

Le Sueur County

Financial Statements and
Supplementary Information

December 31, 2024

Le Sueur County

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Independent Auditors' Report

To the County Board of Commissioners of
Le Sueur County

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type 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 and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing and Redevelopment Authority of the County, a discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Housing and Redevelopment Authority of the County are based solely on the report of the other auditors.

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 (*Government Auditing Standards*). 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 required supplementary information, as listed in the table of contents 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 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.

Baker Tilly US, LLP

Eau Claire, Wisconsin
September 4, 2025

Le Sueur County

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

As management of Le Sueur County, we offer readers of the Le Sueur County Financial Statements this narrative overview and analysis of the financial activities of Le Sueur County for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements following this section. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- The assets and deferred outflows of resources of Le Sueur County exceeded its liabilities and deferred inflows of resources at the close of 2024 by \$187,572,555. Of this amount, \$5,859,608 (unrestricted net position) may be used to meet Le Sueur County's ongoing obligations to citizens and creditors.
- Le Sueur County's total net position increased by \$7,229,015 in 2024.
- At the close of 2024, Le Sueur County's governmental funds reported combined ending fund balances of \$41,426,076. Of this amount, \$11,071,026 is available for spending at the County's discretion and is noted as unassigned fund balance.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Le Sueur County's basic financial statements. Le Sueur County's basic financial statements are comprised of three components:

1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Le Sueur County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Le Sueur County's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the total of assets and deferred outflows of resources less the total of liabilities and deferred inflows of resources reported as net position. Over-time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Le Sueur County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements list the functions of Le Sueur County that are principally supported by taxes and intergovernmental revenues. The governmental activities of Le Sueur County include general government, public safety, highways and streets, sanitation, health and human services, culture, recreation and education, and conservation and development. The business-type activities at the County include the West Jefferson Subordinate Sewer District.

The government-wide financial statements include not only Le Sueur County itself (the primary government), but also the legally separate Housing and Redevelopment Authority of Le Sueur County (HRA). The HRA, although legally separate, functions for all practical purposes as an integral part of Le Sueur County, and therefore has been included in the government-wide financial statements. A copy of the HRA audit may be obtained from the Minnesota Valley Action Council, 706 North Victory Drive, Mankato, MN 56001.

A summary of the government-wide financial statements can be found on Exhibits 1 and 2.

Le Sueur County

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Le Sueur County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Le Sueur County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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 short-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Governmental Funds

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

Le Sueur County reports five major funds and four nonmajor funds. The major funds are: General Fund, Road and Bridge Special Revenue Fund, Human Services Special Revenue Fund, County Ditch Special Revenue Fund and a Debt Service Fund. The nonmajor funds are: Gravel Tax Special Revenue Fund, Victim Witness Special Revenue Fund, Environmental Health Special Revenue Fund and a Capital Projects Fund.

Proprietary Funds

Proprietary funds maintained by Le Sueur County consist of one major enterprise fund. The County uses enterprise funds to account for activities that provide supplies and services to the general public. Proprietary fund statements provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements being on page 9 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used in fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 12-13 of this report.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided.

Le Sueur County

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

Other Information

In addition to the basic financial statements and notes, Le Sueur County also provides supplementary information including Le Sueur County's combining fund financial statements and intergovernmental revenues. In addition, combining fiduciary fund statements are also presented here.

Le Sueur County adopts an annual appropriated budget for its general fund, select special revenue funds, the debt service fund and the capital projects fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Government-Wide Financial Analysis

Over time, net position serves as a useful indicator of the county's financial position. Le Sueur County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$187,572,555 at the close of 2024. The largest portion of Le Sueur County's net position (82.7%) reflects its investment in capital assets (e.g., land, buildings, equipment), less any related debt used to acquire those assets that is still outstanding. However, it should be noted that these assets are not available for future spending.

(Exhibit 1) Le Sueur County's Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 54,139,009	\$ 55,236,686	\$ 323,710	\$ 379,903	\$ 54,462,719	\$ 55,616,589
Capital assets	188,576,758	184,926,371	4,566,074	4,779,153	193,142,832	189,705,524
Total assets	242,715,767	240,163,057	4,889,784	5,159,056	247,605,551	245,322,113
Long-term liabilities outstanding	52,025,744	59,735,183	386,070	460,809	52,411,814	60,195,992
Other liabilities	3,624,481	3,946,993	8,872	8,096	3,633,353	3,955,089
Total liabilities	55,650,225	63,682,176	394,942	468,905	56,045,167	64,151,081
Deferred outflows of resources	5,116,387	7,751,934	-	-	5,116,387	7,751,934
Deferred inflows of resources	9,104,216	8,579,426	-	-	9,104,216	8,579,426
Net position:						
Net investment in capital assets	150,929,085	145,693,032	4,180,004	4,318,344	155,109,089	150,011,376
Restricted	26,603,858	18,018,606	-	-	26,603,858	18,018,606
Unrestricted	5,544,770	11,941,751	314,838	371,807	5,859,608	12,313,558
Total net position	\$ 183,077,713	\$ 175,653,389	\$ 4,494,842	\$ 4,690,151	\$ 187,572,555	\$ 180,343,540

Le Sueur County

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

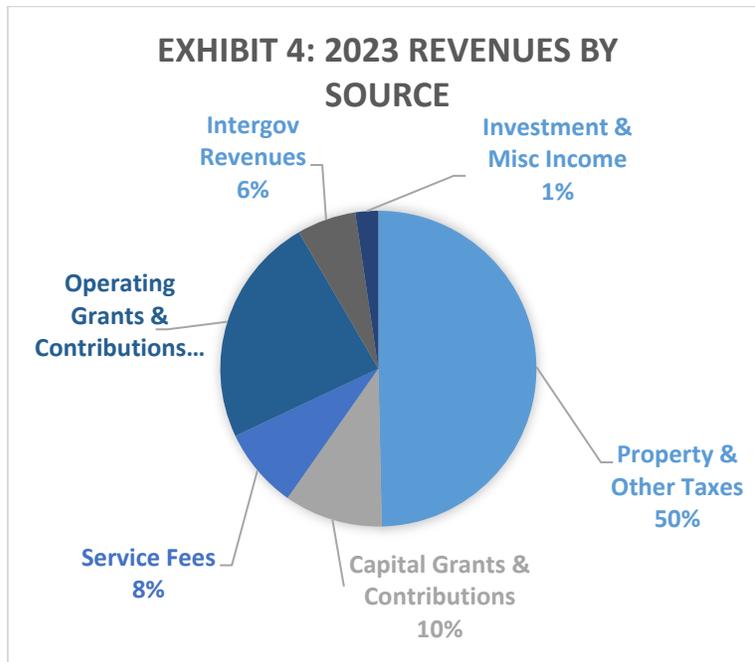
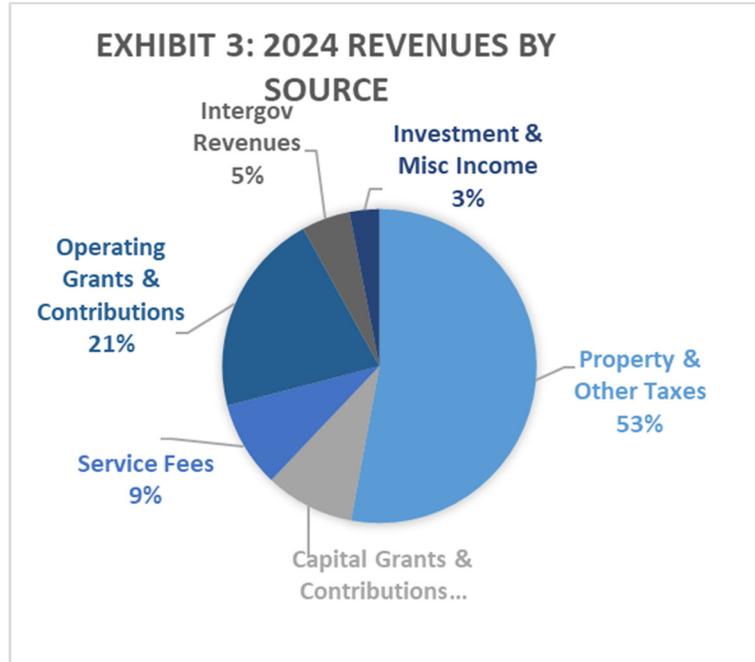
(Exhibit 2)
Changes in Le Sueur County's Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 5,027,232	\$ 4,750,445	\$ 130,901	\$ 108,537	\$ 5,158,133	\$ 4,858,982
Operating grants and contributions	11,893,819	13,569,257	-	-	11,893,819	13,569,257
Capital grants and contributions	5,197,351	5,799,306	-	3,239	5,197,351	5,802,545
General revenues:						
Property taxes	27,511,653	26,125,384	-	-	27,511,653	26,125,384
Other	7,001,727	7,235,735	12,250	15,736	7,013,977	7,251,471
Total revenues	56,631,782	57,480,127	143,151	127,512	56,774,933	57,607,639
Expenses						
General government	10,569,814	10,493,442	-	-	10,569,814	10,493,442
Public safety	10,833,618	3,218,502	-	-	10,833,618	3,218,502
Highways and streets	9,591,999	16,772,137	-	-	9,591,999	16,772,137
Sanitation	456,883	612,410	-	-	456,883	612,410
Health and human services	13,430,387	13,979,470	-	-	13,430,387	13,979,470
Culture, recreation and education	792,827	629,749	-	-	792,827	629,749
Conservation and development	2,451,070	1,742,997	-	-	2,451,070	1,742,997
Interest and fiscal charges	1,080,860	1,191,854	-	-	1,080,860	1,191,854
West Jefferson SSD	-	-	338,460	502,848	338,460	502,848
Total expenses	49,207,458	48,640,561	338,460	502,848	49,545,918	49,143,409
Change in net position	7,424,324	8,839,566	(195,309)	(375,336)	7,229,015	8,464,230
Net Position, January 1	175,653,389	166,813,823	4,690,151	5,065,487	180,343,540	171,879,310
Net Position, December 31	\$ 183,077,713	\$ 175,653,389	\$ 4,494,842	\$ 4,690,151	\$ 187,572,555	\$ 180,343,540

Le Sueur County

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

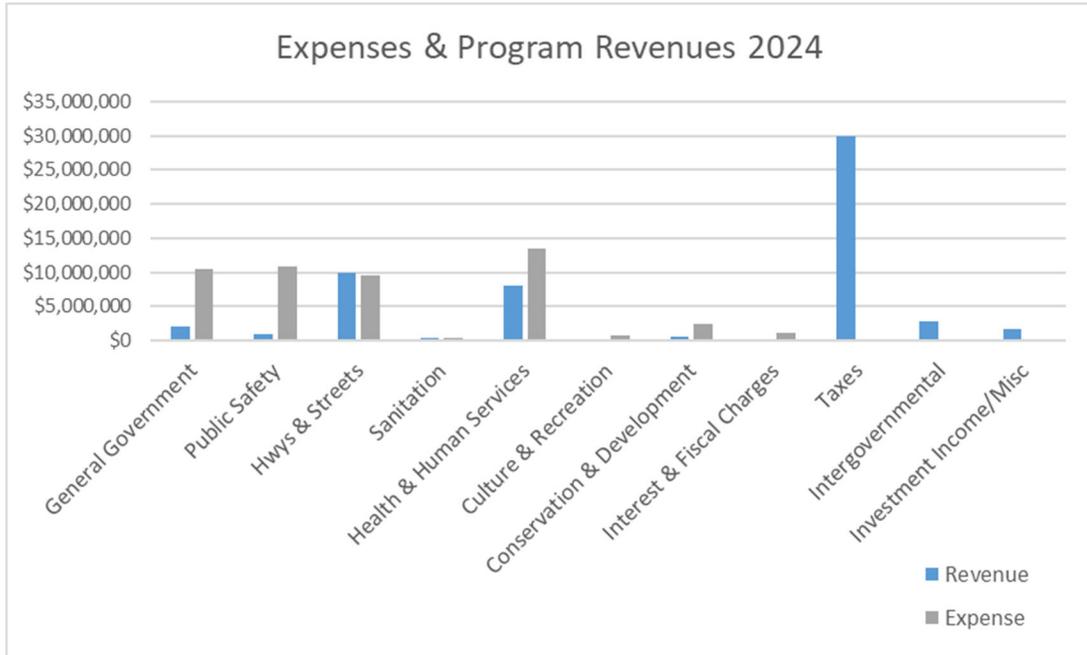
Governmental Activities



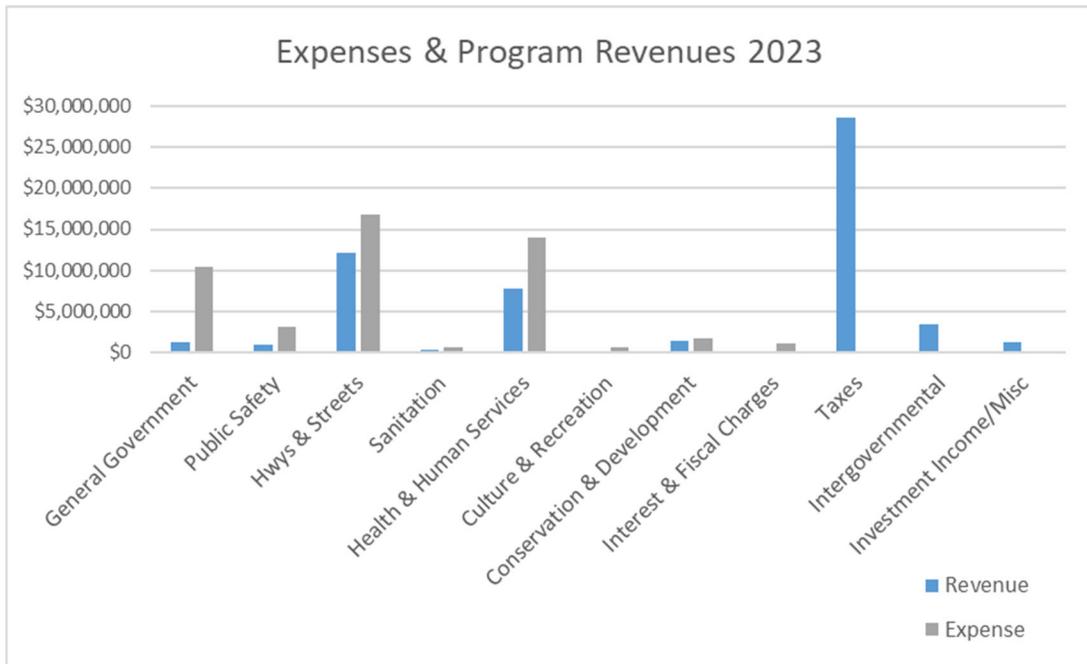
Le Sueur County

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

(Exhibit 5)
Governmental Activities



(Exhibit 6)
Governmental Activities



Le Sueur County

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

Financial Analysis of the County's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$41,426,076. Of this amount, \$21,473,284 constitutes unrestricted, spendable fund balance, which is available for spending at the county's discretion. The remainder of fund balance is nonspendable or restricted to indicate this it is not available for new spending because it has already been restricted for various reasons.

The five major operating funds of Le Sueur County for 2024 are the General Fund, Road & Bridge Fund, Human Services Fund, County Ditch Fund and Debt Service Fund. At the end of the current fiscal year, these funds showed the following balances:

	Assigned/ Unassigned Fund Balance	Total Fund Balance
General	\$ 11,990,492	\$ 15,092,895
Road and bridge	2,491,330	12,523,918
Human services	5,503,622	5,503,622
County ditch	-	1,141,131
Debt service	-	5,247,080

As a measure of the liquidity of these funds, a comparison of unrestricted, spendable fund balance and total fund balance to total fund expenditures yields the following percentages:

	Liquidity - Unrestricted, Spendable Funds	Liquidity - Total Fund Balance
General	55.0 %	69.2 %
Road and bridge	18.0 %	90.6 %
Human services	51.3 %	51.3 %
County ditch	-	76.9 %
Debt service	-	132.8 %

Proprietary Funds

The major enterprise fund, West Jefferson Subordinate Sewer District, had an ending net position of \$4,494,842. Of the total net position, \$314,838 was unrestricted.

Le Sueur County

Management's Discussion and Analysis
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(Unaudited)

Budgetary Highlights

The Le Sueur County Board may amend/revise the county budgets. These revisions fall into one of three categories: new information regarding original budget estimates, greater than anticipated revenues or costs, and final agreement reached on employee contracts.

In Le Sueur County's General Fund, the actual revenues and other financing sources were \$1,934,768 over budget. Actual expenditures and other financing uses were \$261,093 over budget. Revenues are over budget primarily due to an increase in investment income.

The Road and Bridge Special Revenue Fund experienced a significant budget variance due primarily to the timing of certain projects and related grant revenue.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets as of December 31, 2024, amounts to \$193,142,832 (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, buildings, equipment and infrastructure.

Le Sueur County's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 6,543,588	\$ 6,531,287	\$ -	\$ -	\$ 6,543,588	\$ 6,531,287
Construction in progress	2,361,435	2,967,948	-	-	2,361,435	2,967,948
Building and improvements	42,495,754	38,979,358	382,769	393,054	42,878,523	39,372,412
Land improvements	98,626	98,626	-	-	98,626	98,626
Machinery, furniture and equipment	3,712,810	3,717,662	-	-	3,712,810	3,717,662
Infrastructure	133,364,545	132,631,490	4,183,305	4,386,099	137,547,850	137,017,589
	<u>\$ 188,576,758</u>	<u>\$ 184,926,371</u>	<u>\$ 4,566,074</u>	<u>\$ 4,779,153</u>	<u>\$ 193,142,832</u>	<u>\$ 189,705,524</u>

The 2024 balance of construction in progress is comprised of ongoing highway and other county projects.

Additional information on the County's capital assets can be found in the notes to the financial statements.

Le Sueur County

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(Unaudited)

Long-Term Debt

At the end of the current fiscal year, the County had total debt outstanding of \$39,556,070 which is backed by the full faith and credit of the government.

Le Sueur County's Governmental Activities Outstanding Debt

	<u>2024</u>	<u>2023</u>
General obligation debt	\$ 39,170,000	\$ 42,905,000

Le Sueur County's governmental activities debt decreased by \$3,735,000 during 2024, due to debt principal payments of \$3,735,000.

Le Sueur County's Business-Type Activities Outstanding Debt

	<u>2024</u>	<u>2023</u>
General obligation debt	\$ 386,070	\$ 460,809

Le Sueur County's business-type activities debt in total decreased by \$74,739 during 2024 on the 2020 Clean Water State Revolving Fund Loan for the construction of the West Jefferson sewer system being offset by \$74,739 of principal payments.

Le Sueur County's bond rating is "AA" from Standard & Poor's.

Minnesota statutes limit the amount of debt that a county may levy to 3% of its total market value. As of the end of 2024, Le Sueur County was well below the 3% debt limit imposed by state statutes.

Additional information on the County's long-term debt can be found in the notes to the financial statements.

Economic Factors and New Year's Budgets and Rates

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

Le Sueur County continues to see residential growth. The County's population has increased gradually since the 2010 census. The County's total taxable net tax capacity increased by 3% in 2025 and 10.6% in 2024. As a result of the population increase, we are experiencing an increased demand for services particularly in police protection, land use policy, road construction and road maintenance.

Property tax reforms at the state level significantly impacted government aid payments made to the County over the past several years. The County Program Aid of \$1,667,978 has decreased by \$214,756 since the original 2003 certified amount of \$1,882,734 for similar state aids before the state made major cuts. Also, added is the impact of numerous unfunded mandates.

Le Sueur County

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(Unaudited)

Le Sueur County's unemployment rate was 6.3% at the end of 2024. This is above the 3.6% statewide rate.

On December 12, 2024, the Le Sueur County Board of Commissioners approved the 2025 budget for \$55,236,623. This was a decrease from 2024. The 2025 levy is \$28,226,921, which is a 3.9% increase over 2024.

Audit / Request for Information

Minnesota Statutes 6.48 requires an annual examination of books of accounts, financial records and transactions of all County functions by the Office of the State Auditor and/or a private accounting firm. When complete, the report will be available for inspection upon request at the County Finance Director's Office during normal working hours. You may also request additional information by U.S. Mail at the following address: Office of the Le Sueur County Finance Director, Le Sueur County Government Center, 88 South Park Avenue, Le Center, MN 56057.

Le Sueur County

Statement of Net Position

December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing and Redevelopment Authority
Assets				
Cash and investments	\$ 41,810,215	\$ -	\$ 41,810,215	\$ 64,735
Taxes receivable	290,124	-	290,124	-
Special assessments receivable	2,317,350	494,073	2,811,423	-
Accounts receivable (net)	1,090,164	30,449	1,120,613	1,683
Notes receivable	455,638	-	455,638	-
Interest receivable	168,546	-	168,546	-
Due from other governments	7,088,388	-	7,088,388	-
Internal balances	200,812	(200,812)	-	-
Materials and supplies	717,772	-	717,772	-
Capital assets:				
Construction in progress	2,361,435	-	2,361,435	-
Land	6,543,588	-	6,543,588	-
Other capital assets, net of depreciation	179,671,735	4,566,074	184,237,809	-
Total assets	242,715,767	4,889,784	247,605,551	66,418
Deferred Outflows of Resources				
Pension related amounts	5,116,387	-	5,116,387	-
Liabilities				
Accounts payable	937,034	6,488	943,522	-
Accrued liabilities	1,546,748	-	1,546,748	-
Due to other governments	1,090,801	2,384	1,093,185	-
Unearned revenues	49,898	-	49,898	-
Noncurrent liabilities:				
Due within one year	3,993,209	54,070	4,047,279	-
Due in more than one year	39,788,412	332,000	40,120,412	-
Net pension liability	8,244,123	-	8,244,123	-
Total liabilities	55,650,225	394,942	56,045,167	-
Deferred Inflows of Resources				
Unearned revenues	120,096	-	120,096	-
Pension related amounts	8,984,120	-	8,984,120	-
Total deferred inflows of resources	9,104,216	-	9,104,216	-
Net Position				
Net investment in capital assets	150,929,085	4,180,004	155,109,089	-
Restricted for:				
Recorder equipment	102,290	-	102,290	-
Public safety	948,062	-	948,062	-
Landfill abatement and risk mitigation	1,670,354	-	1,670,354	-
Highways and streets	4,762,539	-	4,762,539	-
Future septic loans	295,302	-	295,302	-
Reclamation/conservation	134,288	-	134,288	-
Road and bridge	9,314,816	-	9,314,816	-
Ditch projects	4,260,376	-	4,260,376	-
Debt service	4,734,134	-	4,734,134	-
Housing assistance payments	-	-	-	308
Economic development	-	-	-	45,210
Opioid remediation	381,697	-	381,697	-
Unrestricted	5,544,770	314,838	5,859,608	20,900
Total net position	\$ 183,077,713	\$ 4,494,842	\$ 187,572,555	\$ 66,418

See notes to financial statements

Le Sueur County

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit HRA
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 10,569,814	\$ 1,762,279	\$ 290,012	\$ -	\$ (8,517,523)	\$ -	\$ (8,517,523)	\$ -
Public safety	10,833,618	569,700	459,474	-	(9,804,444)	-	(9,804,444)	-
Highways and streets	9,591,999	1,061,966	3,698,916	5,197,351	366,234	-	366,234	-
Sanitation	456,883	56,986	232,321	-	(167,576)	-	(167,576)	-
Health and human services	13,430,387	1,454,037	6,675,941	-	(5,300,409)	-	(5,300,409)	-
Culture, recreation and education	792,827	81,951	50,000	-	(660,876)	-	(660,876)	-
Conservation and development	2,451,070	40,313	487,155	-	(1,923,602)	-	(1,923,602)	-
Interest and fiscal charges	1,080,860	-	-	-	(1,080,860)	-	(1,080,860)	-
Total governmental activities	49,207,458	5,027,232	11,893,819	5,197,351	(27,089,056)	-	(27,089,056)	-
Business-type activities:								
West Jefferson Subordinate Sewer District	338,460	129,179	-	-	-	(209,281)	(209,281)	-
Total primary government	49,545,918	5,156,411	11,893,819	5,197,351	(27,089,056)	(209,281)	(27,298,337)	-
Component Unit								
Housing and Redevelopment Authority (HRA)	\$ 579,121	\$ 8,964	\$ 542,422	\$ -	-	-	-	(27,735)
General Revenues								
Taxes:								
Property taxes, levied for general purposes					23,771,766	-	23,771,766	-
Property taxes, levied for debt service					3,739,887	-	3,739,887	-
Other taxes					2,269,768	1,722	2,271,490	-
Payments in lieu of taxes					171,249	-	171,249	-
Intergovernmental revenues not restricted to specific programs					2,824,910	-	2,824,910	-
Investment income					1,432,928	12,032	1,444,960	23
Miscellaneous					302,872	218	303,090	-
Total general revenues					34,513,380	13,972	34,527,352	23
Change in net position					7,424,324	(195,309)	7,229,015	(27,712)
Net Position, Beginning					175,653,389	4,690,151	180,343,540	94,130
Net Position, Ending					\$ 183,077,713	\$ 4,494,842	\$ 187,572,555	\$ 66,418

See notes to financial statements

Le Sueur County

Balance Sheet
 Governmental Funds
 December 31, 2024

	General Fund	Special Revenue		
		Road and Bridge	Human Services	County Ditch
Assets				
Cash and investments	\$ 15,424,776	\$ 12,404,598	\$ 5,367,053	\$ 1,194,106
Receivables:				
Taxes	157,197	31,510	45,426	-
Special assessments	-	-	-	2,310,457
Accounts, net	565,686	18,964	497,956	-
Notes	-	-	-	-
Interest	168,546	-	-	-
Due from other governments	464,429	5,260,462	500,115	816,265
Due from other funds	200,812	-	-	-
Materials and supplies	-	717,772	-	-
Total assets	\$ 16,981,446	\$ 18,433,306	\$ 6,410,550	\$ 4,320,828
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 117,069	\$ 360,240	\$ 348,250	\$ 30,703
Accrued liabilities	600,370	109,984	272,867	-
Due to other governments	363,770	642,469	-	29,749
Unearned revenues	49,898	-	-	-
Total liabilities	1,131,107	1,112,693	621,117	60,452
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	757,444	4,796,695	285,811	3,119,245
Total deferred inflows of resources	757,444	4,796,695	285,811	3,119,245
Fund Balances				
Nonspendable	-	717,772	-	-
Restricted	3,102,403	9,314,816	-	1,141,131
Assigned	919,466	2,491,330	5,503,622	-
Unassigned	11,071,026	-	-	-
Total fund balances	15,092,895	12,523,918	5,503,622	1,141,131
Total liabilities, deferred inflows of resources and fund balances	\$ 16,981,446	\$ 18,433,306	\$ 6,410,550	\$ 4,320,828

See notes to financial statements

<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,232,470	\$ 2,187,212	\$ 41,810,215
41,249	14,742	290,124
-	6,893	2,317,350
608	6,950	1,090,164
-	455,638	455,638
-	-	168,546
-	47,117	7,088,388
-	-	200,812
-	-	717,772
<u>\$ 5,274,327</u>	<u>\$ 2,718,552</u>	<u>\$ 54,139,009</u>
\$ -	\$ 80,772	\$ 937,034
-	50,573	1,033,794
-	54,813	1,090,801
-	-	49,898
<u>-</u>	<u>186,158</u>	<u>3,111,527</u>
-	120,096	120,096
27,247	494,868	9,481,310
<u>27,247</u>	<u>614,964</u>	<u>9,601,406</u>
-	-	717,772
5,247,080	429,590	19,235,020
-	1,487,840	10,402,258
-	-	11,071,026
<u>5,247,080</u>	<u>1,917,430</u>	<u>41,426,076</u>
<u>\$ 5,274,327</u>	<u>\$ 2,718,552</u>	<u>\$ 54,139,009</u>

See notes to financial statements

Le Sueur County

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2024

Total Fund Balance, Governmental Funds	\$ 41,426,076
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in government activities are not financial resources and, therefore, are not reported in the fund statements. See Note 3.	188,576,758
Revenues that are not available to pay current liabilities are reported as unavailable revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. See Note 3.	9,481,310
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the fund statements.	5,116,387
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the fund statements.	(8,984,120)
Long-term liabilities, including bond and notes payable, are not due in the current period and, therefore, are not reported in the fund statements. Long-term liabilities at year end consist of:	
General obligation debt	\$ (39,170,000)
Debt premium	(2,012,673)
Net pension liability	(8,244,123)
Accrued interest on general obligation debt	(512,954)
Compensated absences	(2,598,948)
	<u>(52,538,698)</u>
Total Net Position, Governmental Activities	<u>\$ 183,077,713</u>

See notes to financial statements

Le Sueur County

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2024

	General Fund	Special Revenue		
		Road and Bridge	Human Services	County Ditch
Revenues				
Taxes	\$ 15,253,867	\$ 5,101,235	\$ 4,251,057	\$ -
Special assessments	-	-	-	1,229,995
Intergovernmental	3,137,037	9,732,281	5,473,583	-
Licenses and permits	266,065	-	-	-
Charges for services	2,342,275	64,383	44,544	15,847
Investment income	1,297,111	-	-	-
Miscellaneous	830,078	161,406	634,199	18,940
Total revenues	23,126,433	15,059,305	10,403,383	1,264,782
Expenditures				
Current:				
General government	8,970,874	-	-	-
Public safety	8,794,578	-	-	-
Highways and streets	-	12,164,622	-	-
Sanitation	-	-	-	-
Health and human services	2,719,258	-	10,727,538	-
Culture, recreation and education	698,869	-	-	-
Conservation and development	326,810	-	-	1,198,796
Capital outlay	290,122	844,967	-	-
Debt service:				
Principal	-	710,000	-	220,000
Interest and fiscal charges	-	102,142	-	64,638
Total expenditures	21,800,511	13,821,731	10,727,538	1,483,434
Excess (deficiency) of revenues over expenditures	1,325,922	1,237,574	(324,155)	(218,652)
Other Financing Sources (Uses)				
Transfers in	396,482	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	396,482	-	-	-
Net change in fund balances	1,722,404	1,237,574	(324,155)	(218,652)
Fund Balances, Beginning	13,370,491	11,231,598	5,827,777	1,359,783
Change in reserve for materials and supplies	-	54,746	-	-
Fund Balances, Ending	\$ 15,092,895	\$ 12,523,918	\$ 5,503,622	\$ 1,141,131

See notes to financial statements

<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,742,492	\$ 881,476	\$ 29,230,127
-	394,683	1,624,678
48,844	638,048	19,029,793
-	252,486	518,551
-	36,176	2,503,225
68,724	-	1,365,835
-	96,705	1,741,328
<u>3,860,060</u>	<u>2,299,574</u>	<u>56,013,537</u>
-	998,326	9,969,200
-	128,263	8,922,841
-	-	12,164,622
-	426,411	426,411
-	57,496	13,504,292
-	-	698,869
-	571,999	2,097,605
-	3,070,294	4,205,383
2,805,000	-	3,735,000
1,146,305	-	1,313,085
<u>3,951,305</u>	<u>5,252,789</u>	<u>57,037,308</u>
<u>(91,245)</u>	<u>(2,953,215)</u>	<u>(1,023,771)</u>
-	-	396,482
-	(396,482)	(396,482)
-	(396,482)	-
(91,245)	(3,349,697)	(1,023,771)
5,338,325	5,267,127	42,395,101
-	-	54,746
<u>\$ 5,247,080</u>	<u>\$ 1,917,430</u>	<u>\$ 41,426,076</u>

See notes to financial statements

Le Sueur County

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2024

Net Change in Fund Balances, Total Governmental Funds \$ (1,023,771)

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 these assets is allocated over their estimated useful lives and reported as depreciation
expense. The following differ in their presentation in the two statements:

Capital outlay is capitalized in the government-wide statements	4,205,383
Some capital outlay is not capitalized in the government-wide statements	(424,275)
Highway construction capitalized in the government-wide statements	5,944,081
Some other functional expenses are capitalized in the government-wide statements	82,540
Depreciation is reported in the government-wide statements	(6,157,342)

Taxes and other receivables that are not available to pay current liabilities are reported as unavailable
revenues in the fund financial statements but are recognized as revenue when earned in the
government-wide financial statements. \$9,265,029 recognized as revenue on the fund statements
was recognized in the government-wide statement in prior years. \$9,481,310 is reported as
unavailable revenue in the fund statements but recognized as revenue in the government-wide
statements in the current year.

216,281

Issuing debt provides current financial resources in the governmental funds, but the repayment of
debt consumes current financial resources in the governmental funds.

Principal payments	3,735,000
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Some expenses in the statement of activities do not require the use of current financial
resources and, therefore, are not reported as expenditures in the fund financial statements.

The following did not require the use of current financial resources:

Change in compensated absences	(149,400)
Change in accrued interest expense	38,422
Amortization of debt discounts and premiums (including amounts for new issuances)	193,796
Net pension liability (and pension related deferred outflows/inflows of resources)	708,863

The change in materials and supplies is reported as a change in fund balance in the fund financial
statements, but is a change in expense in the government-wide statements.

54,746

Change in Net Position of Governmental Activities

\$ 7,424,324

Le Sueur County

Statement of Net Position -
Proprietary Fund
December 31, 2024

	West Jefferson Subordinate Sewer District
Assets	
Current assets:	
Accounts receivable	\$ 30,449
Special assessments receivable	65,929
Total current assets	<u>96,378</u>
Noncurrent assets:	
Special assessments receivable	428,144
Capital assets:	
Property and equipment	5,448,471
Less accumulated depreciation	<u>(882,397)</u>
Total noncurrent assets	<u>4,994,218</u>
Total assets	<u>5,090,596</u>
Liabilities	
Current liabilities:	
Accounts payable	6,488
Due to other governments	2,384
Due to other funds	200,812
Current portion of general obligation debt	<u>54,070</u>
Total current liabilities	<u>263,754</u>
Noncurrent liabilities:	
Long-term debt:	
General obligation debt	<u>332,000</u>
Total noncurrent liabilities	<u>332,000</u>
Total liabilities	<u>595,754</u>
Net Position	
Net investment in capital assets	4,180,004
Unrestricted	<u>314,838</u>
Total net position	<u>\$ 4,494,842</u>

See notes to financial statements

Le Sueur County

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Fund
Year Ended December 31, 2024

	West Jefferson Subordinate Sewer District
Operating Revenues	
Charges for services	\$ 129,179
Total operating revenues	<u>129,179</u>
Operating Expenses	
Operation and maintenance	120,809
Depreciation	<u>213,079</u>
Total operating expenses	<u>333,888</u>
Operating income (loss)	<u>(204,709)</u>
Nonoperating Revenues (Expenses)	
Investment income	12,032
Interest expense	(4,572)
Taxes	1,722
Miscellaneous revenue	<u>218</u>
Total nonoperating revenues (expenses)	<u>9,400</u>
Change in net position	(195,309)
Net Position, Beginning	<u>4,690,151</u>
Net Position, Ending	<u><u>\$ 4,494,842</u></u>

See notes to financial statements

Le Sueur County

Statement of Cash Flows -
Proprietary Fund
Year Ended December 31, 2024

	West Jefferson Subordinate Sewer District
Cash Flows From Operating Activities	
Cash received from customers	\$ 125,979
Cash paid to suppliers for goods and services	(120,033)
Net cash flows from operating activities	<u>5,946</u>
Cash Flows From Investing Activities	
Interest income	<u>12,032</u>
Net cash flows from investing activities	<u>12,032</u>
Cash Flows From Noncapital Financing Activities	
Negative cash implicitly financed	<u>(25,102)</u>
Net cash flows from noncapital financing activities	<u>(25,102)</u>
Cash Flows From Capital and Related Financing Activities	
Debt retired	(74,739)
Special assessment received	86,435
Interest and fiscal charges paid	(4,572)
Net cash flows from capital and related financing activities	<u>7,124</u>
Net change in cash and cash equivalents	-
Cash and Cash Equivalents, Beginning	<u>-</u>
Cash and Cash Equivalents, Ending	<u><u>\$ -</u></u>
Reconciliation of Loss to Net Cash Flows From Operating Activities	
Operating loss	\$ (204,709)
Adjustments to reconcile operating loss to net cash flows from operating activities:	
Nonoperating income	1,940
Noncash items included in operating income:	
Depreciation	213,079
Change in assets and liabilities:	
Receivables	(5,140)
Accounts payable	480
Due to other governments	296
Net cash flows from operating activities	<u><u>\$ 5,946</u></u>

See notes to financial statements

Le Sueur County

Statement of Fiduciary Net Position -

Fiduciary Funds

December 31, 2024

	Custodial Funds
Assets	
Cash and investments	\$ 1,433,778
Due from other governments	2,166
Taxes receivable for other governments	992,708
	<hr/>
Total assets	2,428,652
Liabilities	
Accounts payable	10,499
Due to other governments	876,583
	<hr/>
Total liabilities	887,082
Deferred Inflows of Resources	
Advanced contributions	44,929
	<hr/>
Net Position	
Restricted for individuals, organizations and other governments	\$ 1,496,641
	<hr/> <hr/>

See notes to financial statements

Le Sueur County

Statement of Changes in Fiduciary Net Position -
Fiduciary Funds
Year Ended December 31, 2024

	Custodial Funds
Additions	
Property tax collections for other governments	\$ 36,229,960
Other taxes collected for other governments	1,779,206
Licenses and fees collected for State	2,050,637
Grant collections for other governments and organizations	21,846
Inmate collections	163,573
Miscellaneous	54,468
	<hr/>
Total additions	40,299,690
	<hr/>
Deductions	
Payment of property tax for other governments	36,587,950
Payments of other taxes to other governments	1,104,057
Payments to State	2,020,590
Payment of grants to other governments and organizations	21,846
Payment of inmate collections	162,351
Payments to other entities	13,412
	<hr/>
Total deductions	39,910,206
	<hr/>
Change in net position	389,484
	<hr/>
Net Position, Beginning	1,107,157
	<hr/>
Net Position, Ending	<u><u>\$ 1,496,641</u></u>

See notes to financial statements

Le Sueur County

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December 31, 2024

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Le Sueur County

Notes to Financial Statements
December 31, 2024

1. Summary of Significant Accounting Policies

The accounting policies of Le Sueur County, Minnesota (the County) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

Le Sueur County was established March 5, 1853, and is an organized county having the powers, duties and privileges granted counties by Minn. Statute ch. 373. 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 report includes all of the funds of the County. The reporting entity for the County consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financials statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organization should also be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to or has the ability to otherwise access, are significant to that primary government.

Component units are reported using one or two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Unit

Housing and Redevelopment Authority

The government-wide statements include the Housing and Redevelopment Authority of Le Sueur County (HRA) as a component unit. The HRA is a legally separate organization. The Board of County Commissioners appoints the board of the HRA. In addition, the Board of County Commissioners can hire, reassign or dismiss persons responsible for the day-to-day operations of the HRA. As a component unit, the HRA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended September 30, 2024. Separately issued financial statements of the HRA may be obtained from the Minnesota Valley Action Council at 706 North Victory Drive, Mankato, Minnesota, 56001. See Note 3.

Government-Wide and Fund Financial Statements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024. The impact of implementation was not material.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenue. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Le Sueur County does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Le Sueur County reports the following major governmental and enterprise funds:

Governmental Funds

General Fund accounts for Le Sueur County's primary operating activities. It is used to account for all financial resources except those accounted for and reported in another fund.

Road and Bridge Special Revenue Fund is used to account for and report grants and local revenues legally restricted or committed to the construction and maintenance of County roads, highways and bridges.

Human Services Special Revenue Fund is used to account for and report grants and local revenues legally restricted, committed or assigned to economic assistance and community social services programs.

County Ditch Special Revenue Fund is used to account for and report the grants and local revenues legally restricted or committed to supporting expenditures for the maintenance of the County ditch system.

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payments of general long term debt principal, interest and related costs, other than enterprise debt.

Enterprise Funds

West Jefferson Subordinate Sewer District (SSD) is used to account for operations of the sewer system serving the district.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Le Sueur County reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are legally restricted, committed or assigned to expenditures for specified purposes (other than debt service or capital projects).

Victim Witness
Gravel Tax
Environmental Health

Capital Projects Fund

Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than enterprise projects.

In addition, Le Sueur County reports the following fund types:

Custodial Funds

Custodial Funds are used to account for and report assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units.

Cemetery Perpetual Care
U.S. Fish and Wildlife
Agency
Taxes and Penalties
Inmate

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded as receivables in the year levied. They are recognized as revenues when collected in the current year and in the first 60 days of the succeeding year.

Intergovernmental aids and grants are recognized as revenues in the period Le Sueur County is entitled to the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported 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.

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

Deposits and Investments

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Minnesota statutes authorize the County board to designate a depository for public funds and to invest in certificates of deposit. Minnesota statutes require that all deposits be covered by insurance, surety bond or collateral.

Investments are limited to:

- Bonds, notes, bills, mortgages and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities or organizations created by Congress, except mortgage-backed securities defined as "high risk" by Minnesota statutes;
- Mutual fund through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- State and local securities that meet specified bond ratings by a national rating service;
- Banker's acceptances of United States banks;
- Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less; and
- Repurchase agreements, securities lending agreements, joint powers investment trusts and guaranteed investment contracts, with certain restrictions.

Le Sueur County has adopted an investment policy. That policy limits allowable investments to securities issued by the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Association, the Federal Home Loan Bank, brokered jumbo CD's covered by FDIC, repurchase agreements and the MAGIC fund. The policy also requires that County deposits in bank CD's will have a maturity of not more than five years.

Custodial credit risk is not specifically addressed in the County's investment policy. The County follows state statutes related to this risk.

Credit risk is addressed through the investment restrictions detailed above. The policy also states that the County may request a rating from bidders; high bidders may be denied the investment based on that rating.

The policy addresses concentration of credit risk by stating that the Treasurer shall make investments with the consideration of diversification to limit risk.

The policy addresses interest rate risk by stating that the Treasurer shall schedule the maturity of investment securities to coincide with the payment of property tax settlements and other bill paying dates.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments funds is allocated to the general fund per Minn. Stat § 385.07. Other funds received investment earnings based on other state statutes, grant agreements, contracts and bond covenants. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Le Sueur County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to MN Statutes § 471.59. The County's MAGIC investment is reported at amortized cost. Financial information for the MAGIC Fund can be obtained online at <https://www.magicfund.org/forms-and-documents/>.

Le Sueur County also invests in 2a7-like pools which are reported at amortized cost. There are currently no liquidity fees or redemption gates to disclose, however, the fund has the authority to impose them.

See Note 3 for further information.

Receivables

The County levies and collects property taxes and special assessments for all governmental units within the County. Property tax collections and payments to other governmental units are accounted for in a custodial fund.

Property taxes and special assessments 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. Unpaid taxes at December 31 become liens on the respective property.

The County is required to distribute the collections to the various governmental units three times each year on a schedule prescribed in MN Statutes 276.

Accounts receivable have been shown net of an allowance for uncollectible accounts. No allowance for uncollectible delinquent taxes has been provided because of the County's demonstrated ability to recover any losses through the sale of the applicable property. The Human Services fund has recorded an allowance of \$542,506.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

It is the County's policy to record unavailable revenue for the net amount of the notes receivable balance. As notes are repaid, revenue is recognized. When new notes are made, expenditures are recorded. Interest received from note repayments is recognized as revenue when received in cash.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Materials and Supplies

Governmental fund materials and supplies, if material, are valued at cost based on the FIFO method using the consumption method of accounting for all items except signs and posts, gravel stockpiles, recycled blacktop and pea rock, which are valued using the average cost method.

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year and the following initial cost:

Machinery, equipment and vehicles	\$	5,000
Land improvements		25,000
Building and building improvements		25,000
Roads and bridges (infrastructure)		50,000
Intangibles		500,000

All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Machinery, equipment and vehicles	5-20
Land improvements	20-30
Buildings and building improvements	15-40
Infrastructure	50-75

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

Vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2024 are determined on the basis of current salary rates and include salary related payments.

Other Postemployment Benefits

The County does not offer any significant other postemployment benefits.

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method, which approximates the effective interest method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding any unspent bond proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

- c. **Unrestricted Net Position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the County Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County Board that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The County Board has adopted a financial policy authorizing the County Manager and Finance Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The County considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 for further information.

Fiduciary fund net position is classified as restricted for individuals, organizations and other governments on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income and the County believes it is in compliance with all significant restrictions.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Pension

For purposes of measuring the net pension liability, deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA 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. Investments are reported at fair value.

2. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Appropriations

The following individual funds had 2024 expenditures and other financing uses in excess of appropriations:

<u>Fund</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Actual Expenditures and Other Financing Uses</u>	<u>Excess Over Budget</u>
General Fund	\$ 21,539,418	\$ 21,800,511	\$ 261,093
Debt service	3,951,186	3,951,305	119
Human services	8,673,973	10,727,538	2,053,565
Capital projects	2,400,000	3,072,137	672,137

The County controls expenditures at the fund level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the County's year-end budget to actual report. A budget has not been adopted for the County Ditch or Gravel Tax funds.

Le Sueur County

Notes to Financial Statements
December 31, 2024

3. Detailed Notes on All Funds

Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

The County's cash and investments at year-end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Demand and time deposits	\$ 24,945,659	\$ 25,549,192	Custodial credit
U.S. agencies, implicitly guaranteed	2,029,060	2,029,060	Custodial credit, credit, concentration of credit, interest rate
U.S. treasuries	3,115,163	3,115,163	Custodial credit, interest rate
Negotiable CDs	7,643,097	7,643,097	Custodial credit, credit, concentration of credit, interest rate
Repurchase agreements	5,500,000	5,500,000	Custodial credit, credit, concentration of credit, interest rate
MAGIC	7,612	7,642	Credit, interest rate
Petty cash	3,402	-	N/A
Total cash and investments	<u>\$ 43,243,993</u>	<u>\$ 43,844,154</u>	
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 41,810,215		
Per statement of fiduciary net position:			
Fiduciary funds:			
Custodial funds	<u>1,433,778</u>		
Total cash and investments	<u>\$ 43,243,993</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$250,000 may be in cash. Additionally, through London Underwriters, accounts have additional securities coverage of up to a firm aggregate of \$1 billion, including up to \$1.9 million for cash per client.

Le Sueur County

Notes to Financial Statements
December 31, 2024

The County maintains collateral agreements with its banks. At December 31, 2024, the banks had pledged various government securities in the amount of \$18,232,200 to secure the County's deposits.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Quoted market prices
- Matrix pricing models

Investment Type	December 31, 2024			
	Level 1	Level 2	Level 3	Total
U.S. agencies, implicitly guaranteed	\$ -	\$ 2,029,060	\$ -	\$ 2,029,060
U.S. treasuries	-	3,115,163	-	3,115,163
Negotiable CDs	-	7,643,097	-	7,643,097
Repurchase agreements	-	5,500,000	-	5,500,000
Total	\$ -	\$ 18,287,320	\$ -	\$ 18,287,320

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to the County.

As of December 31, 2024, the County had no deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2024, the County had no investments exposed to custodial credit risk.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2024, the County's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor Service
U.S. agencies, Federal Home Loan Bank	AA+	AAA

The County also had the following unrated investments:

Minnesota Association of Governments Investing for Counties (MAGIC)
Negotiable certificates of deposit
Repurchase agreements - FHLB

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2024, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Bank	U.S. agencies, implicitly guaranteed	15.9 %

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2024, the County's investments were as follows:

Investment Type	Maturity (in Years)			
	Fair Value	Less Than 1	1-5	More Than 5
U.S. agencies, implicitly guaranteed	\$ 2,029,060	\$ 433,094	\$ 1,595,966	\$ -
U.S. treasuries	3,115,163	3,115,163	-	-
Negotiable CDs	7,643,097	1,809,502	5,833,595	-
Repurchase agreements	5,500,000	1,848,911	2,036,768	1,614,321
MAGIC	7,642	7,642	-	-
Total	<u>\$ 18,294,962</u>	<u>\$ 7,214,312</u>	<u>\$ 9,466,329</u>	<u>\$ 1,614,321</u>

See Note 1 for further information on deposit and investment policies.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Receivables

All receivables are expected to be collected within one year except for \$72,894 of interest in the general fund, \$368,551 of notes receivable in the environmental health fund, \$1,550,710 of special assessments and \$531,438 due from other governments in the county ditch fund.

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable	\$ -	\$ 184,518
Special assessments not yet due	-	2,317,350
Grants not received within 60 days of end of year	-	5,478,473
Accounts receivable not received within 60 days of end of year	-	876,785
Notes receivable	-	455,638
Interest receivable	-	168,546
Grants received in advance	169,994	-
	<u>169,994</u>	<u>-</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 169,994</u>	<u>\$ 9,481,310</u>
Unearned revenue included in liabilities	\$ 49,898	
Unearned revenue included in deferred inflows	<u>120,096</u>	
Total unearned revenue for governmental funds	<u>\$ 169,994</u>	

Le Sueur County

Notes to Financial Statements
December 31, 2024

Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Construction in progress	\$ 2,967,948	\$ 9,682,340	\$ (10,288,853)	\$ 2,361,435
Land	6,531,287	12,301	-	6,543,588
	<u>9,499,235</u>	<u>9,694,641</u>	<u>(10,288,853)</u>	<u>8,905,023</u>
Total capital assets not being depreciated				
Other capital assets being depreciated:				
Buildings and improvements	\$ 48,125,343	\$ 5,090,697	\$ -	\$ 53,216,040
Land improvements	150,404	-	-	150,404
Machinery, furniture and equipment	18,866,385	960,718	(444,080)	19,383,023
Infrastructure	178,864,962	4,350,526	-	183,215,488
	<u>246,007,094</u>	<u>10,401,941</u>	<u>(444,080)</u>	<u>255,964,955</u>
Total other capital assets being depreciated				
Less accumulated depreciation for:				
Buildings and improvements	(9,145,985)	(1,574,301)	-	(10,720,286)
Land improvements	(51,778)	-	-	(51,778)
Machinery, furniture and equipment	(15,148,723)	(965,570)	444,080	(15,670,213)
Infrastructure	(46,233,472)	(3,617,471)	-	(49,850,943)
	<u>(70,579,958)</u>	<u>(6,157,342)</u>	<u>444,080</u>	<u>(76,293,220)</u>
Total accumulated depreciation				
Total other capital assets, net of depreciation	<u>\$ 175,427,136</u>	<u>\$ 4,244,599</u>	<u>\$ -</u>	<u>\$ 179,671,735</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 394,487
Public safety	1,237,916
Highway and streets, which includes the depreciation of infrastructure	4,173,056
Health and human services	254,857
Conservation and development	1,284
Culture, recreation and education	95,742
Total governmental activities depreciation expense	<u>\$ 6,157,342</u>

Le Sueur County

Notes to Financial Statements
December 31, 2024

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
<u>West Jefferson SSD</u>				
Capital assets being depreciated:				
Buildings and improvements	\$ 425,623	\$ -	\$ -	\$ 425,623
Infrastructure	5,022,848	-	-	5,022,848
Total other capital assets being depreciated	5,448,471	-	-	5,448,471
Less accumulated depreciation for:				
Buildings and improvements	(32,569)	(10,285)	-	(42,854)
Infrastructure	(636,749)	(202,794)	-	(839,543)
Total accumulated depreciation	(669,318)	(213,079)	-	(882,397)
Total other capital assets, net of depreciation	<u>\$ 4,779,153</u>	<u>\$ (213,079)</u>	<u>\$ -</u>	<u>\$ 4,566,074</u>

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	West Jefferson SSD	\$ 200,812
Subtotal, fund financial statements		200,812
Less fund eliminations		-
Total, government-wide statement of net position		<u>\$ 200,812</u>

All amounts are expected to be repaid within one year.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Environmental Health	\$ 130,598	Septic loan repayments
General Fund	Gravel Tax	265,884	Lake Washington Park Project
	Total, fund financial statements	<u>\$ 396,482</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Long-Term Obligations

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt:	\$ 42,905,000	\$ -	\$ 3,735,000	\$ 39,170,000	\$ 3,485,000
Premiums/(discounts)	<u>2,206,469</u>	<u>-</u>	<u>193,796</u>	<u>2,012,673</u>	<u>-</u>
Subtotal	<u>45,111,469</u>	<u>-</u>	<u>3,928,796</u>	<u>41,182,673</u>	<u>3,485,000</u>
Other liabilities:					
Compensated absences*	<u>2,449,548</u>	<u>149,400</u>	<u>-</u>	<u>2,598,948</u>	<u>508,209</u>
Total other liabilities	<u>2,449,548</u>	<u>149,400</u>	<u>-</u>	<u>2,598,948</u>	<u>508,209</u>
Total governmental activities long-term liabilities	<u>\$ 47,561,017</u>	<u>\$ 149,400</u>	<u>\$ 3,928,796</u>	<u>\$ 43,781,621</u>	<u>\$ 3,993,209</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt from direct borrowings and direct placements	<u>\$ 460,809</u>	<u>\$ -</u>	<u>\$ 74,739</u>	<u>\$ 386,070</u>	<u>\$ 54,070</u>
Total business-type activities long-term liabilities	<u>\$ 460,809</u>	<u>\$ -</u>	<u>\$ 74,739</u>	<u>\$ 386,070</u>	<u>\$ 54,070</u>

*The change in compensated absences' liability is presented as a net change.

Le Sueur County

Notes to Financial Statements
December 31, 2024

In accordance with Minnesota Statutes, net indebtedness of the County may not exceed 3% of the market value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2024 was \$181,784,394. General obligation debt outstanding at year-end was \$39,556,070.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the County. General obligation bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund and the road and bridge special revenue fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/24</u>
Governmental Activities					
General obligation debt:					
General Obligation Bonds	2015	2026	2.00%	\$ 9,625,000	\$ 2,080,000
General Obligation Bonds	2016	2026	2.00-2.10	2,505,000	325,000
Capital Improvement Bonds	2017	2028	3.00	2,390,000	1,055,000
General Obligation Jail Bonds	2017	2038	2.8-3.75	7,220,000	5,565,000
Capital Improvement and Refunding Bonds	2018	2039	3.00	8,910,000	3,870,000
General Obligation Jail Bonds	2018	2039	3.00-3.50	4,925,000	3,955,000
Capital Improvement Bonds	2019	2040	3.00-5.00	12,635,000	10,920,000
General Obligation Bonds	2021	2038	2.00	5,155,000	4,605,000
General Obligation Bonds	2021	2037	2.00-3.00	3,425,000	3,075,000
General Obligation Bonds	2023	2034	4.00-5.00	3,720,000	3,720,000
Total governmental activities, general obligation debt					<u>\$ 39,170,000</u>

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/24</u>
Business-Type Activities					
General obligation debt:					
Clean Water State Revolving Fund Loan*	2019	2031	1.00%	\$ 1,192,096	<u>\$ 386,070</u>

During 2019, the County was authorized to issue \$1,218,136 of Clean Water State Revolving Fund Loan general obligation improvement notes. The original amount reported above has been issued as of December 31, 2024. The repayment schedule is for the amount issued.

* The debt noted is directly placed with a third party.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Debt service requirements to maturity are as follows:

<u>Years Ending December 31:</u>	Governmental Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 3,485,000	\$ 1,207,314
2026	3,685,000	1,097,881
2027	2,555,000	994,799
2028	2,640,000	902,290
2029	2,460,000	812,070
2030-2034	13,005,000	2,768,151
2035-2039	10,450,000	948,459
2040	890,000	15,575
Total	<u>\$ 39,170,000</u>	<u>\$ 8,746,539</u>

<u>Years Ending December 31:</u>	Business-Type Activities General Obligation Debt From Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 54,070	\$ 4,850
2026	54,000	4,180
2027	54,000	3,500
2028	55,000	2,810
2029	56,000	2,120
2030-2031	113,000	2,130
Total	<u>\$ 386,070</u>	<u>\$ 19,590</u>

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules.

The County's outstanding debt from direct borrowings and direct placements related to business-type activities of \$386,070 contain default provisions that could result in interest penalties, withholding of disbursements, an immediate demand for payment of the loan in full or other remedies available by law.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Net Position/Fund Balances

Governmental Activities

Net position reported on the government wide statement of net position includes the following:

Net investment in capital assets:

Construction in progress	\$ 2,361,435
Land	6,543,588
Other capital assets, net of accumulated depreciation	179,671,735
Less related debt outstanding (excluding unspent capital related debt proceeds)	<u>(37,647,673)</u>

Total net investment in capital assets \$ 150,929,085

Governmental Funds

Governmental fund balances as of December 31, 2024, include the following items:

	General Fund	Road and Bridge	Human Services	County Ditch	Debt Service	Nonmajor Funds	Total
Fund Balances							
Nonspendable:							
Materials and supplies	\$ -	\$ 717,772	\$ -	\$ -	\$ -	\$ -	\$ 717,772
Restricted for:							
Recorder's equipment	102,290	-	-	-	-	-	102,290
Sheriff's forfeiture	52,290	-	-	-	-	-	52,290
Sheriff's drug and alcohol contingency	2,000	-	-	-	-	-	2,000
E-911	893,772	-	-	-	-	-	893,772
Landfill abatement and risk mitigation	1,670,354	-	-	-	-	-	1,670,354
Local option sales tax	-	5,809,458	-	-	-	-	5,809,458
Wheelage tax	-	3,505,358	-	-	-	-	3,505,358
Debt service	-	-	-	-	5,247,080	-	5,247,080
Future septic loans	-	-	-	-	-	295,302	295,302
Reclamation/conservation	-	-	-	-	-	134,288	134,288
Opioid remediation	381,697	-	-	-	-	-	381,697
County ditch	-	-	-	1,141,131	-	-	1,141,131
Assigned to:							
Subsequent year budget	919,466	-	-	-	-	-	919,466
Human services	-	-	5,503,622	-	-	-	5,503,622
Environmental health	-	-	-	-	-	1,099,667	1,099,667
Victim witness	-	-	-	-	-	61,485	61,485
Road and bridge	-	2,491,330	-	-	-	-	2,491,330
Capital Projects	-	-	-	-	-	326,688	326,688
Unassigned	11,071,026	-	-	-	-	-	11,071,026
Total fund balances	<u>\$ 15,092,895</u>	<u>\$ 12,523,918</u>	<u>\$ 5,503,622</u>	<u>\$ 1,141,131</u>	<u>\$ 5,247,080</u>	<u>\$ 1,917,430</u>	<u>\$ 41,426,076</u>

Le Sueur County

Notes to Financial Statements
December 31, 2024

Business-Type Activities

Net investment in capital assets:		
Capital assets, net of accumulated depreciation	\$	4,566,074
Less related debt outstanding		<u>(386,070)</u>
Total net investment in capital assets	\$	<u>4,180,004</u>

Component Unit

This report contains the Housing and Redevelopment Authority of Le Sueur County (HRA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements, which apply, the following additional disclosures are considered necessary for a fair presentation.

Management Agreement

The HRA has entered into an agreement with the Minnesota Valley Action Council, Inc. (MVAC) to have MVAC manage all of the HRA's programs and act as its fiscal agent. Payment to MVAC for these services consists solely of the administrative fees allowed under the grant programs operated by the HRA. The HRA advances funds to MVAC as needed for disbursement under the programs.

Basis of Accounting and Measurement Focus

The HRA follows the full accrual basis of accounting and the economic resources measurement focus.

Deposits and Investments

The HRA's cash and investments at year-end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand and time deposits	\$ 64,735	\$ 64,735	Custodial credit risk

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the authority's deposits may not be returned to the authority.

The HRA does not have any deposits exposed to custodial credit risk.

4. Other Information

Employees' Retirement System

Public Employees Retirement Association (PERA)

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 and 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 and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

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

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

Benefits Provided

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

General Employees Plan Benefits

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

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

Police and Fire Plan Benefits

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

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

Correctional Plan Benefits

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

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

Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2024 were \$995,994. The County's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2024 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$419,163. The County's contributions were equal to the required contributions as set by state statute.

Correctional Fund Contributions

Plan members were required to contribute 5.83% of their annual covered salary and the County was required to contribute 8.75% of pay for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2024 were \$140,978. The County's contributions were equal to the required contributions as set by state statute.

Pension Costs**General Employees Fund Pension Costs**

At December 31, 2024, the County reported a liability of \$5,800,761 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$149,996.

County's proportionate share of the net pension liability	\$ 5,800,761
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>149,996</u>
Total	<u>\$ 5,950,757</u>

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1569% at the end of the measurement period and 0.1594% for the beginning of the period.

For the year ended December 31, 2024, the County recognized pension expense of \$236,836 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$4,021 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a nonemployer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$266,889 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.

Le Sueur County

Notes to Financial Statements
December 31, 2024

At December 31, 2024, the County reported its proportionate share of the General Employees 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 projected and actual experience	\$ 566,196	\$ -
Changes in actuarial assumptions	43,427	2,220,959
Net differences between projected and actual earnings on pension plan investments	-	1,634,378
Changes in proportion and differences between employer contributions and proportionate share of contributions	70,463	144,131
Employer contributions subsequent to the measurement date	529,949	-
Total	<u>\$ 1,210,035</u>	<u>\$ 3,999,468</u>

The \$529,949 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2025	\$ (1,849,920)
2026	(276,281)
2027	(748,589)
2028	(444,592)

Police and Fire Fund Pension Costs

At December 31, 2024, the County reported a liability of \$2,249,926 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1710% at the end of the measurement period and 0.1732% for the beginning of the period.

Le Sueur County

Notes to Financial Statements

December 31, 2024

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$85,766.

County's proportionate share of the net pension liability	\$ 2,249,926
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>85,766</u>
Total	<u>\$ 2,335,692</u>

For the year ended December 31, 2024, the County recognized pension expense of \$402,166 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$9,593 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.

The State of Minnesota is not included as a nonemployer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County recognized \$48,664 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 related to pensions for the Police and Fire Pension Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 875,578	\$ -
Changes in actuarial assumptions	2,413,807	3,354,933
Net differences between projected and actual earnings on pension plan investments	-	701,266
Changes in proportion and differences between employer contributions and proportionate share of contributions	136,243	41,508
Employer contributions subsequent to the measurement date	<u>226,351</u>	<u>-</u>
Total	<u>\$ 3,651,979</u>	<u>\$ 4,097,707</u>

Le Sueur County

Notes to Financial Statements
December 31, 2024

\$226,351 reported as deferred outflows of resources related to pension resulting from the PERA Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2024	\$ (87,078)
2025	557,195
2026	(323,368)
2027	(864,397)
2028	45,569

Correctional Plan Pension Costs

At December 31, 2024, the County reported a liability of \$193,436 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.6347% at the end of the measurement period and 0.5967% for the beginning of the period.

For the year ended December 31, 2024, the County recognized pension expense of \$265,049 for its proportionate share of the Correctional Plan's pension expense.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$5.3 million to the Correctional Employees Fund. The State of Minnesota is not included as a nonemployer contributing entity in the Correctional Plan pension allocation schedules for the \$5.3 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$33,358 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.

Le Sueur County

Notes to Financial Statements
December 31, 2024

At December 31, 2024, the County reported deferred outflows of resources related to pensions for the Correctional Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 133,811	\$ -
Changes in actuarial assumptions	-	615,290
Net differences between projected and actual earnings on pension plan investments	-	271,655
Changes in proportion and differences between employer contributions and proportionate share of contributions	44,019	-
Employer contributions subsequent to the measurement date	76,543	-
Total	<u>\$ 254,373</u>	<u>\$ 886,945</u>

\$76,543 reported as deferred outflows of resources related to pension resulting from the PERA Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2025	\$ (633,435)
2026	97,381
2027	(100,763)
2028	(72,298)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2024 was \$917,635.

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	<u>100.0 %</u>	

Actuarial Methods and Assumptions

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

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

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

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2025 actuarial valuation.

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

General Employees Fund

Changes in actuarial assumptions:

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

Changes in plan provisions:

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

Police and Fire Fund

Changes in plan provisions:

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

Le Sueur County

Notes to Financial Statements

December 31, 2024

Correctional Fund

Changes in plan provisions:

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

Discount Rate

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

Pension Liability Sensitivity

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

	Sensitivity Analysis					
	Net Pension Liability at Different Discount Rates					
	General Employees Fund		Police and Fire Fund		Correctional Fund	
1% lower	6.00 %	\$ 12,669,795	6.00 %	\$ 5,317,014	6.00 %	\$ 1,571,901
Current discount rate	7.00	5,800,761	7.00	2,249,926	7.00	193,436
1% higher	8.00	150,354	8.00	(268,796)	8.00	(904,726)

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.

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT) to protect against liabilities from property and casualty and workers' compensation. The County purchases commercial insurance to cover all other risks. Settled claims have not exceeded coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Le Sueur County

Notes to Financial Statements
December 31, 2024

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

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 claim liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per employee and \$1,500,000 per accident in 2024. Should workers' compensation liabilities of the MCIT workers' compensation division exceed its assets, MCIT may assess the County in a method and amount to be determined by MCIT.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the County is party to various other pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The County has active construction projects as of December 31, 2024. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Joint Ventures

Tri-County Solid Waste

Le Sueur, Nicollet and Sibley counties have entered into a joint powers agreement to create and operate Tri-County Solid Waste. The primary purpose of the venture is to coordinate solid waste management programs within the tri-county area. Planning, recycling, hazardous waste, problem materials and education are areas of focus.

The board of Tri-County Solid Waste is made up of two representatives from each of the participating members' Board of Commissioners. One-half of the financing for the venture is provided by an equal appropriation from the three counties and one-half is provided by appropriations from the counties based on population. Le Sueur County made payments totaling \$115,109 to Tri-County Solid Waste in 2024. The County believes that services will continue to be provided at similar rates in the future. Current financial statements are not available.

Le Sueur County

Notes to Financial Statements
December 31, 2024

Jointly Governed Organizations

Jointly governed organizations are a regional government or multi-government arrangement governed by representatives of each creating government. Participants do not retain an ongoing financial interest or responsibility. Le Sueur County, in conjunction with other local governments, has formed joint powers boards to provide a variety of services. The County appoints at least one member to the following organizations:

	2024
	Payments
Family Services Collaborative	\$ -
South Central Workforce Council	-
Minnesota County Computer Cooperative	188,890
Waseca-LeSueur Regional Library	742,215
South Central Minnesota Regional Radio	-
Minnesota Rivers Board	-
U.S. Highway 169 Corridor Coalition	500
South Central Community Based Initiative	-
Criminal Justice Agency	-
South Central Workforce Service Area	-
South Central Regional Immtrack	2,230
Region I SE MN Emergency Managers Board	1,000
Cannon River Drug & Violent Offender Task Force	8,850
South Central Transit	-
Cannon River Watershed	3,500
GBERBA	232
Le Sueur Sibley Treatment Court	-

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Le Sueur County

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Actual and Budget - General Fund
Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 15,590,958	\$ 15,253,867	\$ (337,091)
Special assessments	30,000	-	(30,000)
Intergovernmental	2,738,261	3,137,037	398,776
Licenses and permits	227,540	266,065	38,525
Charges for services	2,269,823	2,342,275	72,452
Investment income	300,500	1,297,111	996,611
Miscellaneous	387,065	830,078	443,013
	<u>21,544,147</u>	<u>23,126,433</u>	<u>1,582,286</u>
Total revenues			
	<u>21,544,147</u>	<u>23,126,433</u>	<u>1,582,286</u>
Expenditures			
Current:			
General government	8,843,296	8,970,874	(127,578)
Public safety	8,196,335	8,794,578	(598,243)
Health and human services	2,930,267	2,719,258	211,009
Culture, recreation and education	762,823	698,869	63,954
Conservation and development	333,997	326,810	7,187
Capital outlay	388,700	290,122	98,578
	<u>21,455,418</u>	<u>21,800,511</u>	<u>(345,093)</u>
Total expenditures			
	<u>21,455,418</u>	<u>21,800,511</u>	<u>(345,093)</u>
Excess of revenues over expenditures	<u>88,729</u>	<u>1,325,922</u>	<u>1,237,193</u>
Other Financing Sources (Uses)			
Transfers in	44,000	396,482	352,482
Transfers out	(84,000)	-	84,000
	<u>(40,000)</u>	<u>396,482</u>	<u>436,482</u>
Total other financing sources (uses)			
	<u>(40,000)</u>	<u>396,482</u>	<u>436,482</u>
Net change in fund balance	48,729	1,722,404	1,673,675
Fund Balance, Beginning	<u>13,370,491</u>	<u>13,370,491</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 13,419,220</u>	<u>\$ 15,092,895</u>	<u>\$ 1,673,675</u>

See notes to required supplementary information

Le Sueur County

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Actual and Budget - Road and Bridge

Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 5,859,588	\$ 5,859,588	\$ 5,101,235	\$ (758,353)
Intergovernmental	7,724,884	11,679,489	9,732,281	(1,947,208)
Charges for services	90,000	90,000	64,383	(25,617)
Investment income	101,425	101,425	-	(101,425)
Miscellaneous	2,295,000	580,000	161,406	(418,594)
Total revenues	<u>16,070,897</u>	<u>18,310,502</u>	<u>15,059,305</u>	<u>(3,251,197)</u>
Expenditures				
Current:				
Highways and streets:				
Administration	867,081	787,081	851,415	(64,334)
Maintenance	3,579,532	3,429,532	3,150,477	279,055
Construction	8,794,744	6,809,744	7,004,963	(195,219)
Equipment maintenance and shop	1,285,648	1,285,648	1,157,767	127,881
Capital outlay	729,467	856,514	844,967	11,547
Debt service:				
Principal	710,000	710,000	710,000	-
Interest and fiscal charges	104,425	104,425	102,142	2,283
Total expenditures	<u>16,070,897</u>	<u>13,982,944</u>	<u>13,821,731</u>	<u>161,213</u>
Net change in fund balance	-	4,327,558	1,237,574	(3,089,984)
Fund Balance, Beginning	11,231,598	11,231,598	11,231,598	-
Change in reserve for inventory	-	-	54,746	54,746
Fund Balance, Ending	<u>\$ 11,231,598</u>	<u>\$ 15,559,156</u>	<u>\$ 12,523,918</u>	<u>\$ (3,035,238)</u>

See notes to required supplementary information

Le Sueur County

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Actual and Budget - Human Services

Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 4,304,209	\$ 4,251,057	\$ (53,152)
Intergovernmental	3,947,088	5,473,583	1,526,495
Charges for services	80,476	44,544	(35,932)
Miscellaneous	242,200	634,199	391,999
	<u>8,573,973</u>	<u>10,403,383</u>	<u>1,829,410</u>
Expenditures			
Current:			
Human services:			
Income maintenance	2,268,975	3,077,970	(808,995)
Social services	5,666,931	6,915,732	(1,248,801)
Child support	738,067	733,836	4,231
	<u>8,673,973</u>	<u>10,727,538</u>	<u>(2,053,565)</u>
Total expenditures			
	<u>8,673,973</u>	<u>10,727,538</u>	<u>(2,053,565)</u>
Net change in fund balance	(100,000)	(324,155)	(224,155)
Fund Balance, Beginning	<u>5,827,777</u>	<u>5,827,777</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,727,777</u>	<u>\$ 5,503,622</u>	<u>\$ (224,155)</u>

See notes to required supplementary information

Le Sueur County

Schedule of County's Proportionate Share of the Net Pension Liability -
PERA General Employees Retirement Fund
Year Ended December 31, 2024

County Fiscal Year End Date	PERA Fiscal Year End Date (Measurement Date)	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated With County (b)	County's and State's Proportionate Share of the Net Pension Liability Associated With County (a+b)	County's Covered Payroll (c)	County's Proportionate Share of the Net Pension Liability as a Percentage Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/24	06/30/24	0.1569 %	\$ 5,800,761	\$ 149,996	\$ 5,950,757	\$ 13,279,920	44.81 %	89.10 %
12/31/23	06/30/23	0.1594 %	8,913,489	245,722	9,159,211	12,675,082	72.26 %	83.10 %
12/31/22	06/30/22	0.1604 %	12,703,733	372,430	13,076,163	12,015,800	108.82 %	76.70 %
12/31/21	06/30/21	0.1560 %	6,661,899	203,486	6,865,385	11,386,888	60.29 %	87.00 %
12/31/20	06/30/20	0.1548 %	9,280,967	286,240	9,567,207	11,345,828	84.32 %	79.10 %
12/31/19	06/30/19	0.1485 %	8,210,232	255,156	8,465,388	10,646,731	79.51 %	80.20 %
12/31/18	06/30/18	0.1412 %	7,833,197	256,887	8,090,084	9,619,190	84.10 %	79.50 %
12/31/17	06/30/17	0.1470 %	9,384,383	117,963	9,502,346	9,416,618	100.91 %	75.90 %
12/31/16	06/30/16	0.1353 %	10,985,689	143,512	11,129,201	8,337,243	133.49 %	68.90 %
12/31/15	06/30/15	0.1337 %	6,929,028	n/a	6,929,028	7,853,841	88.22 %	78.20 %

Schedule of Employer Contributions -
PERA General Employees Retirement Fund
Year Ended December 31, 2024

County Fiscal Year End Date	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
12/31/24	\$ 1,039,658	\$ 1,039,658	\$ -	\$ 13,862,110	7.50 %
12/31/23	976,890	976,890	-	13,025,206	7.50 %
12/31/22	925,205	925,205	-	12,336,067	7.50 %
12/31/21	862,409	862,409	-	11,498,787	7.50 %
12/31/20	862,198	862,198	-	11,495,977	7.50 %
12/31/19	835,155	835,155	-	11,135,394	7.50 %
12/31/18	747,380	747,380	-	9,965,056	7.50 %
12/31/17	705,587	705,587	-	9,407,835	7.50 %
12/31/16	652,735	652,735	-	8,703,123	7.50 %
12/31/15	629,683	629,683	-	8,510,822	7.40 %

See notes to required supplementary information

Le Sueur County

Schedule of County's Proportionate Share of the Net Pension Liability -
 PERA Police and Fire Fund
 Year Ended December 31, 2024

County Fiscal Year End Date	PERA Fiscal Year End Date (Measurement Date)	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability (a)	Proportionate Share of the Net Pension Liability Associated With County (b)	County's Proportionate Share of the Net Pension Liability Associated With County (a+b)	County's Covered Payroll (c)	County's Share of the Net Pension Liability as a Percentage Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/24	06/30/24	0.1710 %	\$ 2,249,926	\$ 85,766	\$ 2,335,692	\$ 2,368,152	98.63 %	90.20 %
12/31/23	06/30/23	0.1732 %	2,990,939	120,493	3,111,432	2,275,075	136.76 %	86.50 %
12/31/22	06/30/22	0.1697 %	7,384,674	322,579	7,707,253	2,061,333	373.90 %	70.50 %
12/31/21	06/30/21	0.1608 %	1,241,206	55,825	1,297,031	1,900,838	68.23 %	93.70 %
12/31/20	06/30/20	0.1631 %	2,149,833	50,633	2,200,466	1,880,758	117.00 %	87.20 %
12/31/19	06/30/19	0.1629 %	1,734,235	n/a	1,734,235	1,719,305	100.87 %	89.30 %
12/31/18	06/30/18	0.1480 %	1,577,528	n/a	1,577,528	1,560,023	101.12 %	88.80 %
12/31/17	06/30/17	0.1520 %	2,052,181	n/a	2,052,181	1,561,593	131.42 %	85.40 %
12/31/16	06/30/16	0.1450 %	5,819,102	n/a	5,819,102	1,398,103	416.21 %	63.90 %
12/31/15	06/30/15	0.1470 %	1,670,264	n/a	1,670,264	1,345,458	124.14 %	86.60 %

Schedule of Employer Contributions -
 PERA Police and Fire Fund
 Year Ended December 31, 2024

County Fiscal Year End Date	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
12/31/24	\$ 424,795	\$ 424,795	\$ -	\$ 2,399,972	17.70 %
12/31/23	422,183	422,183	-	2,385,216	17.70 %
12/31/22	390,277	390,277	-	2,204,954	17.70 %
12/31/21	339,129	339,129	-	1,915,986	17.70 %
12/31/20	335,547	335,547	-	1,895,748	17.70 %
12/31/19	297,873	297,873	-	1,757,366	16.95 %
12/31/18	264,520	264,520	-	1,632,838	16.20 %
12/31/17	253,611	253,611	-	1,565,500	16.20 %
12/31/16	235,699	235,699	-	1,454,929	16.20 %
12/31/15	227,205	227,205	-	1,402,501	16.20 %

See notes to required supplementary information

Le Sueur County

Schedule of County's Proportionate Share of the Net Pension Liability -
 PERA Correctional Fund
 Year Ended December 31, 2024

County Fiscal Year End Date	PERA Fiscal Year End Date (Measurement Date)	County's Proportion of the Net Pension Liability (Asset)	County's Proportionate Share of the Net Pension Liability (Asset) (a)	County's Covered Payroll (b)	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/24	06/30/24	0.6347 %	\$ 193,436	\$ 1,611,178	12.01 %	97.50 %
12/31/23	06/30/23	0.5967 %	269,738	1,399,101	19.28 %	95.90 %
12/31/22	06/30/22	0.5673 %	1,885,705	1,246,133	151.32 %	74.60 %
12/31/21	06/30/21	0.5580 %	(91,668)	1,233,835	7.43 %	101.60 %
12/31/20	06/30/20	0.5329 %	144,597	1,159,585	12.47 %	96.70 %
12/31/19	06/30/19	0.4101 %	56,778	874,816	6.49 %	98.20 %
12/31/18	06/30/18	0.3460 %	56,907	706,702	8.05 %	97.60 %
12/31/17	06/30/17	0.3100 %	883,503	622,404	141.95 %	67.90 %
12/31/16	06/30/16	0.3200 %	1,169,005	603,700	193.64 %	58.20 %
12/31/15	06/30/15	0.3500 %	54,110	666,974	8.11 %	96.90 %

Schedule of Employer Contributions -
 PERA Correctional Fund
 Year Ended December 31, 2024

County Fiscal Year End Date	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
12/31/24	\$ 148,461	\$ 148,461	\$ -	\$ 1,696,701	8.75 %
12/31/23	131,667	131,667	-	1,504,761	8.75 %
12/31/22	114,516	114,516	-	1,308,760	8.75 %
12/31/21	106,923	106,923	-	1,221,988	8.75 %
12/31/20	105,981	105,981	-	1,211,213	8.75 %
12/31/19	91,198	91,198	-	1,042,263	8.75 %
12/31/18	67,554	67,554	-	772,050	8.75 %
12/31/17	57,160	57,160	-	653,252	8.75 %
12/31/16	50,145	50,145	-	573,080	8.75 %
12/31/15	57,988	57,988	-	662,716	8.75 %

See notes to required supplementary information

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for governmental funds as described in Note 1.

With the exception of the County ditch and gravel tax funds, a budget has been adopted for all major governmental funds and nonmajor special revenue funds.

The budgeted amounts presented include any amendments made. The appropriated budget is prepared by fund, function and department. Transfers of appropriations within a department and between departments require approval of the County Board.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the fund level of expenditure.

The general fund, debt service fund and one major special revenue fund (human services) experienced an overall excess of expenditures over appropriations during 2024. See Note 2 for information on all funds with excess expenditures over appropriations.

Public Employees Retirement Association (PERA)

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The County is required to present the last ten fiscal years of data. For purposes of these schedules, covered payroll is defined as "pensionable wages."

Changes in Assumptions and Plan Provisions

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.

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

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

2022 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

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

2021 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

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

2020 Changes

Changes in actuarial assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

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

Changes in plan provisions:

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

2019 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

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

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

2018 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.00% for vested deferred member liability and 3.00% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

Changes in plan provisions:

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

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

2016 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- There have been no changes since the prior valuation.

2015 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, was due September 2015.

Police and Fire Fund

2024 Changes

Changes in Plan Provisions:

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

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

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, noncompounding 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 6.5% to 5.4%.

Changes in plan provisions:

- There have been no changes since the previous valuation.

2021 Changes

Changes in actuarial assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

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

Changes in plan provisions:

- There have been no changes since the prior valuation.

2020 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- There have been no changes since the prior valuation.

2019 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- There have been no changes since the prior valuation.

2018 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- Postretirement benefit increases were changed to 1.0% for all years, with no trigger.

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019 and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in actuarial assumptions:

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

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

- The assumed postretirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The Single Discount Rate was changed from 5.60% per annum to 7.50% per annum.

Changes in plan provisions:

- There have been no changes since the prior valuation.

2016 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- There have been no changes since the prior valuation.

2015 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- The postretirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.50%, to a fixed rate of 2.50%.

Correctional Fund

2024 Changes

Changes in Plan Provisions:

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

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

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, noncompounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5%. The maximum increase is 1.5% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

2022 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- There 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 changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

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

Changes in plan provisions:

- There have been no changes since the prior valuation.

2020 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- There have been no changes since the prior valuation.

2019 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- There have been no changes since the prior valuation.

2018 Changes

Changes in actuarial assumptions:

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

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

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 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.5% per year with a provision to reduce to 1.0% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 2.5%, beginning January 1, 2019. If the funding status declines to 85% for two consecutive years or 80% for one year, the maximum increase will be lowered to 1.5%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

- There have been no changes since the prior valuation.

2016 Changes

Changes in actuarial assumptions:

- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 5.31%.
- The assumed future salary increases, payroll growth and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in plan provisions:

- There have been no changes since the prior valuation.

Le Sueur County

Notes to Required Supplementary Information
Year Ended December 31, 2024

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.

SUPPLEMENTARY INFORMATION

Le Sueur County

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Actual and Budget - Debt Service
Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 3,786,108	\$ 3,742,492	\$ (43,616)
Intergovernmental	-	48,844	48,844
Investment income	1,000	68,724	67,724
	<u>3,787,108</u>	<u>3,860,060</u>	<u>72,952</u>
Expenditures			
Debt service:			
Principal	2,805,000	2,805,000	-
Interest and fiscal charges	1,146,186	1,146,305	(119)
	<u>3,951,186</u>	<u>3,951,305</u>	<u>(119)</u>
Net change in fund balance	(164,078)	(91,245)	72,833
Fund Balance, Beginning	<u>5,338,325</u>	<u>5,338,325</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,174,247</u>	<u>\$ 5,247,080</u>	<u>\$ 72,833</u>

Le Sueur County

Nonmajor Governmental Funds
Year Ended December 31, 2024

Special Revenue Funds

Victim Witness Fund - Used to account for and report grants and local revenues legally restricted, committed or assigned to supporting expenditures for assistance provided to victims of crimes and to witnesses to crimes

Gravel Tax Fund - Used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for gravel pit restoration or other conservation projects.

Environmental Health Fund - Used to account for and report grants and local revenues legally restricted, committed or assigned to health, clean water partnership, recycling and solid waste activities.

Capital Projects Fund

Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than enterprise projects.

Le Sueur County

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds			Capital Projects	Total Nonmajor Governmental Funds
	Victim Witness	Gravel Tax	Environmental Health		
Assets					
Cash and investments	\$ 65,278	\$ 128,069	\$ 1,629,944	\$ 363,921	\$ 2,187,212
Receivables:					
Taxes	542	6,219	7,981	-	14,742
Special assessments	-	-	6,893	-	6,893
Accounts	1,050	-	5,900	-	6,950
Notes	-	-	455,638	-	455,638
Due from other governments	21,025	-	26,092	-	47,117
Total assets	\$ 87,895	\$ 134,288	\$ 2,132,448	\$ 363,921	\$ 2,718,552
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 43,539	\$ 37,233	\$ 80,772
Accrued liabilities	4,952	-	45,621	-	50,573
Due to other governments	85	-	54,728	-	54,813
Total liabilities	5,037	-	143,888	37,233	186,158
Deferred Inflows of Resources					
Unearned revenues	-	-	120,096	-	120,096
Unavailable revenues	21,373	-	473,495	-	494,868
Total deferred inflows of resources	21,373	-	593,591	-	614,964
Fund Balances					
Restricted	-	134,288	295,302	-	429,590
Assigned	61,485	-	1,099,667	326,688	1,487,840
Total fund balances	61,485	134,288	1,394,969	326,688	1,917,430
Total liabilities, deferred inflows of resources and fund balances	\$ 87,895	\$ 134,288	\$ 2,132,448	\$ 363,921	\$ 2,718,552

Le Sueur County

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2024

	Special Revenue Funds			Capital Projects	Total Nonmajor Governmental Funds
	Victim Witness	Gravel Tax	Environmental Health		
Revenues					
Taxes	\$ 52,508	\$ 32,475	\$ 796,490	\$ 3	\$ 881,476
Special assessments	-	-	394,683	-	394,683
Intergovernmental	56,049	-	581,999	-	638,048
Licenses and permits	-	-	252,486	-	252,486
Charges for services	-	-	36,176	-	36,176
Miscellaneous	4,325	-	92,080	300	96,705
Total revenues	112,882	32,475	2,153,914	303	2,299,574
Expenditures					
Current:					
General government	-	-	996,473	1,853	998,326
Public safety	128,263	-	-	-	128,263
Sanitation	-	-	426,411	-	426,411
Health and human services	-	-	57,496	-	57,496
Conservation and development	-	-	571,999	-	571,999
Capital outlay	-	-	10	3,070,284	3,070,294
Total expenditures	128,263	-	2,052,389	3,072,137	5,252,789
Excess (deficiency) of revenues over expenditures	(15,381)	32,475	101,525	(3,071,834)	(2,953,215)
Other Financing Sources (Uses)					
Transfers out	-	(265,884)	(130,598)	-	(396,482)
Total other financing sources (uses)	-	(265,884)	(130,598)	-	(396,482)
Net change in fund balances	(15,381)	(233,409)	(29,073)	(3,071,834)	(3,349,697)
Fund Balances, Beginning	76,866	367,697	1,424,042	3,398,522	5,267,127
Fund Balances, Ending	\$ 61,485	\$ 134,288	\$ 1,394,969	\$ 326,688	\$ 1,917,430

Le Sueur County

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Actual and Budget - Victim Witness

Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 53,185	\$ 52,508	\$ (677)
Intergovernmental	75,200	56,049	(19,151)
Miscellaneous	3,500	4,325	825
Total revenues	<u>131,885</u>	<u>112,882</u>	<u>(19,003)</u>
Expenditures			
Current:			
Public safety	<u>138,562</u>	<u>128,263</u>	<u>10,299</u>
Total expenditures	<u>138,562</u>	<u>128,263</u>	<u>10,299</u>
Net change in fund balance	(6,677)	(15,381)	(8,704)
Fund Balance, Beginning	<u>76,866</u>	<u>76,866</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 70,189</u>	<u>\$ 61,485</u>	<u>\$ (8,704)</u>

Le Sueur County

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Actual and Budget - Environmental Health
Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 808,345	\$ 796,490	\$ (11,855)
Special assessments	285,000	394,683	109,683
Intergovernmental	702,485	581,999	(120,486)
Licenses and permits	179,000	252,486	73,486
Charges for services	23,750	36,176	12,426
Miscellaneous	97,056	92,080	(4,976)
	<u>2,095,636</u>	<u>2,153,914</u>	<u>58,278</u>
Expenditures			
Current:			
General government	840,970	996,473	(155,503)
Sanitation	871,515	426,411	445,104
Health and human services	71,300	57,496	13,804
Conservation and development	360,553	571,999	(211,446)
Capital outlay	-	10	(10)
	<u>2,144,338</u>	<u>2,052,389</u>	<u>91,949</u>
Excess (deficiency) of revenues over expenditures	<u>(48,702)</u>	<u>101,525</u>	<u>150,227</u>
Other Financing Sources (Uses)			
Transfer in	215,475	-	(215,475)
Transfer out	(260,525)	(130,598)	129,927
	<u>(45,050)</u>	<u>(130,598)</u>	<u>(85,548)</u>
Net change in fund balance	(93,752)	(29,073)	64,679
Fund Balance, Beginning	<u>1,424,042</u>	<u>1,424,042</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,330,290</u>	<u>\$ 1,394,969</u>	<u>\$ 64,679</u>

Le Sueur County

Fiduciary Funds

Year Ended December 31, 2024

Custodial Funds

Cemetery Perpetual Care - Used to account for and report funds held for cemetery associations.

U.S. Fish and Wildlife - Used to account for and report funds from the U.S. Fish and Wildlife Service that will, through interest earning, offset the shortfall between the annual Fish and Wildlife Service shared revenue payment and the actual taxes on property purchased by the U.S. Fish and Wildlife Service.

Agency - Used to account for and report all County collections and disbursements, other than taxes and penalties, on behalf of individuals, private organizations or other governmental units.

Taxes and Penalties - To account for and report property taxes and penalties collected and distributed to other governmental units.

Inmate - Used to account for and report cash held by the Sheriff for inmates of the County jail.

Le Sueur County

Combining Statement of Fiduciary Net Position

Custodial Funds

December 31, 2024

	<u>Cemetery Perpetual Care</u>	<u>U.S. Fish and Wildlife</u>	<u>Agency</u>	<u>Taxes and Penalties</u>	<u>Inmate</u>	<u>Total</u>
Assets						
Cash and investments	\$ 15,727	\$ 47,350	\$ 196,346	\$ 1,165,004	\$ 9,351	\$ 1,433,778
Due from other governments	-	-	2,166	-	-	2,166
Taxes receivable for other governments	-	-	11,791	980,917	-	992,708
Total assets	<u>\$ 15,727</u>	<u>\$ 47,350</u>	<u>\$ 210,303</u>	<u>\$ 2,145,921</u>	<u>\$ 9,351</u>	<u>\$ 2,428,652</u>
Liabilities, Deferred Inflows of Resources and Net Position						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 10,499	\$ -	\$ -	\$ 10,499
Due to other governments	-	-	138,523	738,060	-	876,583
Total liabilities	<u>-</u>	<u>-</u>	<u>149,022</u>	<u>738,060</u>	<u>-</u>	<u>887,082</u>
Deferred Inflows of Resources						
Advanced contributions	-	-	-	44,929	-	44,929
Net Position						
Restricted for individuals, organizations and other governments	<u>\$ 15,727</u>	<u>\$ 47,350</u>	<u>\$ 61,281</u>	<u>\$ 1,362,932</u>	<u>\$ 9,351</u>	<u>\$ 1,496,641</u>

Le Sueur County

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended December 31, 2024

	Cemetery Perpetual Care	U.S. Fish and Wildlife	Agency	Taxes and Penalties	Inmate	Total
Additions						
Property tax collections for other governments	\$ -	\$ -	\$ -	\$ 36,229,960	\$ -	\$ 36,229,960
Other taxes collected for other governments	-	-	1,013,983	765,223	-	1,779,206
Licenses and fees collected for State	-	-	2,050,637	-	-	2,050,637
Grant collections for other governments and organizations	-	-	21,846	-	-	21,846
Inmate collections	-	-	-	-	163,573	163,573
Miscellaneous	40	-	-	54,428	-	54,468
Total additions	40	-	3,086,466	37,049,611	163,573	40,299,690
Deductions						
Payment of property tax for other governments	-	-	-	36,587,950	-	36,587,950
Payments of other taxes to other governments	-	-	1,013,982	90,075	-	1,104,057
Payments to State	-	-	2,020,590	-	-	2,020,590
Payment of grants to other governments and organizations	-	-	21,846	-	-	21,846
Payment of inmate collections	-	-	-	-	162,351	162,351
Payments to other entities	13,412	-	-	-	-	13,412
Total deductions	13,412	-	3,056,418	36,678,025	162,351	39,910,206
Change in net position	(13,372)	-	30,048	371,586	1,222	389,484
Net Position, Beginning	29,099	47,350	31,233	991,346	8,129	1,107,157
Net Position, Ending	\$ 15,727	\$ 47,350	\$ 61,281	\$ 1,362,932	\$ 9,351	\$ 1,496,641

Le Sueur County

Schedule of Intergovernmental Revenues Year Ended December 31, 2024

Shared Revenue

State:

Highway users tax	\$ 8,290,899
Market value credit	271,198
County program aid	1,667,978
PERA rate reimbursement	269,994
Disparity reduction aid	79,315
Police aid	315,296
Enhanced 911	210,430

Total shared revenue 11,105,110

Reimbursement for Services

Local governments	43,500
Minnesota Department of Corrections	172,974
Minnesota Department of Human Services	2,968,883

Total reimbursements for services 3,185,357

Grants

Minnesota Department/Board of:

Revenue	218,080
Water and Soil Resources	218,031
Health	253,446
Pollution Control	1,537
Natural Resources	58,241
Veterans Affairs	10,000
Secretary of State	85,320
Other	23,788

Total state grants 868,443

United States Department of:

Agriculture	521,059
Justice	53,556
Transportation	469,106
Treasury	50,000
Health and Human Services	2,461,499
Homeland Security	144,414

Total federal grants 3,699,634

Total grants 4,568,077

Payments in Lieu of Taxes

171,249

Total intergovernmental revenue \$ 19,029,793