053

6. 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/Notes Payable					
General Obligation Bonds	$ 9,262,328	$ -	$ (389,000)	$ 8,873,328	$ 400,000
General Obligation Notes	2,232,000	-	(152,000)	2,080,000	157,000
Premium	366,557	-	(37,655)	328,902	-
Total Bonds/Notes Payable	11,860,885	-	(578,655)	11,282,230	557,000
Lease Liability	120,422	-	(26,485)	93,937	24,563
Compensated Absences *	448,041	54,722	-	502,763	42,142
Governmental Activities Long-Term Liabilities	$ 12,429,348	$ 54,722	$ (605,140)	$ 11,878,930	$ 623,705

* The change in compensated absences is shown net as allowed by GASB Statement 101.

4. Pension Plans and Other Postemployment Benefits

A. Defined Benefit Pension Plans

1. 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.

2. Benefits Provided

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

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

2. Benefits Provided (Continued)

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 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent 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 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. 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.

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

2. Benefits Provided (Continued)

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. 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 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Correctional Plan members receive 1.9 percent 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.

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

2. Benefits Provided (Continued)

Correctional Plan Benefits (Continued)
Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100 percent of the COLA announced by SSA, with a minimum increase of 1 percent and a maximum of 2.5 percent. The 2024 annual increase was 2.5 percent. If the plan's funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.5 percent to 1.5 percent. 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.

3. 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.

General Employees Fund Contributions
General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the County was required to contribute 7.50 percent for General Plan members. The County contributions to the General Employees Fund for the year ended December 31, 2024, were $279,600. The County 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 percent of their annual covered salary in fiscal year 2024 and the County was required to contribute 17.70 percent for Police and Fire Plan members. The County contributions to the Police and Fire Fund for the year ended December 31, 2024, were $120,621. The County contributions were equal to the required contributions as set by state statute.

Correctional Fund Contributions
Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in fiscal year 2024 and the County was required to contribute 8.75 percent for Correctional Plan members. The County contributions to the Correctional Fund for the year ended December 31, 2024, were $26,687. The County contributions were equal to the required contributions as set by state statute.

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

4. Pension Costs

General Employees Fund Pension Costs

At December 31, 2024, the County reported a liability of $1,618,336 for its proportionate share of the General Employees Fund's net pension liability. The County 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 $41,847.

County's Proportionate Share of the Net Pension Liability	$	1,618,336
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the County		41,847
Total	$	1,660,183

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.0438 percent at the end of the measurement period and 0.0467 percent for the beginning of the period.

For the year ended December 31, 2024, the County recognized pension expense of $176,191 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional ($803) 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 $74,458 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.

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

4. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ 152,166	$ -
Changes in Actuarial Assumptions	7,901	612,514
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	469,952
Changes in Proportion	60,409	142,003
Employer Contributions Subsequent to the Measurement Date	139,919	-
Total	$ 360,395	$ 1,224,469

The $139,919 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 ending 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:

Year Ending December 31,	Pension Expense Amount
2025	$ (531,963)
2026	(103,768)
2027	(244,226)
2028	(124,036)

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

4. Pension Costs (Continued)

Police and Fire Fund Pension Costs

At December 31, 2024, the County reported a liability of $641,717 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 proportionate share of the net pension liability was based on the County 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 proportionate share was 0.0488 percent at the end of the measurement period and 0.0495 percent 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 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled $24,462.

County's Proportionate Share of the Net Pension Liability	$	641,717
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the County		24,462
Total	$	666,179

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

4. Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)
For the year ended December 31, 2024, the County recognized pension expense of $111,700 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized $2,375 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.

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 $13,851 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ 250,083	$ -
Changes in Actuarial Assumptions	705,413	944,945
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	208,655
Changes in Proportion	10,531	39,345
Employer Contributions Subsequent to the Measurement Date	62,353	-
Total	$ 1,028,380	$ 1,192,945

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

4. Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)
The $62,353 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 ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Pension Expense Amount
2025	$ (36,927)
2026	160,335
2027	(105,836)
2028	(257,160)
2029	12,670

Correctional Plan Pension Costs
At December 31, 2024, the County reported a liability of $39,778 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 proportionate share of the net pension liability was based on the County 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 proportionate share was 0.131 percent at the end of the measurement period and 0.119 percent for the beginning of the period.

For the year ended December 31, 2024 the County recognized pension expense of $69,480 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 $6,860 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.

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

4. Pension Costs (Continued)

Correctional Plan Pension Costs (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ 28,196	$ -
Changes in Actuarial Assumptions	-	134,580
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	55,234
Changes in Proportion	21,418	-
Employer Contributions Subsequent to the Measurement Date	13,458	-
Total	$ 63,072	$ 189,814

The $13,458 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an addition of the net pension asset in the year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Pension Expense Amount
2025	$ (138,723)
2026	30,599
2027	(17,209)
2028	(14,867)

Aggregate Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2024, was $358,943.

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

4. Pension Costs (Continued)

Summary

	General Employees Retirement Plan	Public Employees Police and Fire Plan	Public Employees Correctional Plan	Total
Net Pension Liability	$ 1,618,336	$ 641,717	$ 39,778	$ 2,299,831
Deferred Inflows	1,224,469	1,192,945	189,814	2,607,228
Deferred Outflows	360,395	1,028,380	63,072	1,451,847
Pension Expense	175,388	114,075	69,480	358,943

5. Long-Term Expected Return on Investment

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

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

6. 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.

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

6. Actuarial Methods and Assumptions (Continued)

- 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.

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.

4. Pensions Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

6. Actuarial Assumptions (Continued)

General Employees Fund (Continued)
Changes in Plan Provisions:

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

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 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).

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.

7. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. 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.

4. Pension Plans and Other Postemployment Benefits (Continued)

A. Defined Benefit Pension Plans (Continued)

8. Pension Liability Sensitivity

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

	Proportionate Share of the					
	General Employees Retirement Plan		Public Employees Police and Fire Plan		Public Employees Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability (Asset)
1% Decrease	6.00%	$ 3,534,707	6.00%	$ 1,516,502	6.00%	$ 323,249
Current	7.00	1,618,336	7.00	641,717	7.00	39,778
1% Increase	8.00	41,947	8.00	(76,665)	8.00	(186,050)

9. 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.

B. Defined Contribution Plan

Four board members of Lac qui Parle County are covered by the Public Employees 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.

4. Pension Plans and Other Postemployment Benefits (Continued)

B. Defined Contribution Plan (Continued)

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

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

	Employee	Employer
Contribution Amount	$ 5,624	$ 5,624
Percentage of Covered Payroll	5%	5%

C. Other Postemployment Benefits (OPEB)

Plan Description

Employees retiring from County service with at least ten years of service and meeting the established requirements to receive a pension from the Public Employees Retirement Association may have their severance pay transferred to an individual health insurance account to pay their monthly health insurance premiums until this balance is exhausted or they reach age 65. The County finances the plan on a pay-as-you-go basis and made no payments in 2024.

The County pays the health insurance for qualified former elected officials. This is a single-employer defined benefit health care plan. To be eligible, elected officials must have been serving on or after the date of November 2, 2004, and must have served a minimum of eight years and one day as an elected official in Lac qui Parle County. Elected officials eligible for this benefit are limited to the County Attorney, County Sheriff, and County Commissioners. Those eligible are entitled to one year of individual health insurance coverage for each four-year term in an elected position, with additional coverage provided on a pro rata basis for partial terms served. If the former elected official becomes eligible for Medicare benefits, then that official is no longer eligible for this benefit. The County has seven current elected officials eligible, and zero former elected officials receiving this benefit in 2024. The County finances the program on a pay-as-you-go basis.

4. Pension Plans and Other Postemployment Benefits (Continued)

C. Other Postemployment Benefits (OPEB) (Continued)

The County also provides health insurance benefits for eligible retired employees and their dependents as required by Minnesota Statute §471.61 subd 2b. Retirees are required to pay the premium. Since the premium is determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. As of December 31, 2024, the County had no inactive plan members entitled to but not receiving benefits.

Active Plan Members with Coverage	78
Inactive Plan Members with Coverage	2
Total	80

Funding Policy

The contribution requirements of the plan members and the County are established and may be amended by the Lac qui Parle County Board of Commissioners. The required contribution is based on projected pay-as-you-go financing requirements.

The OPEB liability is liquidated through the General Fund and other governmental funds that have personal services.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The County's total OPEB liability was measured as of January 1, 2024 and was determined by an actuarial valuation as of January 1, 2024. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll forward techniques. The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement unless otherwise specified:

Discount Rate	3.7%
Payroll Growth Rate	Service graded table
Healthcare Cost Trend Rates	6.50% as of January 1, 2024 grading to 5.00% over 6 years and then to 4.00% over the next 48 years

4. Pension Plans and Other Postemployment Benefits (Continued)

C. Other Postemployment Benefits (OPEB) (Continued)

Actuarial Methods and Assumptions

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weight Mortality Tables with MP-2021 Generational Improvement Scale.

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

The salary scale used to value the liability is similar to the table used to value pension liabilities for Minnesota public employees. The rates are 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 the inflation assumption.

The discount rate used to measure the total OPEB liability was 3.7%. The discount rate is equal to the 20-year municipal bond yield.

Summary of Changes in Actuarial Assumptions

There have been no changes to plan provisions, assumptions, or methods since the prior report except for the following:

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

Total OPEB Liability

	Total OPEB Liability
Balances - December 31, 2023	$ 350,305
Changes for the Year:	
Service Cost	49,038
Interest	15,608
Changes in Assumptions	17,739
Differences Between Expected and Actual Experience	(12,188)
Benefit Payments	(18,473)
Net Changes	51,724
Balances - December 31, 2024	$ 402,029

4. Pension Plans and Other Postemployment Benefits (Continued)

C. Other Postemployment Benefits (OPEB) (Continued)

Discount Rate Sensitivity

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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	2.7%	3.7%	4.7%
Total OPEB Liability	$ 432,796	$ 402,029	$ 373,209

Healthcare Trend Rate Sensitivity

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

Description	1% Decrease in Healthcare Cost Trend Rates	Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Medical Trend Rate	5.50% decreasing to 4.00% then 3.00%	6.50% decreasing to 5.00% then 4.00%	7.50% decreasing to 6.00% then 5.00%
Total OPEB Liability	$ 356,945	$ 402,029	$ 454,909

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefits Paid Subsequent to the Measurement Date	$ 22,153	$ -
Changes in Actuarial Assumptions	24,137	37,449
Differences between Actual and Expected Experience	-	91,501
Total	$ 46,290	$ 128,950

4. Pension Plans and Other Postemployment Benefits (Continued)

C. Other Postemployment Benefits (OPEB) (Continued)

For the year ended December 31, 2024, the County recognized OPEB expense of $34,281.

At December 31, 2024, the County reported $128,950 in deferred inflows of resources, and $46,290 in deferred outflows of resources, of which, $22,153 result from benefits paid subsequent to the measurement date, which will be recognized as a reduction of the OPEB liability in the year ending December 31, 2025.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	OPEB Expense Amount
2025	$ (30,361)
2026	(28,712)
2027	(19,276)
2028	(21,813)
2029	(5,444)
Thereafter	793

5. Summary of Significant Contingencies and Other Items

A. Risk Management

Lac qui Parle County and the Lac qui Parle-Yellow Bank Watershed District are exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; or natural disasters for which the County and District carry commercial insurance. To manage these risks, the County and the Lac qui Parle-Yellow Bank Watershed District have entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). MCIT is a public entity risk pool currently operated as a common risk management and insurance program for its members.

5. Summary of Significant Contingencies and Other Items (Continued)

A. Risk Management (Continued)

The County and the Lac qui Parle-Yellow Bank Watershed District are members of both the MCIT Workers' Compensation and Property and Casualty Divisions. For group employee health benefits, the County has entered into a joint powers agreement, the Southwest/West Central Service Cooperative.

For all 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 and the District in a method and amount to be determined by MCIT.

The Property and Casualty Division of MCIT is self-sustaining, and the County and the District pay 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 or District in a method and amount to be determined by MCIT.

The Southwest/West Central Service Cooperative (Service Cooperative) is a joint powers entity which sponsors a plan to provide group employee health benefits to its participating members. All members pool premiums and losses; however, a particular member may receive increases or decreases depending on a good or bad year of claims experience. Premiums are determined annually by the Service Cooperative and are based partially on the experience of the County and partially on the experience of the group. The Service Cooperative solicits proposals from carriers and negotiates the contracts.

B. Contingent Liabilities

Amounts received or receivable from grantor 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.

5. Summary of Significant Contingencies and Other Items (Continued)

A. Contingent Liabilities (Continued)

Lincoln-Pipestone Rural Water System

At December 31, 2023, the most recent information available, the Lincoln-Pipestone Rural Water System had $30,642,000 of general obligation bonds and other loans outstanding through 2056. The bonds were issued by some of the participating counties in the Rural Water System to finance the construction of water system expansions and improvements.

The debt is paid by the Lincoln-Pipestone Rural Water System from special assessments levied against property benefited by the applicable expansion, extension, or enlargement of the system and from the net revenues from time to time received in excess of the current costs of operating and maintaining the system. The bonds are general obligations of the issuing counties for which their full faith, credit, and unlimited taxing powers are pledged. The participating counties (Jackson, Lac qui Parle, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, Rock, and Yellow Medicine) have adopted Board resolutions and have signed joint powers agreements to define their liability for a proportional share of the debt should the issuing counties make any debt service payments. In such a situation, each of the other counties will promptly reimburse the paying counties in proportion to the percentage of Lincoln-Pipestone Rural Water System customers located in such county, in accordance with Minn. Stat. § 116A.24, subd. 3. The outstanding bonds are reported as liabilities in the annual financial statements of the Lincoln-Pipestone Rural Water System and are not reported as liabilities in the financial statements of any of the ten participating counties. The participating counties disclose a contingent liability due to the guarantee of indebtedness.

C. Joint Ventures

Countryside Public Health Service

The Countryside Public Health Service was established July 1, 1979, by a joint powers agreement among Big Stone, Chippewa, Lac qui Parle, Swift, and Yellow Medicine Counties. The agreement was established to provide community health care for the residents of the five-county area. Each county’s proportionate share of the total responsibility of the project is established on a per capita basis as determined by the most recent statistical estimates provided by the Minnesota Board of Health.

5. Summary of Significant Contingencies and Other Items (Continued)

C. Joint Ventures (Continued)

Countryside Public Health Service (Continued)

Control is vested in the Countryside Public Health Service Board of Health. The Board consists of 11 persons, 3 from Yellow Medicine County, and 2 from each of the other participating counties. Each member of the Board is appointed by the County Commissioners of the county represented.

Financing is provided by state and federal grants, appropriations from member counties, and charges for services. Lac qui Parle County's contribution for 2024 was $94,607.

Complete financial statements for the Countryside Public Health Service can be obtained from its administrative office at P. O. Box 313, Benson, Minnesota 56215.

Region 6W Community Corrections

Lac qui Parle County participates with Chippewa, Swift, and Yellow Medicine Counties to provide community corrections services. Region 6W Community Corrections develops and implements humane and effective methods of prevention, control, punishment, and rehabilitation of offenders.

The County Boards of the participating counties have direct authority over and responsibility for the Community Corrections' activities.

Lac qui Parle County's contribution for 2024 was $266,449.

Complete financial statements for Region 6W Community Corrections can be obtained at 1215 Black Oak Avenue, P. O. Box 551, Montevideo, Minnesota 56265.

Prairie Lakes Youth Programs (Kandiyohi - Region 6W Community Corrections Agencies Detention Center)

The County entered into a joint powers agreement to create and operate the Kandiyohi - Region 6W Community Corrections Agencies Detention Center (commonly referred to as the Prairie Lakes Youth Programs (PLYP)), pursuant to Minn. Stat. § 471.59. The PLYP provides detention services to juveniles under the jurisdiction of the counties which are parties to the agreement (Chippewa, Lac qui Parle, Swift, and Yellow Medicine--which are served by Region 6W Community Corrections) and Kandiyohi County.

5. Summary of Significant Contingencies and Other Items (Continued)

C. Joint Ventures (Continued)

Prairie Lakes Youth Programs (Kandiyohi - Region 6W Community Corrections Agencies Detention Center) (Continued)

Control of the PLYP is vested in a joint board composed of one Commissioner from each participating county. An advisory board has also been established, composed of the directors of the Kandiyohi County Community Corrections Agency and Region 6W Community Corrections. The PLYP is located at the Willmar Regional Treatment Center in space rented from the state of Minnesota.

Financing is provided by charges for services to member and nonmember counties. Complete financial information can be obtained from the PLYP Office, P. O. Box 894, Willmar, Minnesota 56201.

Lincoln-Pipestone Rural Water System

Lac qui Parle County, along with Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, Rock, and Yellow Medicine Counties, jointly established the Lincoln-Pipestone Rural Water System pursuant to Minn. Stat. ch. 116A. The Rural Water System is responsible for storing, treating, and distributing water for domestic, commercial, and industrial use within the area it serves. The cost of providing these services is recovered through user charges. The Lincoln-Pipestone Rural Water System is governed by a Board appointed by the District Court. The Rural Water System's Board is solely responsible for the budgeting and financing of the Rural Water System.

Bonds were issued by Lincoln, Nobles, and Yellow Medicine Counties to finance the construction of the Rural Water System. Costs assessed to municipalities and special assessments levied against benefitted properties pay approximately 85% of the amount necessary to retire principal and interest on the bonds. The remainder of the funds necessary to retire the outstanding bonds and interest will be provided by appropriations from the Lincoln-Pipestone Rural Water System. Outstanding obligations at December 31, 2023, the most recent information available, were $30,642,000.

Complete financial statements of the Lincoln-Pipestone Rural Water System can be obtained at East Highway 14, P. O. Box 188, Lake Benton, Minnesota 56149-0188.

5. Summary of Significant Contingencies and Other Items (Continued)

C. Joint Ventures (Continued)

Southwest Minnesota Regional Emergency Communications Board

As of August 23, 2013, the Southwest Minnesota Regional Radio Board changed its name to the Southwest Minnesota Regional Emergency Communication Joint Powers Board. The Southwest Minnesota Regional Emergency Communications Joint Powers Board was established April 22, 2008, between Lac qui Parle County, the Cities of Marshall and Worthington, and 12 other counties under the authority of Minn. Stat. §§ 471.59 and 403.39. The purpose of the agreement is to formulate a regional radio board to provide for regional administration of enhancements to the Statewide Public Safety Radio and Communication System (ARMER).

Control is vested in a Joint Powers Board consisting of one County Commissioner and one City Council member for each party to the agreement. The members representing counties and cities shall be appointed by their respective governing bodies for the membership of that governing body. In addition, voting members of the Board include a member of the Southwest Minnesota Regional Advisory Committee, a member of the Southwest Minnesota Regional Radio System User Committee, and a member of the Southwest Minnesota Owners and Operators Committee.

Financing is provided by the appropriations from member parties and by state and federal grants. During 2024, Lac qui Parle County contributed $1,977 to the Joint Powers Board.

Minnesota Counties Information Systems (MCIS)

Aitkin, Carlton, Cass, Chippewa, Cook, Itasca, Koochiching, Lac qui Parle, Lake, Sherburne, and St. Louis Counties entered into a joint powers agreement, pursuant to Minn. Stat. § 471.59, for the purpose of operating and maintaining data processing facilities and management information systems for use by its members.

MCIS is governed by an 11-member Board, composed of a member appointed by each of the participating county's Board of Commissioners. Financing is obtained through user charges to the member. Cass County is the fiscal agent for MCIS.

Each county's share of the assets and liabilities cannot be accurately determined since it will depend on the number of counties that are members when the agreement is dissolved.

Separate financial information for the Minnesota Counties Information Systems can be obtained at 413 Southeast 7th Avenue, Grand Rapids, Minnesota 55744.

5. Summary of Significant Contingencies and Other Items (Continued)

C. Joint Ventures (Continued)

Pioneerland Library System

Lac qui Parle County, along with 32 cities and 9 other counties, participates in the Pioneerland Library System in order to provide efficient and improved regional public library service. The Pioneerland Library System is governed by the Pioneerland Library System Board, composed of 35 members appointed by member cities and counties. During the year, the County contributed $78,725 to the System.

Separate financial information for the Pioneerland Library System can be obtained from its administrative office at Pioneerland Regional Library, 410 - 5th Street Southwest, Willmar, Minnesota 56201.

Southwestern Minnesota Adult Mental Health Consortium Board

The County entered into a joint powers agreement with Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift, and Yellow Medicine Counties, creating and operating the Southwestern Minnesota Adult Mental Health Consortium Board (the Board) under the authority of Minnesota Statutes §471.59. The Board is headquartered in Wilmar, Minnesota, where McLeod County acts as fiscal host.

The Board takes actions and enters into such agreements as necessary to plan and develop, within the Board's geographic jurisdiction, a system of care that will serve the needs of adults with serious and persistent mental illness. The governing board is composed of one Board member from each of the participating counties. Financing is provided by state proceeds or appropriations for the development of the system of care.

The following is a summary of the Consortium Board's annual financial report for the year ended December 31, 2024:

Total Assets	$ 1,319,760
Total Liabilities	58,356
Total Net Position	1,261,404
Total Revenues	2,676,966
Total Expenses	2,415,731
Net Change in Net Position	261,235

5. Summary of Significant Contingencies and Other Items (Continued)

C. Joint Ventures (Continued)

Area II Minnesota River Basin Project

The Area II Minnesota River Basin Project was established pursuant to Minn. Stat. §§ 471.59 and a joint powers agreement. The counties in the agreement are Brown, Cottonwood, Lac qui Parle, Lincoln, Lyon, Murray, Pipestone, Redwood and Yellow Medicine. The purpose of the project is to provide cost-share and technical assistance for the implementation of flood reduction measures to the drainage area outletting into the south side of the Minnesota River between the cities of Ortonville and Mankato. During the year, Lac qui Parle County made payments of $12,545 to the project. Separate financial information for the joint venture can be obtained at 1424 E. College Drive, Suite 300, Marshall, MN 56258.

Supporting Hands Nurse Family Partnership Board

The Supporting Hands Nurse Family Partnership Board was established pursuant to Minn. Stat. §§ 145A.17 and 471.59 and a joint powers agreement, effective May 31, 2007. The Board is comprised of one representative from each county to the agreement. The counties in the agreement are Big Stone, Chippewa, Douglas, Grant, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Pipestone, Pope, Redwood, Renville, Rock, Stevens, Swift, Traverse, and Yellow Medicine. Southwest Health and Human Services represents Lincoln, Lyon, Murray, Pipestone, Redwood, and Rock County in this agreement. Horizon Public Health represents Douglas, Grant, Pope, Stevens, and Traverse Counties in this agreement. Countryside Public Health represents Big Stone, Chippewa, Lac qui Parle, Swift, and Yellow Medicine Counties in this agreement. The purpose of this agreement is to organize, govern, plan, and administer a multi-county based nurse family partnership program specifically within the jurisdictional boundaries of the counties involved. The governing board is composed of one Board member from each of the participating counties. Each participating county will contribute to the budget of the Supporting Hands Nurse Family Partnership. In 2024, Lac qui Parle County contributed $0 to the partnership. Renville County acts as fiscal agent for Supporting Hands Nurse Family Partnership Board.

A complete financial report of the Supporting Hands Nurse Family Partnership Board can be obtained from Renville County at Renville County Public Health, Renville County Government Services Center, 105 South 5th Street, Suite 1194, Olivia, Minnesota 56277.

5. Summary of Significant Contingencies and Other Items (Continued)

D. Tax Abatement

The County has entered into a tax abatement agreement with Puris Proteins LLC, under Minnesota Statutes §469.1812 through 469.1815. The abatement agreement shall be for 20 years and shall apply to the property taxes payable in the years 2024 through 2041. The abatement shall be for 100% of the County's share of the increase in ad valorem property taxes generated by the Property resulting from development on the parcels which are attributable to the Project. The County will recapture the abated taxes through continued operations of local business and increased employment. For the year ended December 31, 2024, the County abated taxes of $8,610. The County has not made any commitments as part of the agreement other than to reduce taxes.

E. Construction Commitments

The County has entered into construction contracts for a building project. The construction commitment at December 31, 2024 related to the project is as follows:

Project	Work Performed to Date	Construction Commitment
Lac Qui Parle County Government Center	$ 9,432,222	$ 5,621,777

F. Opioid Settlement

The Minnesota County is a participating government in the opioid settlement with pharmaceutical manufacturers, distributors, and pharmacy chains. The county is expected to receive $259,744 over the next 15 years. Only the first settlement wave is recorded as a receivable in the amount of $139,892. The majority of the funds are intended for opioid abatement. The Minnesota Opioids State-Subdivision Memorandum of Agreement (MOA) identifies the requirements for Minnesota governments participating in the settlement. Pursuant to the terms of MOA the county created a separate fund to account for the settlements, and the County has elected to combine that fund with the Family Services Fund for reporting purposes. Funds are restricted until expended. The MOA requires that the county recognize the settlement revenues when the annual distribution is made to the participating governments. For the year ended December 31, 2024, the County received $64,663 as part of the settlement.

6. Component Unit Disclosures - Lac qui Parle-Yellow Bank Watershed District

A. Summary of Significant Accounting Policies

In addition to those policies identified in Note 1, the Lac qui Parle-Yellow Bank Watershed District has the following significant accounting policies.

Reporting Entity

The Lac qui Parle-Yellow Bank Watershed District is governed by a five-member Board of Managers, with three members appointed by the Lac qui Parle County Board, one member appointed by the Yellow Medicine County Board, and one member appointed by the Lincoln County Board.

Because of the significance of the financial relationship, Lac qui Parle County considers this entity a major component unit.

6. Component Unit Disclosures - Lac qui Parle-Yellow Bank Watershed District (Continued)

A. Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

The Lac qui Parle-Yellow Bank Watershed District does not prepare separate financial statements. The District has the following major governmental funds:

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

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

B. Detailed Notes on All Funds

1. Assets and Deferred Outflows of Resources

Deposits

The cash balances of the General Fund and the Ditch Special Revenue are pooled and invested for the purpose of increasing earnings through interest-bearing activities.

Reconciliation of the District's total deposits to the basic financial statements follows:

Cash and Cash Equivalents	$ 3,232,387
Checking	$ 2,311,144
Money Market Savings	436,401
Non-Negotiable Certificates of Deposit	484,842
Total Deposits	$ 3,232,387

6. Component Unit Disclosures - Lac qui Parle-Yellow Bank Watershed District (Continued)

B. Detailed Notes on All Funds (Continued)

1. Assets and Deferred Outflows of Resources (Continued)

Deposits

The District 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 10% 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 not owned or controlled by the financial institution furnishing the collateral. The District does not have a policy addressing custodial credit risk. As of December 31, 2024, the balance was fully insured and collateralized as required by Minnesota Statutes § 118A.03.

The District had no investments at December 31, 2024.

Receivables

Accounts receivable as of December 31, 2024, for the Lac qui Parle-Yellow Bank Watershed District follow:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Taxes	$ 15,966	$ -
Special Assessments	788,269	631,881
Total Governmental Activities	$ 804,235	$ 631,881

6. Component Unit Disclosures - Lac qui Parle-Yellow Bank Watershed District (Continued)

B. Detailed Notes on All Funds (Continued)

1. Assets and Deferred Outflows of Resources (Continued)

Capital Assets

The Lac qui Parle-Yellow Bank Watershed District capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets, Not Being Depreciated				
Land	$ 628,458	$ -	$ -	$ 628,458
Capital Assets, Being Depreciated				
Buildings	356,404	14,164	-	370,568
Machinery, Furniture and Equipment	189,017	35,468	7,502	216,983
Land Improvements	549,143	23,340	-	572,483
Infrastructure	5,334,207	-	-	5,334,207
Total Capital Assets, Being Depreciated	6,428,771	72,972	7,502	6,494,241
Less Accumulated Depreciation For				
Buildings	91,036	14,564	-	105,600
Machinery, Furniture and Equipment	93,050	18,458	7,502	104,006
Land Improvements	234,516	17,452	-	251,968
Infrastructure	1,785,360	53,342	-	1,838,702
Total Accumulated Depreciation	2,203,962	103,816	7,502	2,300,276
Total Capital Assets, Being Depreciated, Net	4,224,809	(30,844)	-	4,193,965
Capital Assets, Net	$ 4,853,267	$ (30,844)	$ -	$ 4,822,423

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

Conservation of Natural Resources	$ 95,299
Culture and Recreation	8,517
Total Depreciation Expense	$ 103,816

Lease Receivable

The District, acting as lessor, leases farm land, wind energy, and a shop under long-term, non-cancelable lease agreements. The leases expire on various dates between March 1, 2025 and March 1, 2029. During the year ended December 31, 2024, the District recognized $69,382 and $4,002 in lease revenue and interest revenue, respectively, pursuant to these contracts. The interest rates on the leases range from 1.5%-4.0%.

6. Component Unit Disclosures - Lac qui Parle-Yellow Bank Watershed District (Continued)

B. Detailed Notes on All Funds (Continued)

2. Liabilities and Deferred Inflows of Resources

Payables

Payables at December 31, 2024, were as follows:

Accounts Payable	$	122,387
Salaries Payable		26,966
Due to Other Governments		16,076
Total Payables	$	165,429

Long-Term Debt - Loans Payable- Direct Borrowing

The Lac qui Parle-Yellow Bank Watershed District entered into a loan agreement with the Minnesota Pollution Control Agency for funding Clean Water Partnership (CWP) Projects. The loans are secured by special assessments placed on the individual parcels. Loan payments are reported in the General Fund.

Long-term debt outstanding at December 31, 2024, for the Lac qui Parle-Yellow Bank Watershed District consists of the following:

6. Component Unit Disclosures - Lac qui Parle-Yellow Bank Watershed District (Continued)

B. Detailed Notes on All Funds (Continued)

2. Liabilities and Deferred Inflows of Resources (Continued)

Long-Term Debt - Loans Payable – Direct Borrowing (Continued)

Types of Indebtedness	Final Maturity	Semi Annual Installment Amounts	Interest Rate (%)	Original Issues Amount	Outstanding Balance December 31, 2024
Direct Borrowing:					
SRF 0250 - North and South Fork Yellow Bank Rivers	2026	$ 24,840	2.00%	$ 448,248	$ 96,924
SRF 0302 - Clean Water Partnership Project - Direct Borrowing	2029	23,274	2.00%	419,997	199,368
SRF 0315 - CWP Project - Direct Borrowing	2032	34,436	N/A	688,725	550,979
SRF 0349 - CWP Project - Direct Borrowing	Not Finalized	Not Finalized	Not Finalized	750,000	349,135
Total Loans Payable - Direct Borrowing				$ 2,306,970	$ 1,196,406

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

Year Ending December 31,	Loans Payable - Direct Borrowing Principal	Interest
2025	$ 159,626	$ 5,475
2026	161,450	3,650
2027	113,384	2,038
2028	114,279	1,144
2029	91,917	230
2030-2032	206,615	-
Total	$ 847,271	$ 12,537

Loans of $349,135 for the Clean Water Partnership Project were not included in the debt service requirements because fixed repayment schedules are not available. In the event of default all loans will become due and payable.

6. Component Unit Disclosures - Lac qui Parle-Yellow Bank Watershed District (Continued)

B. Detailed Notes on All Funds (Continued)

2. Liabilities and Deferred Inflows of Resources (Continued)

Changes in Long-Term Liabilities

Changes in long-term liabilities of the Lac qui Parle-Yellow Bank Watershed District for the year ended December 31, 2024, were:

	Balance January 1	Additions	Deductions	Balance December 31	Amount Due Within One Year
Loans Payable - Direct Borrowing	$ 1,150,326	$ 203,918	$ 157,838	$ 1,196,406	$ 159,626
Compensated Balances *	22,483	959	-	23,442	4,231
Total	$ 1,172,809	$ 204,877	$ 157,838	$ 1,219,848	$ 163,857

* The change in compensated absences is shown net as allowed by GASB Statement 101.

C. Defined Benefit Pension Plans

1. Plan Description

All full-time and certain part-time employees of the Lac qui Parle-Yellow Bank Watershed District are covered by defined benefit pension plans administered by PERA. See Note 4.A. for information on PERA.

2. Contributions

The District’s contributions for the General Employees Retirement Plan for the year ended December 31, 2024, were $29,880. The contributions are equal to the contractually required contributions as set by state statute.

6. Component Unit Disclosures - Lac qui Parle-Yellow Bank Watershed District (Continued)

C. Defined Benefit Pension Plans (Continued)

3. Pension Costs

At December 31, 2024, the District reported a liability of $163,811 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled $4,236. 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 District's proportionate share of the net pension liability was based on the District'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 District's proportionate share was 0.0044% at the end of the measurement period and 0.0043% for the beginning of the period.

District's Proportionate Share of the Net Pension Liability	$	163,811
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the District		4,236
Total	$	168,047

For the year ended December 31, 2024, the District recognized pension expense of $37,183 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional $52 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.

6. Component Unit Disclosures - Lac qui Parle-Yellow Bank Watershed District (Continued)

C. Defined Benefit Pension Plans (Continued)

3. Pension Costs (Continued)

The District reported its proportionate share of the General Employees Retirement Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ 15,402	$ -
Changes in Actuarial Assumptions	800	62,000
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	47,569
Changes in Proportion	41,938	-
Employer Contributions Subsequent to the Measurement Date	15,214	-
Total	$ 73,354	$ 109,569

The $15,214 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2025	$ (29,111)
2026	8,250
2027	(18,013)
2028	(12,555)

6. Component Unit Disclosures - Lac qui Parle-Yellow Bank Watershed District (Continued)

C. Defined Benefit Pension Plan (Continued)

4. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Proportionate share of the General Employees Retirement Fund Net Pension Liability	$ 357,789	$ 163,811	$ 4,246

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT A-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 3,806,357	$ 3,806,357	$ 3,651,618	$ (154,739)
Other Taxes	8,000	8,000	8,292	292
Special Assessments	141,000	141,000	124,442	(16,558)
Licenses and Permits	16,010	16,010	23,415	7,405
Intergovernmental	1,562,399	1,562,399	1,759,674	197,275
Charges for Services	608,456	608,456	575,196	(33,260)
Fines and Forfeits	-	-	2,115	2,115
Gifts and Contributions	4,000	4,000	8,449	4,449
Investment Earnings	335,302	335,302	668,042	332,740
Miscellaneous	175,281	175,281	223,694	48,413
Total Revenues	6,656,805	6,656,805	7,044,937	388,132
EXPENDITURES				
CURRENT				
GENERAL GOVERNMENT				
Commissioners	270,893	270,893	257,698	13,195
Courts	5,000	5,000	10,411	(5,411)
Auditor-Treasurer	720,480	720,480	748,845	(28,365)
Administrator	195,057	195,057	192,018	3,039
Data Processing	151,689	151,689	138,568	13,121
Elections	73,332	73,332	101,494	(28,162)
County Car	929	929	71,359	(70,430)
Attorney	314,739	314,739	330,752	(16,013)
Land Records	513,372	513,372	554,695	(41,323)
GIS	9,000	9,000	29,731	(20,731)
Planning and Zoning	14,512	14,512	7,086	7,426
Building and Plant	242,844	242,844	236,966	5,878
Veterans Service Officer	107,693	107,693	98,288	9,405
Employee Wellness	6,390	6,390	4,243	2,147
Other General Government	586,633	586,633	90,470	496,163
Total General Government	3,212,563	3,212,563	2,872,624	339,939
PUBLIC SAFETY				
Sheriff	1,088,551	1,088,551	1,007,925	80,626
Safety/AWAIR	9,000	9,000	7,625	1,375
Sheriff's Forfeiture Activity	-	-	2,154	(2,154)
Boat and Water Safety	3,726	3,726	2,212	1,514
Snowmobile Safety	1,359	1,359	-	1,359

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

EXHIBIT A-1
(Continued)

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
EXPENDITURES				
CURRENT				
PUBLIC SAFETY (CONTINUED)				
Coroner	$ 13,500	$ 13,500	$ 8,635	$ 4,865
Federal Safe and Sober	-	-	5,875	(5,875)
Crisis Transportation	6,000	6,000	1,584	4,416
Community Corrections	-	-	540	(540)
E-911 System	180,017	180,017	269,378	(89,361)
County Jail	665,095	665,095	668,528	(3,433)
Civil Defense	50,244	50,244	48,700	1,544
Ambulance	7,000	7,000	7,000	-
Other	2,680	2,680	-	2,680
Total Public Safety	2,027,172	2,027,172	2,030,156	(2,984)
SANITATION				
Solid Waste	33,627	33,627	46,342	(12,715)
Recycling	202,059	202,059	205,065	(3,006)
Total Sanitation	235,686	235,686	251,407	(15,721)
HEALTH				
CPH	153	153	153	-
Praire Five Transportation	7,000	7,000	7,000	-
Total Health	7,153	7,153	7,153	-
CULTURE AND RECREATION				
Historical Society	25,000	25,000	25,000	-
Parks	19,780	19,780	30,091	(10,311)
Senior Citizens	1,000	1,000	1,000	-
County/Regional Library	78,725	78,725	78,725	-
Other	54,000	54,000	50,812	3,188
Total Culture and Recreation	178,505	178,505	185,628	(7,123)
CONSERVATION OF NATURAL RESOURCES				
Extension	111,300	111,300	94,263	17,037
Riparian Project	142,990	142,990	120,759	22,231
Soil and Water Conservation	151,431	151,431	151,431	-
Water Quality	24,231	24,231	540	23,691
Agricultural Society/County Fair	22,550	22,550	22,550	-
Environmental Officer	40,412	40,412	40,266	146
Planning and Zoning	78,912	78,912	55,814	23,098
Feedlot Administration	39,484	39,484	39,427	57
Minnesota River Basin	12,545	12,545	12,545	-
Total Conservation of Natural Resources	623,855	623,855	537,595	86,260

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

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT A-1
(Continued)

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
EXPENDITURES				
CURRENT				
ECONOMIC DEVELOPMENT				
Airport	$ 7,000	$ 7,000	$ 7,000	$ -
INTERGOVERNMENTAL				
Public Safety	266,449	266,449	266,449	-
Health	108,422	108,422	108,422	-
Total Intergovernmental	374,871	374,871	374,871	-
DEBT SERVICE				
Principal	-	-	14,697	(14,697)
Interest and Fiscal Charges	-	-	389	(389)
Total Debt Service	-	-	15,086	(15,086)
Total Expenditures	6,666,805	6,666,805	6,281,520	385,285
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,000)	(10,000)	763,417	773,417
OTHER FINANCING SOURCES				
Transfers In	10,000	10,000	10,516	516
NET CHANGE IN FUND BALANCE	$ -	$ -	773,933	$ 773,933
Fund Balance - Beginning of Year			6,533,230	
FUND BALANCE - END OF YEAR			$ 7,307,163	

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

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT A-2

BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 1,569,653	$ 1,569,653	$ 1,509,019	$ (60,634)
Other Taxes	85,000	85,000	88,714	3,714
Intergovernmental	11,187,875	11,187,875	6,181,225	(5,006,650)
Charges for Services	69,000	69,000	69,544	544
Investment Earnings	215,479	215,479	304,757	89,278
Miscellaneous	210,000	210,000	226,350	16,350
Total Revenues	13,337,007	13,337,007	8,379,609	(4,957,398)
EXPENDITURES				
CURRENT				
HIGHWAY AND STREETS				
Administration	307,224	307,224	148,783	158,441
Construction	8,696,418	8,696,418	3,967,987	4,728,431
Maintenance	3,279,197	3,279,197	2,739,069	540,128
Equipment and Maintenance Shops	362,528	362,528	468,148	(105,620)
Total Highways and Streets	12,645,367	12,645,367	7,323,987	5,321,380
INTERGOVERNMENTAL				
Highways and Streets	615,000	615,000	690,187	(75,187)
DEBT SERVICE				
Principal	-	-	1,481	(1,481)
Interest and Fiscal Charges	-	-	250	(250)
Total Debt Service	-	-	1,731	(1,731)
Total Expenditures	13,260,367	13,260,367	8,015,905	5,244,462
NET CHANGE IN FUND BALANCE	$ 76,640	$ 76,640	363,704	$ 287,064
Fund Balance - Beginning of Year			5,246,775	
FUND BALANCE - END OF YEAR			$ 5,610,479	

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

EXHIBIT A-3

BUDGETARY COMPARISON SCHEDULE
FAMILY SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 1,293,112	$ 1,293,112	$ 1,130,144	$ (162,968)
Intergovernmental	1,783,150	1,783,150	1,848,603	65,453
Charges for Services	343,708	343,708	388,314	44,606
Investment Earnings	-	-	46	46
Miscellaneous	70,939	70,939	169,717	98,778
Total Revenues	3,490,909	3,490,909	3,536,824	45,915
EXPENDITURES				
CURRENT				
HUMAN SERVICES				
Income Maintenance	1,085,621	1,085,621	1,106,490	(20,869)
Social Services	2,405,288	2,405,288	2,128,461	276,827
Total Human Services	3,490,909	3,490,909	3,234,951	255,958
INTERGOVERNMENTAL				
Human Services	-	-	64,663	(64,663)
DEBT SERVICE				
Principal	-	-	10,307	(10,307)
Interest	-	-	227	(227)
Total Debt Service	-	-	10,534	(10,534)
Total Expenditures	3,490,909	3,490,909	3,310,148	180,761
EXCESS OF REVENUES OVER EXPENDITURES	-	-	226,676	226,676
OTHER FINANCING USES				
Transfers Out	-	-	(516)	(516)
NET CHANGE IN FUND BALANCE	$ -	$ -	226,160	$ 226,676
Fund Balance - Beginning of Year			3,223,531	
FUND BALANCE - END OF YEAR			$ 3,449,691	

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

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT A-4

BUDGETARY COMPARISON SCHEDULE
DITCH SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Special Assessments	$ -	$ -	$ 2,153,690	$ 2,153,690
Intergovernmental	-	-	129,425	129,425
Investment Earnings	50,417	50,417	24,546	(25,871)
Miscellaneous	-	-	505,811	505,811
Total Revenues	50,417	50,417	2,813,472	2,763,055
EXPENDITURES				
CURRENT				
CONSERVATION OF NATURAL RESOURCES				
Other	40,417	40,417	1,940,510	(1,900,093)
INTERGOVERNMENTAL				
Conservation	-	-	65,409	(65,409)
DEBT SERVICE				
Principal	-	-	156,000	(156,000)
Interest and Fiscal Charges	-	-	52,293	(52,293)
Total Debt Service	-	-	208,293	(208,293)
Total Expenditures	40,417	40,417	2,214,212	(2,173,795)
EXCESS OF REVENUES OVER EXPENDITURES	10,000	10,000	599,260	589,260
OTHER FINANCING USES				
Transfers Out	(10,000)	(10,000)	(10,000)	-
NET CHANGE IN FUND BALANCE	$ -	$ -	589,260	$ 589,260
Fund Balance (Deficit) - Beginning of Year			(1,037,819)	
FUND BALANCE (DEFICIT) - END OF YEAR			$ (448,559)	

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

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT A-5

SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS LAST TEN MEASUREMENT PERIODS

Plan Reporting Period Ended	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Employer Measurement Date	1/1/2024	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2018
Total OPEB Liability							
Service Cost	$ 49,038	$ 40,962	$ 51,785	$ 52,840	$ 45,512	$ 42,682	$ 44,428
Interest	15,608	7,902	9,653	12,321	16,967	14,107	13,737
Difference Between Expected and Actual Experience	(12,188)	-	(106,541)	-	(70,632)	-	-
Changes of Assumptions	17,739	(43,671)	(8,070)	17,832	4,528	(11,539)	-
Benefit Payments	(18,473)	(17,997)	(28,991)	(19,315)	(31,228)	(26,985)	(63,142)
Net Change in Total OPEB Liability	51,724	(12,804)	(82,164)	63,678	(34,853)	18,265	(4,977)
Total OPEB Liability - Beginning	350,305	363,109	445,273	381,595	416,448	398,183	403,160
Total OPEB Liability - Ending	$ 402,029	$ 350,305	$ 363,109	$ 445,273	$ 381,595	$ 416,448	$ 398,183
Covered Employee Payroll	$ 4,709,875	$ 4,182,931	$ 4,061,098	$ 3,969,382	$ 3,853,769	$ 3,267,157	$ 3,171,997
Total OPEB Liability as a Percentage of the Covered Employee Payroll	8.5%	8.4%	8.9%	11.2%	9.9%	12.7%	12.6%

Notes to Schedule:
The OPEB plan is not administered through a trust, and there are no assets accumulated in trust for payment of benefits.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

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

EXHIBIT A-6

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
LAC QUI PARLE COUNTY
LAST TEN MEASUREMENT PERIODS

	Measurement Date June 30, 2024	Measurement Date June 30, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020
PERA - General Employees Retirement Plan					
County's Proportion of the Net Pension Liability	0.0438%	0.0467%	0.0447%	0.0450%	0.0415%
County's Proportionate Share of the Net Pension Liability	$ 1,618,336	$ 2,611,412	$ 3,540,255	$ 1,921,702	$ 2,488,115
State's Proportionate Share of the Net Pension Liability	$ 41,847	$ 72,007	$ 103,766	$ 58,591	$ 76,582
Total Proportionate Share of the Net Pension Liability	$ 1,660,183	$ 2,683,419	$ 3,644,021	$ 1,980,293	$ 2,564,697
County's Covered Payroll	$ 3,704,929	$ 3,711,356	$ 3,349,547	$ 3,233,308	$ 2,958,198
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	43.68%	70.36%	105.69%	59.43%	84.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.08%	83.10%	76.70%	87.00%	79.10%
PERA - Public Employees Police and Fire Plan					
County's Proportion of the Net Pension Liability	0.0488%	0.0495%	0.0518%	0.0524%	0.0505%
County's Proportionate Share of the Net Pension Liability	$ 641,717	$ 854,801	$ 2,254,131	$ 404,471	$ 665,644
State's Proportionate Share of the Net Pension Liability	$ 24,462	$ 34,436	$ 98,541	$ 18,165	$ 15,685
Total Proportionate Share of the Net Pension Liability	$ 666,179	$ 889,237	$ 2,352,672	$ 422,636	$ 681,329
County's Covered Payroll	$ 675,436	$ 650,398	$ 629,767	$ 618,846	$ 570,127
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	95.01%	131.43%	357.93%	65.36%	116.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.17%	86.50%	70.50%	93.70%	87.20%
PERA - Local Government Correctional Plan					
County's Proportion of the Net Pension Liability (Asset)	0.1310%	0.1190%	0.1040%	0.0920%	0.0885%
County's Proportionate Share of the Net Pension Liability (Asset)	$ 39,778	$ 53,840	$ 345,362	$ (15,148)	$ 24,013
County's Covered Payroll	$ 315,657	$ 279,160	$ 228,190	$ 203,812	$ 192,558
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	12.60%	19.29%	151.35%	-7.43%	12.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	97.55%	95.90%	74.60%	101.60%	96.70%

The measurement date for each year-end is June 30.

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

EXHIBIT A-6 (Continued)

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (CONTINUED)
LAC QUI PARLE COUNTY
LAST TEN MEASUREMENT PERIODS

	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015
PERA - General Employees Retirement Plan					
County's Proportion of the Net Pension Liability	0.0414%	0.0415%	0.0422%	0.0424%	0.0407%
County's Proportionate Share of the Net Pension Liability	$ 2,288,913	$ 2,302,250	$ 2,694,020	$ 3,442,670	$ 2,109,285
State's Proportionate Share of the Net Pension Liability	$ 71,164	$ 78,581	$ 33,843	$ 45,011	$ -
Total Proportionate Share of the Net Pension Liability	$ 2,360,077	$ 2,380,831	$ 2,727,863	$ 3,487,681	$ 2,109,285
County's Covered Payroll	$ 2,929,563	$ 2,792,289	$ 2,716,091	$ 2,631,796	$ 2,394,275
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	78.13%	82.45%	99.19%	130.81%	88.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.20%	79.50%	75.90%	68.90%	78.20%
PERA - Public Employees Police and Fire Plan					
County's Proportion of the Net Pension Liability	0.0511%	0.0506%	0.0480%	0.0520%	0.0540%
County's Proportionate Share of the Net Pension Liability	$ 544,011	$ 539,344	$ 648,057	$ 2,086,850	$ 613,566
State's Proportionate Share of the Net Pension Liability	$ -	$ -	$ -	$ -	$ -
Total Proportionate Share of the Net Pension Liability	$ 544,011	$ 539,344	$ 648,057	$ 2,086,850	$ 613,566
County's Covered Payroll	$ 538,809	$ 504,975	$ 495,557	$ 499,799	$ 492,919
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	100.97%	106.81%	130.77%	417.54%	124.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.30%	88.80%	85.43%	63.90%	82.30%
PERA - Local Government Correctional Plan					
County's Proportion of the Net Pension Liability (Asset)	0.1004%	0.1044%	0.0900%	0.0900%	0.0900%
County's Proportionate Share of the Net Pension Liability (Asset)	$ 13,899	$ 17,172	$ 256,501	$ 328,783	$ 13,914
County's Covered Payroll	$ 214,153	$ 212,544	$ 180,906	$ 164,570	$ 161,567
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	6.49%	8.08%	141.79%	199.78%	8.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	98.20%	97.60%	67.89%	58.20%	96.90%

The measurement date for each year-end is June 30.

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

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT A-7

SCHEDULE OF PENSION CONTRIBUTIONS
LAC QUI PARLE COUNTY
LAST TEN YEARS

	2024	2023	2022	2021	2020
PERA - General Employees Retirement Plan					
Contractually Required Contribution	$ 279,600	$ 272,047	$ 262,972	$ 245,259	$ 238,576
Contributions in Relation to the Contractually Required Contribution	(279,600)	(272,047)	(262,972)	(245,259)	(238,576)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 3,728,000	$ 3,627,293	$ 3,506,293	$ 3,270,120	$ 3,181,013
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%
PERA - Public Employees Police and Fire Plan					
Contractually Required Contribution	$ 120,621	$ 118,586	$ 107,519	$ 112,537	$ 107,942
Contributions in Relation to the Contractually Required Contribution	(120,621)	(118,586)	(107,519)	(112,537)	(107,942)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 681,475	$ 669,977	$ 607,451	$ 635,802	$ 609,842
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	17.70%	17.70%	17.70%
PERA - Local Government Correctional Plan					
Contractually Required Contribution	$ 26,687	$ 26,730	$ 20,891	$ 19,883	$ 16,232
Contributions in Relation to the Contractually Required Contribution	(26,687)	(26,730)	(20,891)	(19,883)	(16,232)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 304,994	$ 305,486	$ 238,759	$ 227,234	$ 185,509
Contributions as a Percentage of Covered Payroll	8.75%	8.75%	8.75%	8.75%	8.75%

The County's year-end is December 31.

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

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT A-7 (CONTINUED)

SCHEDULE OF PENSION CONTRIBUTIONS (CONTINUED)
LAC QUI PARLE COUNTY
LAST TEN YEARS

	2019	2018	2017	2016	2015
PERA - General Employees Retirement Plan					
Contractually Required Contribution	$ 232,204	$ 215,615	$ 204,271	$ 202,193	$ 186,855
Contributions in Relation to the Contractually Required Contribution	(232,204)	(215,615)	(204,271)	(202,193)	(186,855)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 3,096,053	$ 2,874,867	$ 2,723,613	$ 2,695,883	$ 2,491,400
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%
PERA - Public Employees Police and Fire Plan					
Contractually Required Contribution	$ 100,043	$ 82,719	$ 86,276	$ 80,604	$ 80,893
Contributions in Relation to the Contractually Required Contribution	(100,043)	(82,719)	(86,276)	(80,604)	(80,893)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 590,224	$ 510,611	$ 532,568	$ 497,554	$ 499,343
Contributions as a Percentage of Covered Payroll	16.95%	16.20%	16.20%	16.20%	16.20%
PERA - Local Government Correctional Plan					
Contractually Required Contribution	$ 19,601	$ 18,993	$ 17,472	$ 14,664	$ 14,134
Contributions in Relation to the Contractually Required Contribution	(19,601)	(18,993)	(17,472)	(14,664)	(14,134)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 224,011	$ 217,063	$ 199,680	$ 167,592	$ 161,527
Contributions as a Percentage of Covered Payroll	8.75%	8.75%	8.75%	8.75%	8.75%

The County’s year-end is December 31.

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

EXHIBIT A-8

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT
LAST TEN MEASUREMENT PERIODS

	Measurement Date June 30, 2024	Measurement Date June 30, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020
PERA - General Employees Retirement Plan					
District's Proportion of the Net Pension Liability	0.0044%	0.0043%	0.0033%	0.0029%	0.0029%
District's Proportionate Share of the Net Pension Liability	$ 163,811	$ 240,451	$ 261,361	$ 123,843	$ 173,868
State's Proportionate Share of the Net Pension Liability	$ 4,236	$ 6,751	$ 7,670	$ 3,796	$ 5,380
Total Proportionate Share of the Net Pension Liability	$ 168,047	$ 247,202	$ 269,031	$ 127,639	$ 179,248
District's Covered Payroll	$ 375,016	$ 333,424	$ 248,840	$ 208,100	$ 205,105
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	43.68%	72.12%	105.03%	59.51%	84.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.08%	83.10%	76.70%	87.00%	79.10%

The measurement date for each year-end is June 30.

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

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT A-8 (Continued)

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (CONTINUED)
LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT
LAST TEN MEASUREMENT PERIODS

	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015
PERA - General Employees Retirement Plan					
District's Proportion of the Net Pension Liability	0.0028%	0.0025%	0.0024%	0.0023%	0.0022%
District's Proportionate Share of the Net Pension Liability	$ 154,806	$ 138,690	$ 153,214	$ 186,749	$ 114,015
State's Proportionate Share of the Net Pension Liability	$ 4,666	$ 4,581	$ 1,910	$ 2,408	$ -
Total Proportionate Share of the Net Pension Liability	$ 159,472	$ 143,271	$ 155,124	$ 189,157	$ 114,015
District's Covered Payroll	$ 199,550	$ 150,487	$ 148,867	$ 137,077	$ 133,986
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	77.58%	92.16%	102.92%	136.24%	85.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.20%	79.50%	75.90%	68.90%	78.20%

The measurement date for each year-end is June 30.

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

EXHIBIT A-9

SCHEDULE OF PENSION CONTRIBUTIONS
LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT
LAST TEN YEARS

	2024	2023	2022	2021	2020
PERA - General Employees Retirement Plan					
Contractually Required Contribution	$ 29,880	$ 26,810	$ 22,707	$ 16,465	$ 15,654
Contributions in Relation to the Contractually Required Contribution	(29,880)	(26,810)	(22,707)	(16,465)	(15,654)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 398,400	$ 357,467	$ 302,760	$ 219,533	$ 208,720
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%

The Watershed District's year-end is December 31.

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

EXHIBIT A-9 (Continued)

SCHEDULE OF PENSION CONTRIBUTIONS (CONTINUED)
LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT
LAST TEN YEARS

	2019	2018	2017	2016	2015
PERA - General Employees Retirement Plan					
Contractually Required Contribution	$ 14,779	$ 14,354	$ 10,312	$ 11,016	$ 10,077
Contributions in Relation to the Contractually Required Contribution	(14,779)	(14,354)	(10,312)	(11,016)	(10,077)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 197,053	$ 191,387	$ 137,493	$ 146,883	$ 134,353
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%

The Watershed District's year-end is December 31.

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

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

1. General Budget Policies

The Lac qui Parle County Board adopts estimated revenue and expenditure budgets for the General Fund, the special revenue funds, except the EDA fund. The expenditure budget is approved at the fund level.

The budgets may be amended or modified at any time by the County Board. Expenditures may not legally exceed budgeted appropriations. Comparison of the final budgeted revenues and expenditures to actual are presented in required supplementary information for the General Fund, special revenue funds, except the EDA Fund.

2. Budget Basis of Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

3. Budget Amendments

The County did not amend the budgets for the General Fund or any of the special revenue funds.

4. Excess of Expenditures Over Budget

Expenditures exceeded final budgets in the following funds:

Fund	Expenditures	Budget	Excess
Major Governmental Funds:			
Ditch Fund	$ 2,214,212	$ 40,417	$ 2,173,795

5. Defined Benefit Pension Plans

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

General Employees Fund

2024 Changes
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.

2023 Changes
Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

5. Defined Benefit Pension Plans (Continued)

General Employees Fund (Continued)

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 have been no changes since the prior 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 MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior 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.

5. Defined Benefit Pension Plans (Continued)

General Employees Fund (Continued)

2020 Changes (Continued)
Changes in Actuarial Assumptions (Continued)

- 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 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent 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 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.

5. Defined Benefit Pension Plans (Continued)

General Employees Fund (Continued)

2018 Changes (Continued)
Changes in Plan Provisions (Continued)

- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, 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 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions

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

2016 Changes
Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- 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 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

5. Defined Benefit Pension Plans (Continued)

General Employees Fund (Continued)

2016 Changes (Continued)
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 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

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

Police and Fire Fund

2024 Changes
Changes in Actuarial Assumptions
- There were no changes in actuarial assumptions since the prior valuation.

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.

5. Defined Benefit Pension Plans (Continued)

Police and Fire Fund (Continued)
2023 Changes
Changes in Actuarial Assumptions
- The investment return assumption was changed from 6.5% to 7.00%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions
- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- 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 6.50% to 5.40%.

Changes in Plan Provisions
- There have been no changes since the prior 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 change 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 MP-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).

5. Defined Benefit Pension Plans (Continued)

Police and Fire Fund (Continued)

2021 Changes (Continued)
Changes in Actuarial Assumptions (Continued)

- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumption were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes
Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes
Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes
Changes in Actuarial Assumptions

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

5. Defined Benefit Pension Plans (Continued)

Police and Fire Fund (Continued)

2018 Changes (Continued)
Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00 percent 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 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, 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 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and nonvested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- 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.

5. Defined Benefit Pension Plans (Continued)

Police and Fire Fund (Continued)

2017 Changes (Continued)
Changes in Actuarial Assumptions (Continued)

- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes
Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent 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 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

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

5. Defined Benefit Pension Plans (Continued)

Correctional Plan

2024 Changes
Changes in Actuarial Assumptions
- There were no changes in actuarial assumptions since the prior valuation.

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.

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 change 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 1.5% per annum thereafter.

Changes in Plan Provisions
- There have been no changes since the prior valuation.

5. Defined Benefit Pension Plans (Continued)

Correctional Plan (Continued)

2021 Changes
Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes
Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

5. Defined Benefit Pension Plans (Continued)

Correctional Plan (Continued)

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 percent per annum to 7.50 percent per annum.
- The morality projection scale was changed from MP-2016 to MP-2017.
- The assumed postretirement benefit increase was changed from 2.50 percent per year to 2.00 percent 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 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level, to 100 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 2.50 percent, beginning January 1, 2019. If the funding status declines to 85.00 percent for two consecutive years or 80.00 percent for one year, the maximum increase will be lowered to 1.50 percent.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

5. Defined Benefit Pension Plans (Continued)

Correctional Plan (Continued)

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 percent for vested and nonvested, deferred members. The CSA has been changed to 35.00 percent for vested members and 1.00 percent for nonvested members.
- The single discount rate was changed from 5.31 percent per annum to 5.96 percent 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 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 5.31 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:
Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation

6. Other Postemployment Benefit Plans

2024

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

2023

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

2022

- The mortality rates, medical trend rates, salary increase rates, retirement rates, and withdrawal rates were all updated.
- The inflation rate was changed from 2.50% to 2.00%.

2021

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

2020

- The discount rate was changed from 3.80% to 2.90%.
- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contact group.

2019

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

6. Other Postemployment Benefit Plans (Continued)

2018

Benefit Changes

- There have been no substantive plan provision changes since the last full valuation.

Assumption Changes

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2000 Combined Healthy Tables projected to 2012 with Scale BB (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 While Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Polic and Fire Personnel).
- The retirement and withdrawal table for all employees were updated.
- The discount rate was changed from 4.50% to 3.30%.

SUPPLEMENTARY INFORMATION

EXHIBIT B-1

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

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 569,020	$ 569,020	$ 546,633	$ (22,387)
Intergovernmental	56,820	56,820	80,257	23,437
Investment Earnings	-	-	29,443	29,443
Total Revenues	625,840	625,840	656,333	30,493
EXPENDITURES				
CURRENT				
GENERAL GOVERNMENT				
Other	1,745	1,745	1,995	(250)
DEBT SERVICE				
Principal	338,604	338,604	385,000	(46,396)
Interest and Fiscal Charges	285,491	285,491	206,813	78,678
Total Debt Service	624,095	624,095	591,813	32,282
Total Expenditures	625,840	625,840	593,808	32,032
NET CHANGE IN FUND BALANCE	$ -	$ -	62,525	$ 62,525
Fund Balance - Beginning of Year			576,956	
FUND BALANCE - END OF YEAR			$ 639,481	

FIDUCIARY FUNDS

DESCRIPTION OF THE FUNDS
CUSTODIAL FUNDS

The Collaborative Fund is used to account for the collection and payments to the local collaborative.

The State Revenue Fund is used to account for the collection and payments to the state of Minnesota.

The Taxes and Penalties Fund is used to account for the receipts and disbursements of taxes and penalties in the various taxing districts.

The Estate Recoveries Fund is used to account for the State's portion of funds that are recovered from estates for clients that are on Medical Assistance and other programs.

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT B-2

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

	Custodial Funds				
	Collaborative	State Revenue	Taxes and Penalties	Estate Recoveries	Total Custodial Funds
ASSETS					
Cash and Cash Equivalents	$ 96,705	$ 58,034	$ 349,650	$ 15,802	$ 520,191
Taxes Receivable - Delinquent	-	-	29,679	-	29,679
Due From Other Governments	17,512	25	-	-	17,537
Accrued Interest Receivable	1,443	-	-	-	1,443
Total Assets	$ 115,660	$ 58,059	$ 379,329	$ 15,802	$ 568,850
LIABILITIES					
Due to Others	$ -	$ -	$ -	$ 15,802	$ 15,802
Due to Other Governments	14,413	58,059	317,736	-	390,208
Total Liabilities	$ 14,413	$ 58,059	$ 317,736	$ 15,802	$ 406,010
DEFERRED INFLOWS OF RESOURCES					
Taxes Collected for Subsequent Levy	$ -	$ -	$ 21,189	$ -	$ 21,189
NET POSITION					
Restricted For:					
Individuals, Organizations and Other Governments	$ 101,247	$ -	$ 40,404	$ -	$ 141,651

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT B-3

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Custodial Funds				
	Collaborative	State Revenue	Taxes and Penalties	Estate Recoveries	Total Custodial Funds
ADDITIONS					
Contributions:					
Individuals	$ -	$ -	$ -	$ 181,692	$ 181,692
Property Tax Collections for Other Governments	-	-	9,219,704	-	9,219,704
License and Fees Collected for State	-	1,407,428	-	-	1,407,428
Grants for Other Entities	59,901	-	-	-	59,901
Miscellaneous	4,419	-	-	-	4,419
Total Additions	64,320	1,407,428	9,219,704	181,692	10,873,144
DEDUCTIONS					
Payments of Property Taxes to Other Governments	$ -	$ -	$ 9,207,118	$ -	$ 9,207,118
Payments to State	-	1,407,428	-	181,692	1,589,120
Payments to Other Entities	70,560	-	-	-	70,560
Total Deductions	70,560	1,407,428	9,207,118	181,692	10,866,798
CHANGE IN FIDUCIARY NET POSITION	$ (6,240)	$ -	$ 12,586	$ -	$ 6,346
Fiduciary Net Position, Beginning of Year	107,487	-	27,818	-	135,305
FIDUCIARY NET POSITION - END OF YEAR	$ 101,247	$ -	$ 40,404	$ -	$ 141,651

OTHER SCHEDULES

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT C-1

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

	Primary Government	Discretely Presented Component Unit Lac qui Parle-Yellow Bank Watershed District
Appropriations and Shared Revenue		
State		
Highway Users Tax	$ 5,833,924	$ -
Market Value Credit	212,021	9,862
PERA Indirect Aid	11,394	-
Disparity Reduction Aid	51,195	-
County Program Aid	702,723	-
County Aquatic Inspection Aid	40,996	-
Police Aid	97,742	-
Local Housing Aid	97,580	-
E-911	156,546	-
Riparian Protection Aid	142,990	-
SCORE	86,753	-
Total Appropriations and Shared Revenue	**$ 7,433,864**	**$ 9,862**
Reimbursement for Services		
State		
Minnesota Department of Human Services	$ 295,660	$ -
Local		
Lac qui Parle County	-	2,324
Total Reimbursements for Services	**$ 295,660**	**$ 2,324**
Payments		
Local		
Payments in Lieu of Taxes	$ 342,436	$ -
Grants		
State		
Minnesota Department/Board of		
Education	$ 6,020	$ -
Geospatial Information Office	75,500	
Human Services	654,820	-
Natural Resources	50,812	-
Public Safety	41,479	3,236
Veterans Affairs	7,500	-
Water and Soil Resources	73,498	362,543
Secretary	45,559	-
Pollution Control Agency	34,285	-
Total State	**$ 989,473**	**$ 365,779**
Federal		
Department of		
Agriculture	$ 109,470	$ -
Justice	33,546	-
Health and Human Services	679,847	-
Homeland Security	120,972	-
Total Federal	**$ 943,835**	**$ -**
Total State and Federal Grants	**$ 1,933,308**	**$ 365,779**
Total Intergovernmental Revenue	**$ 10,005,268**	**$ 377,965**

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

EXHIBIT C-2

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Human Services				
SNAP Cluster				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	242MN101S2514	$ 109,470	$ -
U.S. Department of Justice				
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	F-CVS-2024-LACCAO	33,546	-
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Human Services				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2301MNFPSS	2,259	-
Temporary Assistance for Needy Families	93.558	2401MNTANF	20,987	-
Child Support Enforcement	93.563	2301MNCEST	110,690	-
Child Support Enforcement	93.563	2301MNCSES	26,666	-
(Total Child Support Enforcement 93.563 $137,356)				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2401MNRCMA	817	-
Child Care and Development Block Cluster				
Child Care and Development Block Grant	93.575	2401MNCCDF	2,276	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2301MNCWSS	966	-
Foster Care Title IV-E	93.658	2401MNFOST	76,297	-
Social Services Block Grant	93.667	2401MNSOSR	68,561	-
Children Health Insurance Program	93.767	2305MN5021	174	-
Medicaid Cluster				
Medical Assistance Program	93.778	2405MN5ADM	368,314	-
Medical Assistance Program	93.778	2405MN5MAP	3,704	-
(Total Medical Assistance Program 93.778 $372,018)				
Total U.S. Department of Health and Human Services			681,711	-

See accompanying notes to the Schedule of Expenditures of Federal Awards.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

EXHIBIT C-2
(Continued)

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	70Z02323MO0000517	$ 1,277	$ -
Passed Through Minnesota Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4722 PW39 (731223)	67,712	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4722 PW90 (731222)	26,121	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4658 PW7	3,236	-
(Total Disaster Grants - Public Assistance 97.036 $97,069)				
Direct				
Emergency Food and Shelter National Board Program	97.024	N/A - Direct	2,300	-
Total U.S. Department of Homeland Security			100,646	-
Total Expenditures of Federal Awards			$ 925,373	$ -

Totals by Cluster	
Total Expenditures for SNAP Cluster	$ 109,470
Total Expenditures for Child Care and Development Block Cluster	2,276
Total Expenditures for Medicaid Cluster	372,018

See accompanying notes to the Schedule of Expenditures of Federal Awards.

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

1. Reporting Entity

   The schedule of expenditures of federal awards presents the activities of federal award programs expended by Lac qui Parle County. The County's reporting entity is defined in Notes 1 to the financial statements.

2. Basis of Presentation

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

3. Summary of Significant Accounting Policies

   Expenditures reported on the schedule are reported on a modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures were not allowable or are limited as to reimbursements. Lac qui Parle County has elected to not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Reconciliation to Schedule of Intergovernmental Revenue

Reconciliation of SEFA to Schedule of Intergovernmental Revenue		
Total Federal Revenue per Schedule of Intergovernmental Revenue	$	943,835
Grants received more than 60 days after year-end deferred in 2024		
MaryLee Allen Promoting Safe and Stable Families Program		271
Refugee and Entrant Assistance State/Replacement Designee Administered Programs		269
Stephanie Tubbs Jones Child Welfare Services Program		483
Foster Care Title IV-E		1,258
Grants Unavailable in 2024, Recognized as Revenue in 2025		
MaryLee Allen Promoting Safe and Stable Families Program		(209)
Stephanie Tubbs Jones Child Welfare Services Program		(208)
Emergency Management Performance Grants		(20,326)
Total Federal Awards per Schedule of Expenditures of Federal Awards	**$**	**925,373**

LAC QUI PARLE – YELLOW BANK WATERSHED DISTRICT

EXHIBIT D-1

LAC QUI PARLE – YELLOW BANK WATERSHED DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 3,232,387
Accounts Receivable	56,667
Taxes Receivable	15,966
Special Assessments Receivable	788,269
Lease Receivable	94,681
Due from Primary Government	4,572
Capital Assets	
Non-depreciable	628,458
Depreciable (Net)	4,193,965
Total Assets	$ 9,014,965
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	$ 73,354
LIABILITIES	
Accounts Payable	$ 122,387
Salaries Payable	26,966
Due to Other Governments	16,076
Unearned Revenue	621,454
ISTS Loans	
Due Within One Year	159,626
Due in More than One Year	1,036,780
Compensated Absences Payable	
Due Within One Year	4,231
Due in More than One Year	19,211
Net Pension Liability	163,811
Total Liabilities	$ 2,170,542
DEFERRED INFLOWS OF RESOURCES	
Pension Related	$ 109,569
Lease Related	105,682
Total Deferred Inflows of Resources	215,251
NET POSITION	
Investment in Capital Assets	$ 4,822,423
Restricted For:	
Conservation of Natural Resources	1,332,822
Unrestricted	547,281
Total Net Position	$ 6,702,526

EXHIBIT D-2

LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Fees, Charges, Fines, and Other	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
GOVERNMENTAL ACTIVITIES					
Culture and Recreation	$ 223,045	$ 136,931	$ -	$ -	$ (86,114)
Conservation of Natural Resources	1,419,121	558,320	431,084	-	(429,717)
Interest	7,263	-	-	-	(7,263)
Total Governmental Activities	$ 1,649,429	$ 695,251	$ 431,084	$ -	$ (523,094)
GENERAL REVENUES					
Property Taxes					$ 336,638
Payments in Lieu of Tax					3,976
Grants and Contributions not Restricted for a Particular Purpose					17,399
Investment Earnings					10,354
Miscellaneous					71,068
Total General Revenues					439,435
CHANGE IN NET POSITION					(83,659)
Net Position - Beginning of Year					6,786,185
NET POSITION - END OF YEAR					$ 6,702,526

EXHIBIT D-3

LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT
GOVERNMENTAL FUNDS – BALANCE SHEET
DECEMBER 31, 2024

	General	Ditch Special Revenue	Total
ASSETS			
Cash and Cash Equivalents	$ 3,161,491	$ 70,896	$ 3,232,387
Taxes Receivable	15,966	-	15,966
Special Assessments Receivable	788,269	-	788,269
Lease Receivable	94,681	-	94,681
Due from Primary Government	61,239	-	61,239
Total Assets	$ 4,121,646	$ 70,896	$ 4,192,542
LIABILITIES			
Accounts Payable	$ 122,387	$ -	$ 122,387
Salaries Payable	26,966	-	26,966
Due to Other Governments	16,076	-	16,076
Unearned Revenue	621,454	-	621,454
Total Liabilities	786,883	-	786,883
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	853,453	-	853,453
Lease Related	105,682	-	105,682
Total Deferred Inflows of Resources	959,135	-	959,135
FUND BALANCES			
Restricted			
Septic/Sewer Loans	417,066	-	417,066
Ditch Repairs and Maintenance	-	70,896	70,896
Assigned			
Flood Control	19,335	-	19,335
Unassigned	1,939,227	-	1,939,227
Total Fund Balances	2,375,628	70,896	2,446,524
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,121,646	$ 70,896	$ 4,192,542

EXHIBIT D-4

LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS		$ 2,446,524
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		4,822,423
The Watershed's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:		
Net Pension Liability	$ (163,811)	
Deferred Inflows of Resources - Pension Related	(109,569)	
Deferred Outflows of Resources - Pension Related	73,354	(200,026)
Other long-term assets (deferred inflows of resources) are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		853,453
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Loans Payable	(1,196,406)	
Compensated Absences	(23,442)	(1,219,848)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 6,702,526

EXHIBIT D-5

LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Ditch Special Revenue	Total
REVENUES			
Taxes	$ 339,448	$ 1,225	$ 340,673
Special Assessments	163,466	-	163,466
Intergovernmental	377,965	-	377,965
Charges for Services	476,056	-	476,056
Investment Earnings	10,347	7	10,354
Miscellaneous	1,427,824	-	1,427,824
Total Revenues	2,795,106	1,232	2,796,338
EXPENDITURES			
CURRENT			
Culture and Recreation	214,528	-	214,528
Conservation of Natural Resources	1,312,947	2,648	1,315,595
CAPITAL OUTLAY			
Culture and Recreation	72,972	-	72,972
DEBT SERVICE			
Principal	157,838	-	157,838
Interest	7,263	-	7,263
Total Expenditures	1,765,548	2,648	1,768,196
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,029,558	(1,416)	1,028,142
OTHER FINANCING SOURCES (USES)			
Loans Issued	203,918	-	203,918
NET CHANGE IN FUND BALANCES	1,233,476	(1,416)	1,232,060
Fund Balances - Beginning of Year	1,142,152	72,312	1,214,464
FUND BALANCES - END OF YEAR	$ 2,375,628	$ 70,896	$ 2,446,524

EXHIBIT D-6

LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 1,232,060
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 as unavailable.		
Unavailable Revenue - December 31	$ 853,453	
Unavailable Revenue - January 1	(2,091,558)	(1,238,105)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for General Capital Assets, Infrastructure, and Other Related Capital		72,972
Current Year Depreciation		(103,816)
Governmental funds report loans issued as other financing sources. However, in the statement of activities, the loans are reported as a liability.		(203,918)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		157,838
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 Compensated Absences	(959)	
Change in Net Pension Liability	76,640	
Change in Deferred Pension Outflows	(43,356)	
Change in Deferred Pension Inflows	(33,015)	(690)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ (83,659)

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

EXHIBIT D-7

LAC QUI PARLE-YELLOW BANK WATERSHED DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 340,000	$ 340,000	$ 339,448	$ (552)
Special Assessments	-	-	163,466	163,466
Intergovernmental	366,222	366,222	377,965	11,743
Charges for Services	440,500	440,500	476,056	35,556
Investment Earnings	4,800	4,800	10,347	5,547
Miscellaneous	71,406	71,406	1,427,824	1,356,418
Total Revenues	1,222,928	1,222,928	2,795,106	1,572,178
EXPENDITURES				
CURRENT				
CULTURE AND RECREATION				
Parks	164,076	164,076	214,528	(50,452)
CONSERVATION OF NATURAL RESOURCES				
Watershed	733,855	733,855	1,312,947	(579,092)
DEBT SERVICE				
Principal	-	-	157,838	(157,838)
Interest	-	-	7,263	(7,263)
Total Debt Service	-	-	165,101	(165,101)
Total Expenditures	897,931	897,931	1,765,548	(867,617)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	324,997	324,997	1,029,558	704,561
OTHER FINANCING SOURCES				
Loans Issued	187,000	187,000	203,918	16,918
NET CHANGE IN FUND BALANCE	$ 511,997	$ 511,997	1,233,476	$ 721,479
Fund Balance - Beginning of Year			1,142,152	
FUND BALANCE - END OF YEAR			$ 2,375,628	

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

Board of County Commissioners
Lac qui Parle County, Minnesota
Madison, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lac qui Parle 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, and have issued our report thereon dated August 28, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

County's Response to Findings

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Alexandria, Minnesota
August 28, 2025

CliftonLarsonAllen LLP
CLAconnect.com

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

Board of County Commissioners
Lac qui Parle County
Madison, Minnesota

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Board of County Commissioners
Lac qui Parle County, Minnesota

Report on Internal Control Over Compliance

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

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Alexandria, Minnesota
August 28, 2025

LAC QUI PARLE COUNTY
MADISON, MINNESOTA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? __X__ yes ____ no
- Significant deficiency(ies) identified? __X__ yes ____ none reported

Noncompliance material to financial statements noted? ____ yes __X__ no

Federal Awards

Internal control over major program:

- Material weakness(es) identified? ____ yes __X__ no
- Significant deficiency(ies) identified? ____ yes __X__ none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 200.516(a)? ____ yes __X__ no

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? ____ yes __X__ No

SECTION II – FINANCIAL STATEMENT FINDINGS

2024-001 – MATERIAL AUDIT ADJUSTMENTS – COUNTY EDA FUND AND WATERSHED DISTRICT

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: There was a material adjustment for the County to properly record the change in loans receivable in the EDA fund. There were material audit adjustments to the Watershed District to properly state contracts payable, lease receivable and related deferred inflows, unearned/unavailable revenues and to net certain revenues and expenditures.

Criteria or Specific Requirement: The County and the District's management is responsible for establishing and maintaining internal controls for the proper recording of all the entity's receipts and disbursements, including applicable accruals.

Effect: Errors in the preparation of year-end balances increases the risk related to financial statement misstatements.

Cause: The County and Watershed District have limited number of personnel.

Repeat Finding: Yes, 2023-001.

Recommendation: We recommend management be aware of all procedures and processes involved in recording year-end balances and develop internal controls to ensure proper recording of these items.

Views of Responsible Officials: Management agrees and will ensure all year-end balances are reconciled.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2024-002 – LACK OF SEGREGATION OF DUTIES – WATERSHED DISTRICT

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The Lac qui Parle-Yellow Bank Watershed District lacks proper segregation of duties. Throughout 2024, the responsibilities for billing, collecting, recoding, and reconciling the financial transactions were not adequately segregated among office staff.

Criteria or Specific Requirement: Effective internal control provides an adequate segregation of duties so that no one individual regularly handles a transaction from its inception to its completion.

Effect: Inadequate segregation of duties could adversely affect the entity's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Cause: The District and authority have a limited number of employees and therefore is not able to adequately segregate duties.

Repeat Finding: Yes, 2023-002.

Recommendation: We recommend the Board be aware of the lack of segregation of duties within the accounting functions and continue to provide oversight by thoroughly reviewing financial data on a monthly basis.

Views of Responsible Officials: Management agrees and will look for ways to further segregate duties in 2025.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2024-003 – ACCOUNTING POLICIES AND PROCEDURES – WATERSHED DISTRICT

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

Condition: The Lac qui Parle-Yellow Bank Watershed District does not have written accounting policies and procedures.

Criteria or Specific Requirement: District management is responsible for the District's internal control over financial reporting. Documentation of the internal controls should occur in the form of an accounting manual or through formal policies. These policies should be designed to help detect and deter fraud and include monitoring procedures.

Effect: A lack of formal accounting policies and procedures could result in inconsistent accounting from year to year. In addition, should a key individual terminate employment, the procedures would not be documented to allow for a smooth transition.

Cause: No formal action has been taken to provide District personnel with procedures to perform consistent treatment of accounting transactions.

Repeat Finding: Yes, 2023-003.

Recommendation: We recommend the District develop and approve written accounting policies and procedures.

Views of Responsible Officials: Management agrees and will continue to develop accounting policies and procedures.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

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

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

SECTION IV – MINNESOTA LEGAL COMPLIANCE

Our audit did not disclose any matters required to be reported in accordance with Minn. Stat. § 6.65 *Minnesota Legal Compliance Audit Guide for Counties.*

PREVIOUSLY REPORTED ITEMS RESOLVED

2023-004 – PUBLISHED COUNTY BOARD MEETING MINUTES – COUNTY

Condition: County Board meeting minutes were not published within 30 days of each meeting.

Status: Resolved in 2024.

2023-005 – PROMPT PAYMENT OF CLAIMS - WATERSHED

Condition: The Watershed did not make all payments within 35 days.

Status: Resolved in 2024.

INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of County Commissioners
Lac qui Parle County, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lac qui Parle 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, and have issued our report thereon dated August 28, 2025.

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

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Alexandria, Minnesota
August 28, 2025