

BENTON COUNTY, MINNESOTA
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023



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BENTON COUNTY, MINNESOTA
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YEAR ENDED DECEMBER 31, 2023

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INTRODUCTORY SECTION

**BENTON COUNTY, MINNESOTA
ORGANIZATION
DECEMBER 31, 2023**

Office	Name	Term			
From	To				
Commissioners					
<hr/>					
1 st District	Scott Johnson*	January 2021	January 2025		
2 nd District	Ed Popp	January 2023	January 2027		
3 rd District	Steve Heinen	January 2023	January 2027		
4 th District	Jared J. Gapinski	January 2021	January 2025		
5 th District	Beth Schlangen	January 2021	January 2025		
Officers					
<hr/>					
<u>Elected</u>					
Attorney	Karl Schmidt	January 2023	January 2027		
Auditor-Treasurer	Christine Scherbing	January 2023	January 2027		
Sheriff	Troy Heck	January 2023	January 2027		
<u>Appointed</u>					
<hr/>					
Administrator	Montgomery Headley	Indefinite			
Land Services Director	Roxanne Achman	Indefinite			
County Assessor	Brian Folden	March 2022	December 2024		
Courts Administrator	Megan Bergman	Indefinite			
Highway Engineer	Christopher Byrd, P.E.	April 2023	May 2027		
Human Services Director	Vacant				
Veterans Services Officer	George Fiedler	June 2020	May 2024		
Human Services Board					
<hr/>					
Chair	Steve Heinen	January 2023	January 2027		
Member	Ed Popp	January 2023	January 2027		
Member	Scott Johnson	January 2021	January 2025		
Member	Jared J. Gapinski	January 2021	January 2025		
Vice-Chair	Beth Schlangen	January 2021	January 2025		

* Chair

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Benton County, Minnesota
Foley, Minnesota

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter Regarding Change in Accounting Principle

As discussed in Note 1.D.16. to the financial statements, effective January 1, 2023, the County adopted new accounting guidance for subscription-based information technology arrangements (SBITA). The guidance requires recognition of a right-to-use subscription asset and corresponding subscription liability for all subscriptions with terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the total OPEB liability, related ratios, and notes, schedule of the proportionate share of the net pension liability (asset), the schedule of county contributions, and notes to required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Board of County Commissioners
Benton County, Minnesota

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Brainerd, Minnesota
September 10, 2024

REQUIRED SUPPLEMENTARY INFORMATION

**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

This section of Benton County's (County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended on December 31, 2023. The management's discussion and analysis (MD&A) is required supplementary information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34. Certain comparative information between the current year, 2023, and the prior year, 2022, is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal years include the following:

- ◆ Government-wide net position increased 5.0% from the prior year; this is primarily due to more revenue than expenses in 2023.
- ◆ Overall fund-level revenues totaled \$55,604,238 and were \$3,118,417 less than expenditures.
- ◆ The General Fund's fund balance increased \$1,969,669 from the prior year due to intergovernmental revenues and investment earnings being higher than budgeted and favorable expenditure variances, primarily related to information technology and administration.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – independent auditor's report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and required supplementary information other than MD&A. The basic financial statements include two kinds of statements that present different views of the County:

- ◆ The first two statements are government-wide financial statements which provide both short-term and long-term information about the County's overall financial status.
- ◆ The remaining statements are fund financial statements which focus on individual parts of the County, reporting the County's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how basic services such as general government, human services, and highways and streets were financed in the short-term, as well as what remains for future spending.
 - Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others to whom the resources belong.

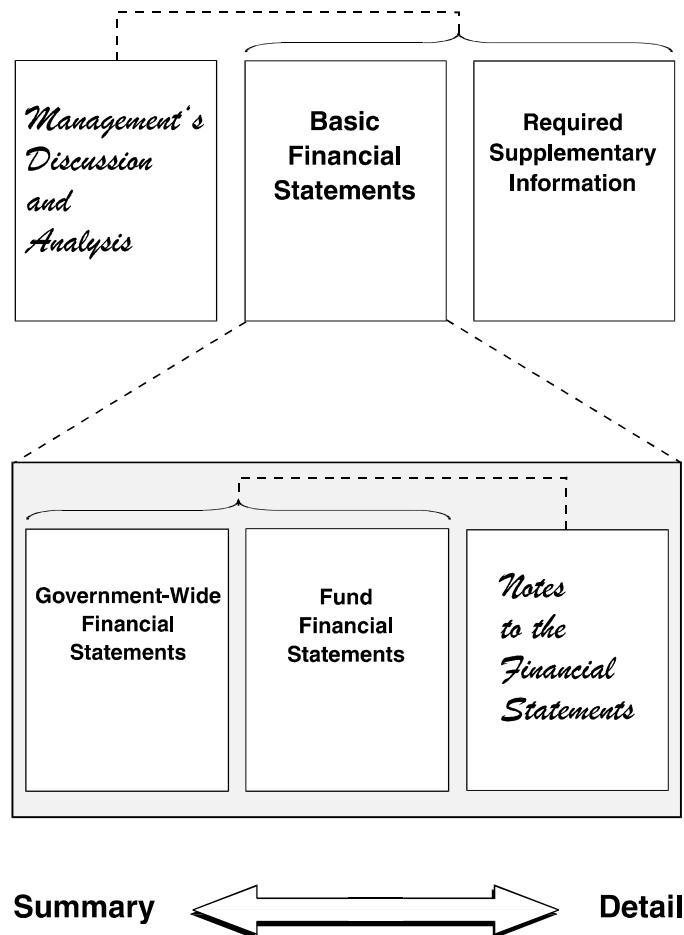
**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Annual Report Format**



**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2. Major Features of the County's Government-Wide and Fund Financial Statements				
Type of statements	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County's government (except fiduciary funds).	The activities of the County that are not proprietary or fiduciary.	The activities of the County that operate similar to private businesses: internal service.	Instances in which the County is the trustee or agent for someone else's resources.
Required financial statements	Statement of net position.	Balance sheet.	Statement of net position.	Statement of fiduciary net position.
	Statement of activities.	Statement of revenues, expenditures, and changes in fund balances.	Statement of revenues, expenses, and change in net position and statement of cash flows.	Statement of changes in fiduciary net position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term.	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter, no capital assets included.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short-term and long-term; these funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during year, regardless of when cash is received or paid.

Government-Wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Statements (Continued)

The two government-wide statements report the County's net position and how it has changed. Net position – the difference between the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the County's financial health or position.

- ◆ Over time, increases or decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- ◆ To assess the overall health of the County, you need to consider additional nonfinancial factors such as changes in the County's property tax base and the condition of County buildings and other facilities.
- ◆ Governmental activities – the County's basic services are included here. Property taxes and state aids finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds – focusing on its most significant or "major" funds – not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs:

- ◆ Some funds are required by state law and by bond covenants.
- ◆ The County establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The County has three kinds of funds:

- ◆ Governmental funds – The County's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide a reconciliation that explains the relationship (or differences) between them.
- ◆ Proprietary Fund – The County uses this fund to manage the self-insurance activities.
- ◆ Fiduciary funds – The County is the fiscal agent, or fiduciary, for assets that belong to others. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the government-wide financial statements because the County cannot use these assets to finance its operations.

**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position

The County's net position was \$129,291,324 on December 31, 2023. (See Table A-1).

The increase in total net position was primarily due to total revenues being greater than expenses.

**Table A-1
The County's Net Position**

	Governmental Activities		Percent Change
	2023	2022	
Current and Other Assets	\$ 51,504,249	\$ 54,270,844	(5.1)%
Capital Assets	<u>108,799,905</u>	<u>100,255,075</u>	8.5
Total Assets	160,304,154	154,525,919	3.7
Deferred Outflows of Resources	8,904,607	12,508,657	(28.8)
Other Liabilities	9,257,504	11,044,113	(16.2)
Long-Term Liabilities	<u>21,008,435</u>	<u>32,424,292</u>	(35.2)
Total Liabilities	30,265,939	43,468,405	(30.4)
Deferred Inflows of Resources	9,651,498	444,595	2070.9
Net Position:			
Net investment in Capital Assets	105,988,805	97,228,653	9.0
Restricted	14,147,222	11,433,885	23.7
Unrestricted	9,155,297	14,459,038	(36.7)
Total Net Position	<u>\$ 129,291,324</u>	<u>\$ 123,121,576</u>	5.0

**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

Changes in Net Position

The government-wide total revenues were \$56,838,418 for the year ended December 31, 2023. Property taxes, wheelage taxes, and intergovernmental revenues accounted for 78.6% of total revenue for the year. Total revenues for 2023 increased 14.0% from 2022, as property and wheelage taxes revenue increased from the prior year. Total expenses increased by 4.1% due to an increase in general government, economic development, and human services (see Table A-2).

**Table A-2
Change in Net Position**

	Governmental Activities		Total % Change
	2023	2022	
REVENUES			
<u>Program Revenues</u>			
Charges for Services	\$ 5,658,699	\$ 3,245,419	74.4 %
Operating Grants and Contributions	16,807,717	14,380,926	16.9
Capital Grants and Contributions	89,562	961,161	(90.7)
<u>General Revenues</u>			
Property and Wheelage Taxes	23,340,893	22,373,879	4.3
Unrestricted State Aid	4,458,603	4,599,982	(3.1)
Investment Earnings	2,015,638	(281,820)	(815.2)
Other	4,467,306	4,567,136	(2.2)
Total Revenues	<u>56,838,418</u>	<u>49,846,683</u>	14.0
EXPENSES			
General Government	8,743,017	8,466,954	3.3
Public Safety	11,722,393	12,000,688	(2.3)
Highways and Streets	9,838,796	10,284,357	(4.3)
Human Services	14,268,316	13,426,182	6.3
Health	1,875,762	1,693,377	10.8
Culture and Recreation	638,479	570,706	11.9
Conservation of Natural Resources	1,911,783	1,531,175	24.9
Economic Development	1,649,353	716,223	130.3
Interest and Fiscal Charges on Long-Term Liabilities	20,771	-	100.0
Total Expenses	<u>50,668,670</u>	<u>48,689,662</u>	4.1
INCREASE IN NET POSITION			
Net Position - Beginning of Year	6,169,748	1,157,021	433.2
NET POSITION - END OF YEAR	<u>\$ 129,291,324</u>	<u>\$ 123,121,576</u>	5.0

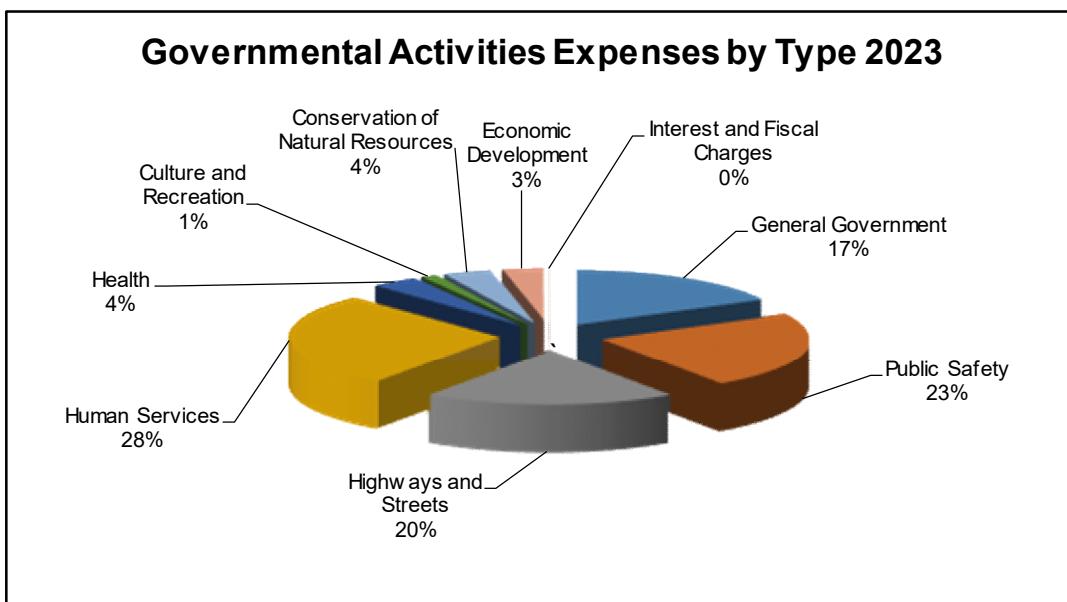
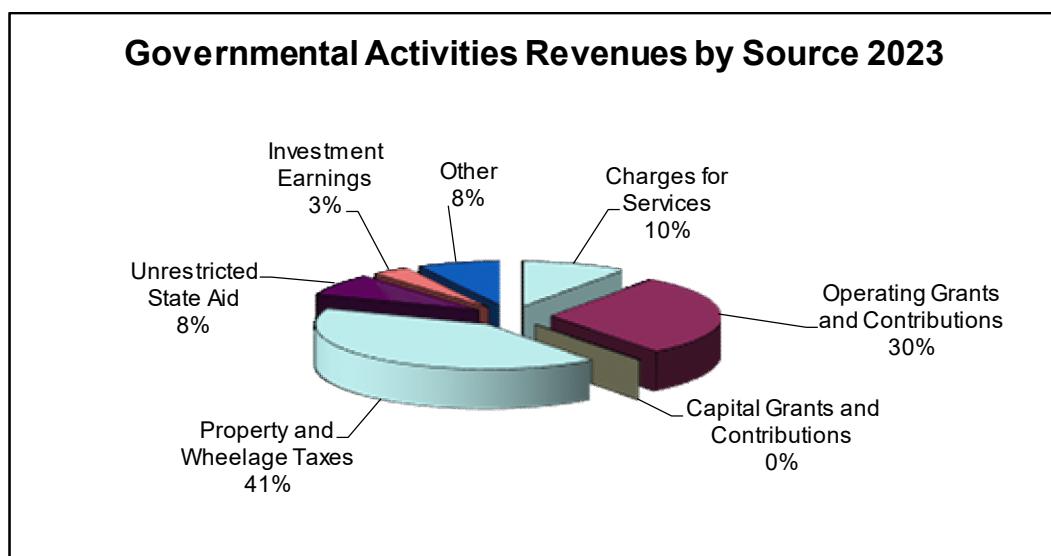
**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

The government-wide cost of all governmental activities this year was \$50,668,670.

- ◆ Some of the cost was paid by the users of the County's programs (\$5,658,699).
- ◆ The federal and state governments contributed to certain programs with grants and contributions (\$16,897,279).
- ◆ A significant portion of the County's remaining costs (\$28,112,692) were paid for by County taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with \$27,416,931 in property and other taxes, \$4,458,603 of state aid, and \$2,406,906 from investment earnings and other general revenues.



**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

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

**Table A-3
Expenses and Net (Revenue) Cost of Services**

	Total Cost of Services		Percentage Change	Net (Revenue) Cost of Services		Percentage Change
	2023	2022		2023	2022	
GOVERNMENTAL ACTIVITIES						
General Government	\$ 8,743,017	\$ 8,466,954	3.3 %	\$ 6,718,353	\$ 6,773,058	(0.8)%
Public Safety	11,722,393	12,000,688	(2.3)	10,308,928	10,695,697	(3.6)
Highways and Streets	9,838,796	10,284,357	(4.3)	3,057,764	4,601,427	(33.5)
Human Services	14,268,316	13,426,182	6.3	6,098,807	5,824,269	4.7
Health	1,875,762	1,693,377	10.8	597,851	429,205	39.3
Culture and Recreation	638,479	570,706	11.9	579,103	507,663	14.1
Conservation of Natural Resources	1,911,783	1,531,175	24.9	(720,863)	792,591	(191.0)
Economic Development	1,649,353	716,223	130.3	1,451,978	478,246	203.6
Interest and Fiscal Charges on Long-Term Liabilities	20,771	-	100.0	20,771	-	100.0
Total	<u>\$ 50,668,670</u>	<u>\$ 48,689,662</u>	4.1	<u>\$ 28,112,692</u>	<u>\$ 30,102,156</u>	(6.6)

FINANCIAL ANALYSIS OF THE COUNTY AT THE FUND LEVEL

The financial performance of the County as a whole is reflected in its governmental funds as well. As the County completed the year, its governmental funds reported a combined fund balance of \$36,647,335.

Revenues for the County's governmental funds were \$55,604,238, while total expenditures were \$58,722,655. Overall, the fund balance decrease of \$3,112,962 resulted from an increase of highways and streets projects.

General Fund

The General Fund includes the primary operations of the County in providing services to citizens. The year-ending fund balance in the General Fund increased by \$1,969,669 from 2022, primarily due to higher than budgeted intergovernmental revenues and investment earnings and favorable expenditure variances related to information technology and administration.

Road and Bridge Fund

The Road and Bridge Fund accounts for financial activity related to the construction and maintenance of the County road system, including County state-aid highways and County roads. The fund balance in the Road and Bridge Fund decreased by \$424,184 from 2022, due primarily to a large increase in highways and streets expenditures.

**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE COUNTY AT THE FUND LEVEL (CONTINUED)

Human Services Fund

The Human Services Fund accounts for financial activity related to the provision of social services, medical and financial assistance, and public health. The fund balance in the Human Services Fund increased by \$223,660 from 2022. This increase can be attributed primarily to higher than budgeted intergovernmental revenues.

Miscellaneous Special Revenue Fund

The Miscellaneous Special Revenue Fund accounts for the financial activity related to a number of smaller activities, including solid waste management, E-911 surcharge funds, natural resources block grants, and park dedication fees. The fund balance in the Miscellaneous Fund increased by \$410,849 from 2022. This increase can be attributed primarily to a decrease in general government and conservation of natural resources expenditures.

State and Local Fiscal Recovery Fund

The State and Local Fiscal Recovery Fund was established in 2021 and is used to account for the financial activity related to various projects the County plans to use the federal American Rescue Plan Act (ARPA) funding for. The funding received is considered to be unearned revenue until it is used. The County spent \$1,112,215 in 2023 relating mainly to broadband projects.

Opioid Remediation Fund

The Opioid Remediation Fund was established in 2021, and accounts for the financial activity related to the County's share of the national opioid settlement agreement. The amounts due to the County total \$990,784 and will be paid over the next 16 years.

Debt Service Fund

The Debt Service Fund accounts for principal, interest, and fiscal agent fees associated with the County's outstanding debt, including general obligation debt. The fund balance in the Debt Service Fund decreased by \$304,106 in 2023 from 2022. This decrease is attributed to the continued payment on outstanding bonds.

Capital Projects Fund

The Capital Projects Fund accounts for the financing of multi-year capital projects, including those funded with Capital Improvement Plan bonds and local option sales tax revenues and reserves. The fund balance decrease of \$4,249,727 was due to a budgeted transfer out from reserves.

Ditch Fund

The Ditch Fund accounts for the cost of constructing and maintaining an agricultural drainage ditch system. Financing is provided by special assessments levied against benefited property. The fund balance decrease of \$846,598 was due to expenditures being incurred prior to special assessment revenue being received.

**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE COUNTY AT THE FUND LEVEL (CONTINUED)

The following schedule presents a summary of General Fund revenues:

**Table A-4
General Fund Revenues**

	Year Ended		Change	
	December 31, 2023	December 31, 2022	Increase (Decrease)	Percent
Taxes	\$ 14,153,574	\$ 13,088,834	\$ 1,064,740	8.1 %
Intergovernmental	3,068,440	2,673,213	395,227	14.8
Charges for Services	1,662,723	1,340,935	321,788	24.0
Investment Earnings	1,997,349	(289,009)	2,286,358	(791.1)
Miscellaneous and Other	535,394	522,075	13,319	2.6
Total General Fund Revenues	\$ 21,417,480	\$ 17,336,048	\$ 4,081,432	23.5

Total General Fund revenue increased by \$4,081,432, or 23.5%, from 2022. This increase was due primarily to increased tax revenue and investment earnings.

The following schedule presents a summary of General Fund expenditures:

**Table A-5
General Fund Expenditures**

	Year Ended		Change	
	December 31, 2023	December 31, 2022	Increase (Decrease)	Percent
General Government	\$ 7,483,689	\$ 7,163,642	\$ 320,047	4.5 %
Public Safety	9,918,046	9,450,582	467,464	4.9
Health	124,360	116,808	7,552	6.5
Culture and Recreation	570,546	539,388	31,158	5.8
Conservation of Natural Resources	473,164	439,352	33,812	7.7
Economic Development	372,847	432,818	(59,971)	(13.9)
Capital Outlay	366,191	337,793	28,398	8.4
Debt Service	129,101	6,104	122,997	2015.0
Total Expenditures	\$ 19,437,944	\$ 18,486,487	\$ 951,457	5.1

Total General Fund expenditures increased by \$951,457, or 5.1%, from 2022 due primarily to increased general government and public safety expenditures.

**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

GENERAL FUND BUDGETARY HIGHLIGHTS

- ◆ Actual revenues were \$2,252,573 more than budgeted. This is due primarily to higher than expected investment earnings and intergovernmental revenue.
- ◆ Actual expenditures were \$307,003 less than budgeted due mainly to less general government expenditures than expected.

CONSTRUCTION PROJECTS AND DEBT SERVICE

The Capital Projects Fund accounts for the use of bond proceeds and other resources to finance the purchase or improvement of capital assets. Activity during 2023 was related to building improvements and infrastructure projects.

An annual levy is made to fund the bond payments for all previous bond issues.

CAPITAL ASSETS

By the end of 2023, the County had invested over \$219 million (before depreciation/amortization) in a broad range of capital assets, including buildings, computers, equipment, and infrastructure (see Table A-6). (More detailed information about capital assets can be found in Note 3.A to the financial statements.) Total depreciation/amortization expense for the year was \$6,986,257.

**Table A-6
Capital Assets**

	Governmental Activities		Percent Change
	2023	2022	
Land	\$ 3,805,393	\$ 3,805,393	- %
Right-of-Way	16,327,541	16,193,663	0.8
Construction-in-Progress	1,087,631	392,653	177.0
Infrastructure	162,959,318	149,584,705	8.9
Land Improvements	528,315	493,077	7.1
Buildings	20,818,499	20,323,439	2.4
Machinery, Vehicles, Furniture, and Equipment	12,628,199	12,503,310	1.0
Right-to-Use Assets, Buildings	327,935	327,935	-
Right-to-Use Assets, Machinery, Vehicles, Furniture, and Equipment	125,431	134,243	(6.6)
Subscription Asset	497,551	-	100.0
Less: Accumulated Depreciation/Amortization	<u>(110,305,908)</u>	<u>(103,503,343)</u>	6.6
Total	<u><u>\$ 108,799,905</u></u>	<u><u>\$ 100,255,075</u></u>	8.5

**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

LONG-TERM LIABILITIES

At year-end, the County had \$21,008,435 in long-term liabilities outstanding.

- ◆ The County's total long-term liabilities decreased \$11,415,857, mainly due to a decrease in the net pension liability, offset by an increase in compensated absences. The net pension liability fluctuates each year as assumptions change. See Note 5 for more information.

**Table A-7
The County's Long-Term Liabilities**

	2023	2022	Percent Change
GOVERNMENTAL ACTIVITIES			
General Obligation Bonds	\$ 2,234,162	\$ 2,832,254	(21.1)%
Lease Liability	283,961	383,325	(25.9)
Subscription Liability	169,497	-	100.0
Compensated Absences	4,017,947	3,382,292	18.8
Net Pension Liability	12,780,921	24,101,418	(47.0)
Total Other Postemployment Benefits Payable	<u>1,521,947</u>	<u>1,725,003</u>	(11.8)
Total	<u>\$ 21,008,435</u>	<u>\$ 32,424,292</u>	(35.2)

FACTORS BEARING ON THE COUNTY'S FUTURE

Wage Competition/Remote Work/MN Paid Leave

Workforce challenges continue into 2024, with applicant pools still well below historic levels. Competition for available labor in the St. Cloud area remains intense, with employers vying for candidates out of a labor force still smaller than its pre-COVID pandemic size. Attracting and securing new hires often requires starting pay above typical entry level wages. Retaining the County workforce has led to the implementation of annual market studies and potential market adjustments, as opposed to market studies that previously occurred once a decade. A new feature of today's workplace is the prevalence of remote work, which has dramatically broadened the range of employers the County must now compete with to attract and retain workers. A remote working employee can now live in a rural area but work for a larger, higher-paying urban county. A final factor affecting the County workforce will be the start of the Minnesota Paid Leave program in 2026. Employees will have access to up to 20 weeks of job-protected leave providing partial wage replacement.

Inflation (Services, Equipment)

After wage pressures, inflation on goods and services continues to drive up County costs. Such increases are commonly in the 5% to 10% range, and virtually no area of the County budget is unaffected by inflation. Notable examples include the cost of Sheriff's squads, major equipment for maintaining County roads, increased Jail food and medical care costs and professional services. The County is a significant purchaser of services, and when service providers must themselves pay higher wages to attract and retain employees, they must pass that cost on to the County.

**BENTON COUNTY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FACTORS BEARING ON THE COUNTY'S FUTURE (CONTINUED)

Stagnation of Growth (Residential and Commercial Development)

The County's tax capacity has grown on average 7% over the past ten years. However, with higher interest rates and the corresponding decline in construction activity, the County expects its payable 2025 tax capacity to show no growth, and potentially a small contraction as residential values decline. A growing tax base has allowed the County tax rate to fall from a peak of 74.6% of tax capacity in 2022 to 44% of tax capacity in 2024. However, with a stagnate tax base growth and rapidly increasing costs, the County sees its tax rate climbing in 2025 and potentially increasing for a few years thereafter as long as borrowing costs remain high.

New Government Center Project

The County has been in the planning stages for a possible new Government Center for approximately 18 months. Current plans call for a new facility on land already owned by the County in the County seat of Foley. A new Government Center would house Human Services, Public Health, Auditor-Treasurer, Land Services, Administration and County Board Room. It would replace a collection of aging structures built between 1903 and 1984. Estimated cost of a new Government Center is approximately \$30 million. Primary financing would be through general obligation debt. Planning continues on this project, although no final approval has been given by the County to seek bids. Should the County finalize a design and authorize its construction manager to place the project out for bids, the earliest construction could begin would be the Fall of 2025.

Winding Down of COVID Aid

The County received \$7.9 million in State and Local Fiscal Recovery Funds (SLFRF) in 2021. As the December 31, 2024 obligation deadline nears, the County has approximately \$800,000 remaining unobligated. Previous actions by the County dedicated \$3 million to rural broadband, \$2 million to water and sewer projects in our Cities, \$1.4 million to revenue losses and \$700,000 to other miscellaneous SLFRF-qualified purposes. The County is in discussions with our Cities about additional water and sewer projects, and expects to have all SLFRF funds legally obligated by the end of 2024. The County does not foresee obstacles to fully expending its SLFRF allocation by the end of 2026, which is the federal deadline to expend SLFRF funds.

Solar Developments

A positive trend affecting County finances is the development of large-scale solar electric generating facilities in the County. Currently in the design and permitting phase is a planned 600-acre, 100-Megawatt solar facility in the southwest portion of the County. The solar developer estimates solar production tax revenue of \$1 million annually to the County. Another large-scale solar site occupying 800 acres in northwestern Benton County is under development and would also be a 100-Megawatt facility. The southwest project is expected to begin electric production in 2027, while a completion date for the northwestern project has not been established.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Montgomery Headley, County Administrator, at (320) 968-5000.

BASIC FINANCIAL STATEMENTS

**BENTON COUNTY, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Pooled Investments	\$ 42,887,809
Petty Cash and Change Funds	2,800
Taxes Receivable:	
Delinquent	78,074
Special Assessments Receivable:	
Delinquent	22,757
Noncurrent	1,737,667
Accounts Receivable	1,139,089
Accrued Interest Receivable	344,298
Loans Receivable, Net of Allowance	513,066
Due from Other Governments	4,075,024
Prepaid Items	703,665
Nondepreciable Capital Assets:	
Land	3,805,393
Right-of-Way	16,327,541
Construction-in-Progress	1,087,631
Depreciable Capital Assets:	
Building (Net)	9,598,750
Machinery, Vehicles, Furniture, and Equipment (Net)	3,496,378
Land Improvements (Net)	275,535
Infrastructure (Net)	73,633,318
Amortizable Capital Assets:	
Right-to-Use Assets, Building (Net)	181,254
Right-to-Use Assets, Machinery, Vehicles, Furniture, and Equipment (Net)	90,800
Subscription Assets (Net)	303,305
Total Assets	<hr/> 160,304,154
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	8,550,369
Total Other Postemployment Benefits Related	<hr/> 354,238
Total Deferred Outflows of Resources	<hr/> 8,904,607

See accompanying Notes to Basic Financial Statements.

BENTON COUNTY, MINNESOTA
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023

	Governmental Activities
LIABILITIES	
Accounts Payable	\$ 1,715,186
Salaries Payable	974,337
Contracts Payable	635,622
Due to Other Governments	477,509
Accrued Interest Payable	24,646
Unearned Revenue	5,430,204
Compensated Absences Payable - Due in Less than One Year	200,897
Total Other Postemployment Benefits Liability - Due in Less than One Year	100,584
General Obligation Bonds Payable - Due in Less than One Year	240,000
Lease Liability - Due in Less than One Year	100,331
Subscription Liability - Due in Less than One Year	166,497
Compensated Absences Payable - Due in More than One Year	3,817,050
Total Other Postemployment Benefits Liability - Due in More than One Year	1,421,363
General Obligation Bonds Payable - Due in More than One Year	1,994,162
Lease Liability - Due in More than One Year	183,630
Subscription Liability - Due in More than One Year	3,000
Net Pension Liability - Due in More than One Year	<u>12,780,921</u>
Total Liabilities	<u>30,265,939</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Related	9,462,489
Total Other Postemployment Benefits Payable Related	<u>189,009</u>
Total Deferred Inflows of Resources	<u>9,651,498</u>
NET POSITION	
Net Investment in Capital Assets	105,988,805
Restricted for:	
General Government	218,836
Public Safety	1,670,180
Highways and Streets	1,453,198
Human Services	342,760
Culture and Recreation	53,114
Conservation of Natural Resources	5,563,798
Economic Development	1,270,508
Debt Service	2,234,954
Opioid Remediation	1,339,874
Unrestricted	<u>9,155,297</u>
Total Net Position	<u>\$ 129,291,324</u>

See accompanying Notes to Basic Financial Statements.

BENTON COUNTY, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	Program Revenues					Net (Expense) Revenue and Changes in Net Position
	Fees, Charges, Fines, and Other		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
	Expenses					
GOVERNMENTAL ACTIVITIES						
General Government	\$ 8,743,017	\$ 1,789,130	\$ 145,972	\$ 89,562	\$ (6,718,353)	
Public Safety	11,722,393	383,542	1,029,923	-	(10,308,928)	
Highways and Streets	9,838,796	376,180	6,404,852	-	(3,057,764)	
Human Services	14,268,316	453,814	7,715,695	-	(6,098,807)	
Health	1,875,762	132,777	1,145,134	-	(597,851)	
Culture and Recreation	638,479	59,376	-	-	(579,103)	
Conservation of Natural Resources	1,911,783	2,302,739	329,907	-	720,863	
Economic Development	1,649,353	161,141	36,234	-	(1,451,978)	
Interest	20,771	-	-	-	(20,771)	
Total Governmental Activities	\$ 50,668,670	\$ 5,658,699	\$ 16,807,717	\$ 89,562	(28,112,692)	
GENERAL REVENUES						
Property Taxes					22,522,114	
Wheelage Taxes					818,779	
Gravel Taxes					71,351	
Mortgage Registry and Deed Tax					32,635	
Payments in Lieu of Taxes					38,580	
Sales Tax					3,933,472	
Grants and Contributions Not Restricted to Specific Programs					4,458,603	
Unrestricted Investment Earnings					2,015,638	
Miscellaneous					352,762	
Gain on Sale of Capital Assets					38,506	
Total General Revenues					34,282,440	
CHANGE IN NET POSITION						
Net Position - Beginning of Year					6,169,748	
NET POSITION - END OF YEAR	\$ 123,121,576					
					\$ 129,291,324	

See accompanying Notes to Basic Financial Statements.

BENTON COUNTY, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Road and Bridge	Human Services	Miscellaneous	State and Local Fiscal Recovery	Opioid Remediation
ASSETS						
Cash and Pooled Investments	\$ 9,338,808	\$ 2,298,485	\$ 7,175,917	\$ 5,698,629	\$ 5,287,903	\$ 349,090
Petty Cash and Change Funds	2,800	-	-	-	-	-
Taxes Receivable:						
Delinquent	40,678	9,962	27,434	-	-	-
Special Assessments Receivable:						
Delinquent	11,786	-	-	7,112	-	-
Noncurrent	-	-	-	1,671,325	-	-
Accounts Receivable	46,987	3,260	68,832	7,786	-	990,784
Accrued Interest Receivable	344,298	-	-	-	-	-
Due from Other Funds	914,828	6,673	-	1,650	-	-
Due from Other Governments	125,474	1,494,838	1,543,336	6,403	-	-
Prepaid Items	286,519	249,940	64,603	80,059	-	-
Loans Receivable, Net of Allowance	121,852	-	-	-	-	-
Advances to Other Funds	70,702	-	-	1,083,355	-	-
Total Assets	<u>\$ 11,304,732</u>	<u>\$ 4,063,158</u>	<u>\$ 8,880,122</u>	<u>\$ 8,556,319</u>	<u>\$ 5,287,903</u>	<u>\$ 1,339,874</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 98,669	\$ 209,087	\$ 367,023	\$ 51,655	\$ 140	\$ -
Salaries Payable	505,885	65,184	391,134	12,134	-	-
Contracts Payable	-	635,622	-	-	-	-
Due to Other Funds	17,758	-	9,024	66	-	-
Due to Other Governments	369,115	7,873	91,536	8,985	-	-
Unearned Revenue	-	-	30,302	112,139	5,287,763	-
Advance from Other Funds	-	1,083,355	-	-	-	-
Total Liabilities	<u>991,427</u>	<u>2,001,121</u>	<u>889,019</u>	<u>184,979</u>	<u>5,287,903</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	52,464	1,463,160	78,183	1,678,437	-	990,784
FUND BALANCES						
Nonspendable	357,221	249,940	64,603	80,059	-	-
Restricted	-	-	292,011	4,637,211	-	349,090
Committed	-	-	-	892,278	-	-
Assigned	-	348,937	7,556,306	1,083,355	-	-
Unassigned	<u>9,903,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>10,260,841</u>	<u>598,877</u>	<u>7,912,920</u>	<u>6,692,903</u>	<u>-</u>	<u>349,090</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,304,732</u>	<u>\$ 4,063,158</u>	<u>\$ 8,880,122</u>	<u>\$ 8,556,319</u>	<u>\$ 5,287,903</u>	<u>\$ 1,339,874</u>

See accompanying Notes to Basic Financial Statements.

**BENTON COUNTY, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023**

	Debt Service	Capital Projects	Ditch	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Pooled Investments	\$ 2,261,300	\$ 8,354,009	\$ 44	\$ 1,154,027	\$ 41,918,212
Petty Cash and Change Funds	-	-	-	-	2,800
Taxes Receivable:					
Delinquent	-	-	-	-	78,074
Special Assessments Receivable:					
Delinquent	-	-	3,859	-	22,757
Noncurrent	-	-	66,342	-	1,737,667
Accounts Receivable	-	-	-	-	1,117,649
Accrued Interest Receivable	-	-	-	-	344,298
Due from Other Funds	-	9,501	-	-	932,652
Due from Other Governments	-	861,966	-	-	4,032,017
Prepaid Items	417	22,127	-	-	703,665
Loans Receivable, Net of Allowance	-	-	-	391,214	513,066
Advances to Other Funds	-	-	-	-	1,154,057
Total Assets	<u>\$ 2,261,717</u>	<u>\$ 9,247,603</u>	<u>\$ 70,245</u>	<u>\$ 1,545,241</u>	<u>\$ 52,556,914</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 1,700	\$ 23,962	\$ 798,927	\$ 30	\$ 1,551,193
Salaries Payable	-	-	-	-	974,337
Contracts Payable	-	-	-	-	635,622
Due to Other Funds	-	-	892,068	13,736	932,652
Due to Other Governments	-	-	-	-	477,509
Unearned Revenue	-	-	-	-	5,430,204
Advance from Other Funds	-	-	70,702	-	1,154,057
Total Liabilities	<u>1,700</u>	<u>23,962</u>	<u>1,761,697</u>	<u>13,766</u>	<u>11,155,574</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	29,562	70,201	391,214	4,754,005
FUND BALANCES					
Nonspendable	417	22,127	-	-	774,367
Restricted	2,259,600	1,327,956	-	1,153,997	10,019,865
Committed	-	7,843,996	-	-	8,736,274
Assigned	-	-	-	-	8,988,598
Unassigned	-	-	(1,761,653)	(13,736)	8,128,231
Total Fund Balances	<u>2,260,017</u>	<u>9,194,079</u>	<u>(1,761,653)</u>	<u>1,140,261</u>	<u>36,647,335</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,261,717</u>	<u>\$ 9,247,603</u>	<u>\$ 70,245</u>	<u>\$ 1,545,241</u>	<u>\$ 52,556,914</u>

See accompanying Notes to Basic Financial Statements.

BENTON COUNTY, MINNESOTA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 36,647,335

Total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 108,799,905

The County's net pension asset and liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Net Pension Liability	\$ (12,780,921)
Deferred Inflows of Resources - Pension Related	(9,462,489)
Deferred Outflows of Resources - Pension Related	<u>8,550,369</u>
	(13,693,041)

The County's other postemployment benefit liability and related deferred outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Total Other Postemployment Benefits Liability	(1,521,947)
Deferred Inflows of Resources - OPEB Related	(189,009)
Deferred Outflows of Resources - OPEB Related	<u>354,238</u>
	(1,356,718)

Other long-term assets, such as delinquent taxes, delinquent and noncurrent special assessments, and certain state-aid highway allotments, are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds. 4,754,005

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

General Obligation Bonds	(2,095,000)
Unamortized Bond Premium	(139,162)
Compensated Absences	(4,017,947)
Lease Liability	(283,961)
Subscription Liability	(169,497)
Accrued Interest Payable	<u>(24,646)</u>
	(6,730,213)

Internal service fund is used by the County to charge self-insurance services to individual funds. The assets, deferred outflows, liabilities and deferred inflows of the internal service fund are included in the governmental activities in the Statement of Net Position. Internal service fund net position is:

870,051

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 129,291,324

BENTON COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Road and Bridge	Human Services	Miscellaneous	State and Local Fiscal Recovery	Opioid Remediation
REVENUES						
Taxes	\$ 14,153,574	\$ 2,625,271	\$ 5,702,919	\$ -	\$ -	\$ -
Sales Tax	-	-	-	429,040	-	-
Special Assessments	33,300	-	-	-	-	-
Licenses and Permits	345,100	49,785	-	52,337	-	-
Intergovernmental	3,068,440	6,111,578	9,729,748	620,438	1,112,215	-
Charges for Services	1,662,723	316,982	392,332	92,002	-	-
Fines and Forfeits	5,228	-	-	46,846	-	-
Gifts and Contributions	1,895	-	-	2,514	-	-
Investment Earnings	1,997,349	-	-	2,431	-	-
Miscellaneous	149,871	50,728	270,122	81,575	-	69,416
Total Revenues	<u>21,417,480</u>	<u>9,154,344</u>	<u>16,095,121</u>	<u>1,327,183</u>	<u>1,112,215</u>	<u>69,416</u>
EXPENDITURES						
Current:						
General Government	7,483,689	-	-	297,037	-	-
Public Safety	9,918,046	-	-	170,175	-	-
Highways and Streets	-	5,043,586	-	-	-	-
Human Services	-	-	14,106,668	-	-	-
Health	124,360	-	1,639,546	-	-	-
Culture and Recreation	570,546	-	-	31,773	-	-
Conservation of Natural Resources	473,164	-	-	421,917	-	-
Economic Development	372,847	-	-	-	1,112,215	-
Capital Outlay:						
General Government	11,494	-	-	-	-	-
Public Safety	354,697	-	-	-	-	-
Highways and Streets	-	13,170,211	-	-	-	-
Human Services	-	-	37,092	-	-	-
Health	-	-	4,901	-	-	-
Debt Service:						
Principal	129,101	1,142	83,254	-	-	-
Interest	-	-	-	-	-	-
Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>19,437,944</u>	<u>18,214,939</u>	<u>15,871,461</u>	<u>920,902</u>	<u>1,112,215</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES						
	1,979,536	(9,060,595)	223,660	406,281	-	69,416
OTHER FINANCING SOURCES (USES)						
Transfers In	54,986	8,967,411	-	69,554	-	-
Transfers Out	(64,853)	(331,000)	-	(64,986)	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(9,867)</u>	<u>8,636,411</u>	<u>-</u>	<u>4,568</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES						
	1,969,669	(424,184)	223,660	410,849	-	69,416
Fund Balances - Beginning of Year	<u>8,291,172</u>	<u>1,023,061</u>	<u>7,689,260</u>	<u>6,282,054</u>	<u>-</u>	<u>279,674</u>
FUND BALANCES - END OF YEAR						
	<u><u>\$ 10,260,841</u></u>	<u><u>\$ 598,877</u></u>	<u><u>\$ 7,912,920</u></u>	<u><u>\$ 6,692,903</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 349,090</u></u>

See accompanying Notes to Basic Financial Statements.

BENTON COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Debt Service	Capital Projects	Ditch	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 316,834	\$ 655,343	\$ -	\$ 2,404	\$ 23,456,345
Sales Tax	-	3,933,472	-	-	3,933,472
Special Assessments	-	-	209,581	-	671,921
Licenses and Permits	-	-	-	-	447,222
Intergovernmental	4,860	963,893	-	-	21,611,172
Charges for Services	-	-	-	-	2,464,039
Fines and Forfeits	-	-	-	-	52,074
Gifts and Contributions	-	-	-	-	4,409
Investment Earnings	-	15,858	-	-	2,015,638
Miscellaneous	-	145,579	-	180,655	947,946
Total Revenues	321,694	5,714,145	209,581	183,059	55,604,238
EXPENDITURES					
Current:					
General Government	-	605,638	-	-	8,386,364
Public Safety	-	41,335	-	-	10,129,556
Highways and Streets	-	-	-	-	5,043,586
Human Services	-	-	-	-	14,106,668
Health	-	-	-	-	1,763,906
Culture and Recreation	-	-	-	-	602,319
Conservation of Natural Resources	-	-	1,036,432	-	1,931,513
Economic Development	-	-	-	145,000	1,630,062
Capital Outlay:					
General Government	-	240,100	-	-	251,594
Public Safety	-	467,685	-	-	822,382
Highways and Streets	-	3,204	-	-	13,173,415
Human Services	-	-	-	-	37,092
Health	-	-	-	-	4,901
Debt Service:					
Principal	555,000	-	-	-	768,497
Interest	67,475	-	-	-	67,475
Fiscal Charges	3,325	-	-	-	3,325
Total Expenditures	625,800	1,357,962	1,036,432	145,000	58,722,655
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	(304,106)	4,356,183	(826,851)	38,059	(3,118,417)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	340,000	-	-	9,431,951
Transfers Out	-	(8,951,365)	(19,747)	-	(9,431,951)
Proceeds from Sale of Assets	-	5,455	-	-	5,455
Total Other Financing Sources (Uses)	-	(8,605,910)	(19,747)	-	5,455
NET CHANGE IN FUND BALANCES					
	(304,106)	(4,249,727)	(846,598)	38,059	(3,112,962)
Fund Balances - Beginning of Year	2,564,123	13,443,806	(915,055)	1,102,202	39,760,297
FUND BALANCES - END OF YEAR	\$ 2,260,017	\$ 9,194,079	\$ (1,761,653)	\$ 1,140,261	\$ 36,647,335

See accompanying Notes to Basic Financial Statements.

BENTON COUNTY, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (3,112,962)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Expenditures for General Capital Assets, Infrastructure, and Other	\$ 15,248,808
Related Capital Asset Adjustments	(1,350)
Net Book Value of Capital Assets Disposed	<u>(6,986,257)</u>
Current Year Depreciation/Amortization	8,261,201

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred Inflows of Resources - December 31	4,754,005
Deferred Inflows of Resources - January 1	<u>(3,523,930)</u>
	1,230,075

Pension expenditures on the governmental funds are measured by current year employer contributions. Pension expenses on the Statement of Activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.

(1,249,348)

Repayment of debt and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal Repayments:	
General Obligation Bonds	555,000
Subscription Liability	114,133
Lease Liability	<u>99,364</u>
	768,497

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

Change in Accrued Interest Payable	6,937
Amortization of Discounts/Premiums	43,092
Change in Compensated Absences	(635,655)
Change in Total Other Postemployment Benefits	203,056
Change in Deferred Outflows of Resources - Other Postemployment Benefits	(68,001)
Change in Deferred Inflows of Resources - Other Postemployment Benefits	<u>(173,107)</u>
	(623,678)

The net revenues of the internal service fund is reported with governmental activities.

895,963

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 6,169,748

BENTON COUNTY, MINNESOTA
STATEMENT OF NET POSITION – SELF-INSURANCE INTERNAL SERVICE FUND
DECEMBER 31, 2023

	<u>Self-Insurance</u>
ASSETS	
Cash and Cash Equivalents	\$ 969,597
Accounts Receivable	21,440
Due from Other Governments	43,007
Total Assets	<u>1,034,044</u>
LIABILITIES	
Claims Payable	<u>163,993</u>
NET POSITION	
Unrestricted	<u>\$ 870,051</u>

BENTON COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
SELF-INSURANCE INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Self-Insurance</u>
OPERATING REVENUES	
Employee and Employer Contributions	\$ 3,791,030
Miscellaneous	488,061
Total Operating Revenues	<u>4,279,091</u>
OPERATING EXPENSES	
Administration and Reinsurance Premium	901,613
Claims Paid	2,524,522
Total Operating Expenses	<u>3,426,135</u>
OPERATING INCOME	852,956
NONOPERATING REVENUES	
Intergovernmental	<u>43,007</u>
CHANGE IN NET POSITION	895,963
Net Position - Beginning of Year	<u>(25,912)</u>
NET POSITION - END OF YEAR	<u>\$ 870,051</u>

See accompanying Notes to Basic Financial Statements.

BENTON COUNTY, MINNESOTA
STATEMENT OF CASH FLOWS – SELF-INSURANCE INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Self-Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Internal Services Provided	\$ 4,273,271
Payments to Suppliers	(899,807)
Payments for Claims	(2,602,965)
Net Cash Povided by Operating Activities	<u>770,499</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	770,499
Cash and Cash Equivalents - Beginning of Year	<u>199,098</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 969,597</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 852,956
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Decrease in Accounts Receivable	(5,820)
Decrease in Prepaid Items	1,806
Decrease in Claims Payable	<u>(78,443)</u>
Net Cash Provided by Operating Activities	<u>\$ 770,499</u>

See accompanying Notes to Basic Financial Statements.

BENTON COUNTY, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>
ASSETS		
Cash and Pooled Investments	\$ 231,366	\$ 1,008,728
Due from Other Governments	-	552,752
Taxes for Other Governments	-	615,699
Prepaid Items	-	650
Total Assets	<u>231,366</u>	<u>2,177,829</u>
LIABILITIES		
Due to Others	-	36,026
Unearned Revenue	-	10,022
Loans Payable	-	121,852
Due to Other Governments	-	759,768
Total Liabilities	<u>-</u>	<u>927,668</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Collected for Subsequent Period	<u>-</u>	<u>33,790</u>
NET POSITION		
Restricted for:		
Individuals, Organizations, and Other Governments	<u>\$ 231,366</u>	<u>\$ 1,216,371</u>

See accompanying Notes to Basic Financial Statements.

BENTON COUNTY, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS		
Contributions - Individuals	\$ 752,081	\$ 241,763
Investment Earnings	-	4,850
Intergovernmental	-	2,073,291
Property Tax Collections for Other Governments	-	36,105,796
Fee Collections for Other Governments and Organizations	-	192,139
License and Fees Collected for State	-	4,780,369
Miscellaneous	-	20,928
Total Additions	<u>752,081</u>	<u>43,419,136</u>
DEDUCTIONS		
Beneficiary Payments to Individuals	757,097	236,790
Payments of Property Tax to Other Governments	-	36,224,020
Payments to State	-	4,537,859
Administrative Expense	-	9,581
Payments to Other Entities	-	2,589,988
Total Deductions	<u>757,097</u>	<u>43,598,238</u>
NET DECREASE IN FIDUCIARY NET POSITION	(5,016)	(179,102)
Fiduciary Net Position - Beginning of Year	<u>236,382</u>	<u>1,395,473</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 231,366</u>	<u>\$ 1,216,371</u>

See accompanying Notes to Basic Financial Statements.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

Benton County (County) was established October 27, 1849, and is an organized county having the powers, duties, and privileges granted counties by Minnesota Statutes ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Benton County (Primary Government) and its component units for which the County is financially accountable. The County is governed by a five-member board of commissioners elected from districts within the County. The board is organized with a chair and vice-chair elected at the annual meeting in January of each year.

Blended Component Units

Blended component units are legally separate organizations that are so intertwined with the County that they are, in substance, the same as the County and, therefore, are reported as if they were part of the County. Benton County has two blended component units. The Housing and Redevelopment Authority (HRA) had no activity in 2023.

Component Unit	Component Unit Reporting Entity Because	Separate Financial Statements
Housing and Redevelopment Authority of Benton County (HRA)	County Commissioners are the Members of the HRA Board	Separate Financial Statements are not Prepared
Benton County Economic Development Authority (EDA)	County Commissioners are the Members of the EDA Board	Separate Financial Statements are not Prepared

Joint Ventures

The County participates in several joint ventures which are described in Note 9.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the Primary Government and its component units. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

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

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

2. Proprietary Fund Statements

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investments earnings, result from nonexchange transactions or incidental activities.

3. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental, with each displayed as a separate column in the fund financial statements. All remaining governmental funds and the internal service fund are aggregated and reported as nonmajor funds.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

3. Fund Financial Statements (Continued)

The County reports the following major governmental funds:

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

The Road and Bridge Special Revenue Fund is used to account for revenues and expenditures of the County Highway Department which is responsible for the construction and maintenance of roads, bridges, and other projects affecting County roadways. Property taxes and intergovernmental revenues are the primary funds committed for these projects.

The Human Services Special Revenue Fund is used to account for public health, economic assistance, and community social services programs. These programs are funded primarily by property taxes, committed through the board approved levy, and intergovernmental revenues.

The Miscellaneous Special Revenue Fund is used to account for a number of smaller activities that do not have their own fund, including solid waste management, E-911 surcharge funds, natural resources block grants, and park dedication fees. Most of these activities are funded by restricted revenue sources.

The State and Local Fiscal Recovery Fund is used to account for the economic assistance programs related to the American Recovery Plan Act funding the County received in 2021 and 2022. These programs are funded primarily through intergovernmental revenues.

The Opioid Remediation Fund is used to account for the County's share of the national opioid epidemic settlement the County will be receiving over the next 17 years. These programs will be funded primarily through revenues received from the opioid settlements.

The Debt Service Fund is used to account for the accumulation of resources for, and the payments of, principal, interest, and related costs of the County's long-term bonds, which are financed by property tax revenue restricted through bond documents.

The Capital Projects Fund is used to account for financial resources to be used for capital acquisition, construction, or improvement of capital facilities. Financing is provided by bonds issued by the County, local option sales tax, and reserves.

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

**BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

3. Fund Financial Statements (Continued)

The County reports the following internal service fund:

Self-Insurance Internal Service Fund – is used to account for the County's self-insured insurance program. Financing is provided by employer and employee contributions.

Additionally, the County reports the following fund types:

Fiduciary:

Private-Purpose Trust funds are used to report trust arrangements other than pension or investment trusts, under which principal and income benefit individuals, private organizations, or other governments. The County reports two private-purpose trust funds, the Social Welfare Fund which accounts for the activity related to income received and payments made on behalf of individuals for whom the County is responsible to assist and the Henkemeyer Trust which accounts for money held for potential environmental remediation at a local privately owned landfill.

Custodial funds are custodial in nature. These funds are used for a variety of purposes such as: to account for the collection and disbursement of taxes on behalf of local governments within the County; as an agent for a collaborative, a child protection team, a regional meeting fund, and estate recoveries; as an agent for an adult mental health delivery system organization, as an agent for various state revenue payments, as an agent for the building official and sheriff investigation funds, and as an agent for the inmates of the Benton County Jail.

C. Measurement Focus and Basis of Accounting

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

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Benton County considers all revenues to be available if they are collected within 90 days after the end of the current period, with the exception of property taxes and special assessments which are considered to be available if collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, subscription liability, lease liability, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Issuances of general long-term debt and acquisitions under leases are reported as other financing sources.

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

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

1. Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and all cash and investments with an original maturity of three months or less.

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor-Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2023, based on market prices. Investment earnings are allocated to the Miscellaneous Special Revenue Fund based on cash balances set aside for specific purposes within that fund. Pursuant to Minnesota Statutes §385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2023 were a gain of \$2,015,638, based on fair market value as of December 31, 2023.

Benton 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 Minnesota Statutes §471.59. The investment in the pool is measured at amortized cost.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Receivables and Payables

Activity between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

All other outstanding balances between funds are reported as “due to/from other funds.”

Loans receivable in the Economic Development Fund consist of operating loans to businesses and are offset by an allowance for doubtful accounts of \$7,983. The County develops an estimate of this allowance based on specific identification.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due October 15.

Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable. No provision has been made for an estimated uncollectible amount.

Special assessments receivable consists of delinquent special assessments payable in the years 2018 through 2023, and noncurrent special assessments payable in 2023, and after. No provision has been made for an estimated uncollectible amount. Significant portions of special assessments receivable are not expected to be collected within one year due to the nature of the receivable.

4. Prepaid Items

The Road and Bridge Special Revenue fund has prepaid supplies held for consumption.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. In the case of initial capitalization of infrastructure, the County retroactively implemented the reporting of this item when GASB Statement No. 34 was implemented. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for all capital assets, except for buildings and infrastructure, which use a threshold of \$25,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

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

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

Assets	Years
Buildings	50
Land Improvements	20
Public Domain Infrastructure	15-35
Machinery, Vehicles, Furniture, and Equipment	5-20

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

Subscription-based information technology arrangements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated paid-time-off (PTO) balances or vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The current portion is equal to 5% of the ending compensated absences balance based on historical trends. The noncurrent portion consists of the remaining amount of PTO or vacation and sick leave.

The compensated absences liability is generally liquidated in the General Fund and applicable Special Revenue Funds.

7. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period. The County will not recognize the related outflow until a future event occurs. More detailed information about pension related deferred outflows of resources can be found in Note 5 to the financial statements and more information about other postemployment benefit related deferred outflows of resources can be found in Note 7 to the financial statements.

8. Deferred Inflows of Resources

The County's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund balance that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has three types of items. The first type of deferred inflows of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the County's year for property taxes and special assessments and 90 days after the end of the County's year for all other revenues) under the modified accrual basis of accounting. The second type relates to pension benefits as described in Note 5 to the financial statements. The third type relates to other postemployment benefits as described in Note 7 to the financial statements. These inflows arise only under the full accrual basis of accounting and are reported only in the statement of net position.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Unearned Revenue

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

10. Long-Term Obligations

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

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

11. Other Postemployment Benefits Liability (OPEB Liability)

For the purposes of measuring the OPEB liability, deferred outflows of resources related to OPEB, deferred inflows of resources related to OPEB, and OPEB expense, information about the OPEB Plan and additions to/deductions from the Plan have been determined on the same basis as they were reported to the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit term. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The OPEB liability is generally liquidated in the General Fund and applicable Special Revenue Funds.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. 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. 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.

The pension liability is generally liquidated in the General Fund and applicable Special Revenue Funds.

13. Classification of Net Position

In the government-wide and proprietary fund financial statements, net position is classified as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets is the amount of net position representing capital assets, net of accumulated depreciation/amortization, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets. Restricted net position is the amount of net position for which there are external restrictions of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the amount of net position that does not meet the definition of restricted or net investment in capital assets.

14. Classification of Fund Balances

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance relate to prepaids and long-term receivables, as applicable, which cannot be spent because they are not in spendable form. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the board of commissioners. The County Administrator is delegated to assign fund balances and their intended uses. Unassigned fund balance is the residual classification for the County's General Fund and includes all spendable amounts not contained in other classifications. Unassigned also includes deficit balances in other governmental funds.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Classification of Fund Balances (Continued)

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, it is the County's policy to use restricted first, and then unrestricted net position. When an expenditure is incurred for purposes for which restricted, committed, assigned, and unassigned amounts are available, it is the County's policy to use restricted amounts first, then committed amounts, then assigned amounts, and finally unassigned amounts.

It is the County's policy that at the end of each fiscal year to maintain an unrestricted portion of the fund balance of no less than five months of operating expenditures in the General, Road and Bridge, and Human Services Funds.

15. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

16. Adoption of New Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The County adopted the requirements of the guidance effective January 1, 2023, and has applied the provisions of this standard to the beginning of the period of adoption. Beginning fund balance/net position was not restated due to the implementation of GASB 96. The implementation of this standard resulted in the County reporting right-to-use assets and a subscription liability as disclosed in Note 3.A.3. and Note 3.D.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. Deficit Fund Balance

The Ditch Special Revenue Fund had a deficit fund balance of \$1,761,653 as of December 31, 2023, which consisted of eleven ditches with deficit balances. There were two ditches with no fund balance. The Ditch Fund's deficit will be eliminated with future special assessment revenue.

The Boundary Commission Fund had a deficit fund balance of \$13,736 as of December 31, 2023. The Boundary Commission's deficit will be eliminated with future tax revenue.

The following funds had expenditures in excess of budget at the departmental level for the year ended December 31, 2023:

Fund	Function	Expenditures	Budget	Excess
General	Current:			
	General Government:			
	Commissioners	\$ 298,020	\$ 291,864	\$ 6,156
	Other Outside Agencies	185,189	183,027	2,162
	Other General Government	1,060,171	994,039	66,132
	Public Safety:			
	Emergency Management	131,416	112,122	19,294
	Prisoner Custodial	4,115,961	4,028,690	87,271
	Capital Outlay			
	Public Safety	354,697	282,500	72,197
	Debt Service:			
	Principal	129,101	-	129,101
Special Revenue Funds:				
Road and Bridge	Capital Outlay:			
	Highways and Streets	13,170,211	11,656,556	1,513,655
Human Services	Current:			
	Health:			
	Nursing Service	1,639,546	1,527,925	111,621
	Debt Service:			
	Principal	83,254	-	83,254

The additional expenditures were financed by greater than anticipated grant revenues, greater than anticipated tax revenues, existing fund balance, and other additional revenues.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

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

Government-Wide Statement of Net Position

Governmental Activities:

Cash and Pooled Investments	\$ 42,887,809
Petty Cash and Change Funds	2,800
<hr/>	
Statement of Fiduciary Net Position	
Cash and Pooled Investments	<u>1,240,094</u>
Total Cash and Investments	<u><u>\$ 44,130,703</u></u>

a. Deposits

Minnesota Statutes §§ 118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. Minnesota Statutes §118A.03 requires that all County deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least 10% more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

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

Custodial Credit Risk – 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 it. It is the County's policy to obtain collateral or bonds for all uninsured amounts on deposit, and to obtain necessary documentation to show compliance with state law and a perfected security interest under federal law. As of December 31, 2023, none of the County's deposits were exposed to custodial credit risk.

**BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

b. Investments

Minnesota Statutes §§118A.04 and 118A.05 generally authorize the following types of investments as available to the County:

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

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County does not have a formal policy to manage its exposure to interest rate risk.

Credit Risk

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

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

b. Investments (Continued)

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. It is the County's policy to have all of its investments that are held by brokers covered 100% by SIPC.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. The County places a limit on investing to no more than 25% of total County investments in one type of security.

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

	Credit Risk		Concentration Risk Over 5 Percent of Portfolio	Interest Rate Risk Maturity Date	Carrying (Fair) Value
	Credit Rating	Rating Agency			
Negotiable Certificates of Deposit			56.1%*	N/A	\$ 16,152,743
U.S. Government Agency Securities:					
Federal Home Loan Bank	AAA	Moody	<5.0%	2/18/2026	228,044
Federal Home Loan Bank	AAA	Moody	<5.0%	2/25/2026	222,744
Federal Home Loan Bank	AAA	Moody	<5.0%	3/16/2026	429,548
Federal Home Loan Bank	AAA	Moody	<5.0%	3/30/2026	421,799
Federal Home Loan Bank	AAA	Moody	<5.0%	4/14/2026	188,140
Federal Home Loan Bank	AAA	Moody	<5.0%	6/15/2026	463,432
Federal Home Loan Bank	AAA	Moody	<5.0%	7/29/2026	417,584
Federal Home Loan Bank	AAA	Moody	<5.0%	8/19/2026	413,356
Federal Home Loan Bank	AAA	Moody	<5.0%	9/30/2026	227,490
Federal Home Loan Bank	AAA	Moody	<5.0%	11/18/2024	238,767
Total Federal Home Loan Bank					3,250,904
Federal Home Loan Mortgage Corporation	AAA	Moody	<5.0%	6/28/2024	478,186
U.S. Treasury Note	AAA	Moody	17.1%	3/7/2024	4,918,350
Investment Pools/Mutual Funds:					
MAGIC Fund	N/R	N/A	50.8%*	N/A	8,920,015
Total Investments					33,720,198
Deposits					10,407,705
Petty Cash					2,800
Total Deposits and Investments					\$ 44,130,703

N/A - Not Applicable

N/R - Not Rated

<5.0% - Concentration is Less than 5% of Investments

* No individual issuer in excess of 5%

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

c. Fair Value Measure

The County uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The County follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the County has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial asset and liabilities are valued using inputs that are adjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

c. Fair Value Measure (Continued)

Assets measured at fair value on a recurring basis:

Type	Level 1	Level 2	Level 3	Total
Investments by Fair Market Value:				
Federal Home Loan Mortgage Corporation	\$ -	\$ 478,186	\$ -	\$ 478,186
Federal Home Loan Bank	-	3,250,904	-	3,250,904
Negotiable Certificates of Deposit	-	16,152,743	-	16,152,743
Government Bonds	-	4,918,350	-	4,918,350
Total Investments at Fair Market Value	<u><u>\$ -</u></u>	<u><u>\$ 24,800,183</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,800,183</u></u>
Investments Measured at Amortized Cost:				
MAGIC Fund:				8,920,015
Deposits				10,407,705
Petty Cash				2,800
Total Deposits and Investments				<u><u>\$ 44,130,703</u></u>

The County invests in the MAGIC Fund external local government investment pool which is quoted at amortized cost. The County invests in this pool for the purpose of the joint investment of the County's money with those other counties to enhance the investment earnings accruing to each member. The MAGIC portfolio is valued using amortized cost. Shares of the MAGIC portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The MAGIC Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a portfolio's securities or determination of its net asset value not reasonably practical.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

2. Receivables

Receivables as of December 31, 2023, for the County's governmental activities are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Taxes - Delinquent	\$ 78,074	\$ -
Special Assessments - Delinquent	22,757	-
Special Assessments - Noncurrent	1,737,667	-
Accounts	1,139,089	903,275
Accrued Interest	344,298	-
Due from Other Governments	4,075,024	-
Loans (Net)	513,066	197,437
Total Governmental Activities	\$ 7,909,975	\$ 1,100,712

Loans receivables relate to the amount of operating loans given to local businesses by the Economic Development Fund anticipated to be collected as part of the County's development programs. Loans receivable are offset by an allowance for doubtful accounts. The County developed an estimate of this allowance based on specific identifications. Loans receivables also relate to a loan given to the MH Initiative Community Project Custodial Fund by the General Fund to eliminate negative cash balances. The \$903,275 not scheduled to be collected during the subsequent year in Accounts relates to the National Opioid Epidemic Settlement receivable the County participated in. The County will receive these funds over a period of the next 16 years. All other receivables are considered collectible in full.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance*	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 3,805,393	\$ -	\$ -	\$ 3,805,393
Infrastructure, Right-of-Way	16,193,663	133,878	-	16,327,541
Construction-in-Progress	392,653	14,069,591	13,374,613	1,087,631
Total Capital Assets, not Being Depreciated	20,391,709	14,203,469	13,374,613	21,220,565
Capital Assets being Depreciated/Amortized:				
Buildings	20,323,439	500,113	5,053	20,818,499
Land Improvements	493,077	35,238	-	528,315
Machinery, Vehicles, Furniture, and Equipment	12,503,310	296,066	171,177	12,628,199
Infrastructure	149,584,705	13,374,613	-	162,959,318
Right-to-Use Assets, Buildings	327,935	-	-	327,935
Right-to-Use Assets, Machinery, Vehicles, Furniture, and Equipment	134,243	-	8,812	125,431
Subscription Assets	497,551	-	-	497,551
Total Capital Assets Being Depreciated/Amortized	183,864,260	14,206,030	185,042	197,885,248
Less Accumulated Depreciation/Amortization for:				
Buildings	10,783,381	441,421	5,053	11,219,749
Land Improvements	230,870	21,910	-	252,780
Machinery, Vehicles, Furniture, and Equipment	8,537,019	764,629	169,827	9,131,821
Infrastructure	83,865,606	5,460,394	-	89,326,000
Right-to-Use Assets, Buildings	73,340	73,341	-	146,681
Right-to-Use Assets, Machinery, Vehicles, Furniture, and Equipment	13,127	30,316	8,812	34,631
Subscription Assets	-	194,246	-	194,246
Total Accumulated Depreciation/Amortization	103,503,343	6,986,257	183,692	110,305,908
Total Capital Assets, Depreciated/Amortized, Net	80,360,917	7,219,773	1,350	87,579,340
Governmental Activities Capital Assets, Net	<u>\$ 100,752,626</u>	<u>\$ 21,423,242</u>	<u>\$ 13,375,963</u>	<u>\$ 108,799,905</u>

* The beginning balance of capital assets were restated to record right-to-use assets due to the implementation of GASB Statement No. 96.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets (Continued)

Depreciation/amortization expense was charged to functions/programs of the Primary Government as follows:

Governmental Activities:

General Government	\$ 422,517
Public Safety	494,999
Highway and Streets	5,906,737
Health	8,876
Human Services	119,468
Culture and Recreation	33,660
Total	<u>\$ 6,986,257</u>

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2023 is as follows:

1. Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Human Services Fund	\$ 9,024
	Ditch Fund	892,068
	Other Governmental Funds	13,736
Total Due to General Fund		<u>914,828</u>
Road and Bridge Fund	General Fund	6,607
	Miscellaneous Fund	66
Total Due to Road and Bridge Fund		<u>6,673</u>
Miscellaneous Fund	General Fund	1,650
Capital Projects Fund	General Fund	9,501
Total		<u>\$ 932,652</u>

The due from other funds above relate to: (1) payment of legal fees from the Human Services Fund; (2) to eliminate negative pooled cash from the Ditch Fund and Boundary Commission Fund; (3) payment for fuel for the Road and Bridge Fund; (4) allocation of 2023 interest for the Capital Projects Fund; and (5) allocation of 2023 interest for the Miscellaneous Fund.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Interfund Receivables, Payables, and Transfers (Continued)

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2023 consisted of the following:

Interfund Transfer	Amount	Description
Transfer to General Fund from:		
Miscellaneous Fund	\$ 5,511	To cover assessor's web costs
Miscellaneous Fund	7,110	Transfer from chemical dependency
Miscellaneous Fund	42,365	From permit to carry account to cover administration expenditures
	<u>54,986</u>	
Transfer to Road and Bridge Fund from:		
Capital Projects Fund	8,947,664	To record budgeted transfer
Ditch Fund	<u>19,747</u>	To reimburse for ditch cleaning
	<u>8,967,411</u>	
Transfer to Miscellaneous Fund from:		
General Fund	29,853	Transfer to major trial expense
General Fund	35,000	County board contingency
Road and Bridge Fund	1,000	To fund pictometry
Capital Projects	<u>3,701</u>	To fund pictometry
	<u>69,554</u>	
Transfer to Capital Projects Fund from:		
Road and Bridge Fund	330,000	Budgeted transfer
Miscellaneous Fund	10,000	Budgeted transfer
	<u>340,000</u>	
Total	<u>\$ 9,431,951</u>	

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Interfund Receivables, Payables, and Transfers (Continued)

3. Advances to/from Other Funds

Advances made from/to other funds for the year ended December 31, 2023 consisted of the following:

Receivable Fund	Payable Fund	Amount
General	Ditch	\$ 70,702
Miscellaneous	Roads and Bridge	<u>1,083,355</u>
Total		<u><u>\$ 1,154,057</u></u>

The advance from the General Fund to the Ditch fund is for cash flow purposes. The balance is expected to be liquidated with special assessments over the next 14 years. The advance from the Miscellaneous Fund to the Roads and Bridges fund was for a loan to purchase a gravel pit to be used in future Highway Department projects. The Highway Department previously purchased gravel for their projects from outside vendors, and the loan will be liquidated through those previously budgeted expenditures.

C. Deferred Inflows of Resources

Deferred inflows of resources in the governmental funds consist of special assessments, taxes, grant, and loan receivables that are not collected soon enough after year-end to pay liabilities of the current year. Deferred inflows at December 31, 2023 are summarized below by fund:

	Special Assessments	Delinquent Taxes	Grants	Loans	Other	Total
Major Governmental Funds:						
General	\$ 11,786	\$ 40,678	\$ -	\$ -	\$ -	\$ 52,464
Road and Bridge	-	9,962	1,453,198	-	-	1,463,160
Human Services	-	27,434	50,749	-	-	78,183
Miscellaneous	1,678,437	-	-	-	-	1,678,437
Opioid Remediation	-	-	-	-	990,784	990,784
Capital Projects Fund	-	-	29,562	-	-	29,562
Ditch Fund	70,201	-	-	-	-	70,201
Total Major Governmental Funds	<u>1,760,424</u>	<u>78,074</u>	<u>1,533,509</u>	<u>-</u>	<u>990,784</u>	<u>4,362,791</u>
Other Governmental Funds	-	-	-	391,214	-	391,214
Deferred Inflows of Resources	<u><u>\$ 1,760,424</u></u>	<u><u>\$ 78,074</u></u>	<u><u>\$ 1,533,509</u></u>	<u><u>\$ 391,214</u></u>	<u><u>\$ 990,784</u></u>	<u><u>\$ 4,754,005</u></u>

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Liabilities

1. Long-Term Debt

Governmental Activities

Types of Indebtedness	Maturity Date	Installment Amounts	Interest Rates (%)	Original Issue Amount	Outstanding Balance December 31, 2023
2021A G.O. Tax Abatement Refunding Bonds	2030	\$205,000- \$370,000	2.00-3.00	<u>\$ 2,300,000</u>	\$ 2,095,000
Add: Unamortized Bond Premium					139,162
Total General Obligation Bonds, Net					<u>\$ 2,234,162</u>

The County entered into a lease liability agreement for copiers in November 2022 for 60 months. The County also has lease liability agreements for two buildings (one of which ends in 2024 and the other in 2029) and a three postage related machines (two of which ended in 2023 and the other ends in 2024).

The County has eight subscription-based information technology arrangements (SBITA). Four of the SBITA's end in 2024 and the other four end in 2025. All were entered into prior to January 1, 2023 GASB 96 implementation.

2. Debt Service Requirements

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

Governmental Activities

Year Ending December 31,	General Obligation Bonds		Lease Liability	
	Principal	Interest	Principal	Interest
2024	\$ 240,000	\$ 55,550	\$ 100,331	\$ 5,933
2025	255,000	48,125	43,584	4,238
2026	275,000	40,175	45,450	3,084
2027	300,000	31,550	43,358	1,891
2028	315,000	22,325	24,877	1,041
2029-2030	710,000	16,200	26,361	334
Total	<u>\$ 2,095,000</u>	<u>\$ 213,925</u>	<u>\$ 283,961</u>	<u>\$ 16,521</u>

Year Ending December 31	Subscription Liability	
	Principal	Interest
2024	\$ 166,497	\$ 4,742
2025	3,000	-
Total	<u>\$ 169,497</u>	<u>\$ 4,742</u>

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Liabilities (Continued)

3. Changes in Long-Term Liabilities

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

Governmental Activities

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 2,650,000	\$ -	\$ 555,000	\$ 2,095,000	\$ 240,000
Bond Premium	182,254	-	43,092	139,162	-
Total Bonds Payable	<u>2,832,254</u>	<u>-</u>	<u>598,092</u>	<u>2,234,162</u>	<u>240,000</u>
Compensated Absences	3,382,292	3,269,159	2,633,504	4,017,947	200,897
Lease Liability	383,325	-	99,364	283,961	100,331
Subscription Liability	283,630	-	114,133	169,497	166,497
Governmental Activity					
Long-Term Liabilities	<u>\$ 6,597,871</u>	<u>\$ 3,269,159</u>	<u>\$ 3,330,960</u>	<u>\$ 6,705,567</u>	<u>\$ 541,228</u>

*The beginning balance of long-term liabilities were restated due to the implementation of GASB Statement No. 96.

Compensated absences are typically liquidated in the General Fund and applicable Special Revenue Funds. Bonds payable is liquidated in the Debt Service Fund.

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

Right-to-Use, Building	\$ 327,935
Right-to-Use, Machinery, Vehicles, Furniture, and Equipment	125,431
Less: Accumulated Amortization	(181,312)
Total	<u>\$ 272,054</u>

Subscription assets acquired through outstanding SBITA's are shown below.

Subscription Assets	\$ 497,551
Less: Accumulated Amortization	(194,246)
Total	<u>\$ 303,305</u>

4. Construction Commitments

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

Project Description	Spent-to-Date	Remaining Commitment
County Road Projects	<u>\$ 19,857,888</u>	<u>\$ 668,411</u>

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 FUND BALANCES

At December 31, 2023, portions of the County's fund balance are not available for appropriation due to legal restrictions (Restricted), County board action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

	General Fund	Road and Bridge Fund	Human Services Fund	Miscellaneous Fund	Opioid Remediation
Nonspendable:					
Advances to Other Funds	\$ 70,702	\$ -	\$ -	\$ -	\$ -
Prepaid Items	286,519	249,940	64,603	80,059	-
Total Nonspendable	357,221	249,940	64,603	80,059	-
Restricted:					
Law Library	-	-	-	76,278	-
E-911	-	-	-	777,793	-
Probation Restricted Funds	-	-	-	30,416	-
SCORE Grant	-	-	-	297,906	-
Outreach Grant	-	-	-	6,196	-
Aquatic Invasive Species Grant	-	-	-	106,204	-
Recorders' Equipment	-	-	-	142,558	-
Solid Waste Contingency	-	-	-	3,130,151	-
Forfeitures	-	-	-	15,595	-
Permit to Carry Guns	-	-	-	1,000	-
Park Dedication Fees	-	-	-	53,114	-
Medical Assistance Unwinding Funds	-	229,925	-	-	-
Opioid Remediation	-	-	-	-	349,090
Health Partners Grant	-	62,086	-	-	-
Gravel Pit Closure Costs	-	-	-	-	-
Economic Development Loan Program	-	-	-	-	-
Debt Service	-	-	-	-	-
Public Safety Aid	-	-	-	-	-
Bonded Construction Projects	-	-	-	-	-
Total Restricted	-	-	292,011	4,637,211	349,090
Committed:					
Attorney Contingent	-	-	-	5,000	-
Attorney Forfeitures	-	-	-	14,340	-
Sheriff Contingent	-	-	-	12,500	-
Major Trial Expense	-	-	-	21,000	-
Motor Pool	-	-	-	62,372	-
K-9 Program	-	-	-	24,654	-
NextGen911 PSAP Grant	-	-	-	60,378	-
Jail Inmate Capital Expenditures	-	-	-	119,221	-
Juvenile Work Crew	-	-	-	2,545	-
Juvenile Diversion Program	-	-	-	21,603	-
Police Activities League	-	-	-	523	-
Emergency Management Donations	-	-	-	559	-
County Board Contingency	-	-	-	193,099	-
Elections Equipment	-	-	-	32,582	-
Technology	-	-	-	321,902	-
Future Construction Projects	-	-	-	-	-
Total Committed	-	-	-	892,278	-
Assigned:					
Miscellaneous Fund Operations	-	-	-	1,083,355	-
Road and Bridge Operations	-	348,937	-	-	-
Health and Human Services Programs	-	-	7,556,306	-	-
Total Assigned	-	348,937	7,556,306	1,083,355	-
Unassigned					
	9,903,620	-	-	-	-
Total Fund Balances	\$ 10,260,841	\$ 598,877	\$ 7,912,920	\$ 6,692,903	\$ 349,090

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 FUND BALANCES (CONTINUED)

	Debt Service Fund	Capital Projects Fund	Ditch Fund	Other Governmental Funds	Total Funds
Nonspendable:					
Advances to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 70,702
Prepaid Items	417	22,127	-	-	703,665
Total Nonspendable	417	22,127	-	-	774,367
Restricted:					
Law Library	-	-	-	-	76,278
E-911	-	-	-	-	777,793
Probation Restricted Funds	-	-	-	-	30,416
SCORE Grant	-	-	-	-	297,906
Outreach Grant	-	-	-	-	6,196
Aquatic Invasive Species Grant	-	-	-	-	106,204
Recorders' Equipment	-	-	-	-	142,558
Solid Waste Contingency	-	-	-	-	3,130,151
Forfeitures	-	-	-	-	15,595
Permit to Carry Guns	-	-	-	-	1,000
Park Dedication Fees	-	-	-	-	53,114
Medical Assistance Unwinding Funds	-	-	-	-	229,925
Opioid Remediation	-	-	-	-	349,090
Health Partners Grant	-	-	-	-	62,086
Gravel Pit Closure Costs	-	-	-	274,703	274,703
Economic Development Loan Program	-	-	-	879,294	879,294
Debt Service	2,259,600	-	-	-	2,259,600
Public Safety Aid	-	815,814	-	-	815,814
Bonded Construction Projects	-	512,142	-	-	512,142
Total Restricted	2,259,600	1,327,956	-	1,153,997	10,019,865
Committed:					
Attorney Contingent	-	-	-	-	5,000
Attorney Forfeitures	-	-	-	-	14,340
Sheriff Contingent	-	-	-	-	12,500
Major Trial Expense	-	-	-	-	21,000
Motor Pool	-	-	-	-	62,372
K-9 Program	-	-	-	-	24,654
NextGen911 PSAP Grant	-	-	-	-	60,378
Jail Inmate Capital Expenditures	-	-	-	-	119,221
Juvenile Work Crew	-	-	-	-	2,545
Juvenile Diversion Program	-	-	-	-	21,603
Police Activities League	-	-	-	-	523
Emergency Management Donations	-	-	-	-	559
County Board Contingency	-	-	-	-	193,099
Elections Equipment	-	-	-	-	32,582
Technology	-	-	-	-	321,902
Future Construction Projects	-	7,843,996	-	-	7,843,996
Total Committed	-	7,843,996	-	-	8,736,274
Assigned:					
Miscellaneous Fund Operations	-	-	-	-	1,083,355
Road and Bridge Operations	-	-	-	-	348,937
Health and Human Services Programs	-	-	-	-	7,556,306
Total Assigned	-	-	-	-	8,988,598
Unassigned					
	-	-	(1,761,653)	(13,736)	8,128,231
Total Fund Balances	\$ 2,260,017	\$ 9,194,079	\$ (1,761,653)	\$ 1,140,261	\$ 36,647,335

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS

A. Plan Description

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

1. General Employees Retirement Plan

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

2. Public Employees Police and Fire Plan

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

3. Local Government Correctional Plan

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

B. 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.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Plan Benefits

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

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

2. Police and Fire Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase 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 reduced prorated increase.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

3. Correctional Plan Benefits

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

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

C. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2023 were \$1,356,658. The County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2023 were \$480,800. The County's contributions were equal to the required contributions as set by state statute.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Contributions (Continued)

3. Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2022 and the County was required to contribute 8.75% for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2023 were \$315,622. The County's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2023, the County reported a liability of \$9,422,331 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$259,824.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1685% at the end of the measurement period and 0.1697% for the beginning of the period.

County's Proportionate Share of the Net Pension Liability	\$ 9,422,331
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the County	<u>259,824</u>
Total	<u><u>\$ 9,682,155</u></u>

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

For the year ended December 31, 2023, the County recognized pension expense of \$1,682,574 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$1,168 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.

At December 31, 2023, 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:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 309,433	\$ 64,909
Changes in Actuarial Assumptions	1,525,344	2,582,582
Net Difference Between Projected and Actual Investment Earnings	-	352,363
Changes in Proportion	357,039	54,368
Contributions Paid to PERA Subsequent to the Measurement Date	525,347	-
Total	<u>\$ 2,717,163</u>	<u>\$ 3,054,222</u>

The \$525,347 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	Pension Expense Amount
2024	\$ 423,077
2025	(1,282,948)
2026	201,867
2027	(204,402)

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs

At December 31, 2023, the County reported a liability of \$2,930,498 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1697% at the end of the measurement period and 0.1751% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$118,086.

County's Proportionate Share of the Net Pension Liability	\$ 2,930,498
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the County	<u>118,086</u>
Total	<u>\$ 3,048,584</u>

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2023, the County recognized pension expense of \$873,524 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized (\$7,112) 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.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County recognized \$15,273 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 808,037	\$ -
Changes in Actuarial Assumptions	3,400,606	4,120,316
Net Difference Between Projected and Actual Investment Earnings	-	140,678
Changes in Proportion	92,635	100,347
Contributions Paid to PERA Subsequent to the Measurement Date	211,215	-
Total	\$ 4,512,493	\$ 4,361,341

The \$211,215 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	Pension Expense Amount
2024	\$ 164,002
2025	15,828
2026	699,867
2027	(199,256)
2028	(740,504)

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

3. Correctional Plan Pension Costs

At December 31, 2023, the County reported a liability of \$428,092 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension asset was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.947% at the end of the measurement period and 0.915% for the beginning of the period.

For the year ended December 31, 2023, the County recognized pension expense of \$353,533 for its proportionate share of the Correctional Plan's pension expense.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 164,879	\$ 37,589
Changes in Actuarial Assumptions	1,019,312	1,953,005
Net Difference Between Projected and Actual Investment Earnings	-	54,701
Changes in Proportion	28,651	1,631
Contributions Paid to PERA Subsequent to the Measurement Date	107,871	-
Total	\$ 1,320,713	\$ 2,046,926

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

3. Correctional Plan Pension Costs (Continued)

The \$107,871 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an addition of the net pension asset in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 10,380
2025	(1,016,547)
2026	217,262
2027	(45,179)

E. Summary

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

<u>Description</u>	<u>General Employees Fund</u>	<u>Police and Fire Fund</u>	<u>Correctional Fund</u>	<u>Total</u>
Net Pension Liability	\$ 9,422,331	\$ 2,930,498	\$ 428,092	\$ 12,780,921
Deferred Outflows of Resources				
Related to Pensions	2,717,163	4,512,493	1,320,713	8,550,369
Deferred Inflows of Resources				
Related to Pensions	3,054,222	4,361,341	2,046,926	9,462,489
Pension Expense	1,683,742	881,685	353,533	2,918,960

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. 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
Private Markets	25.0	5.90
Fixed Income	25.0	0.75
Totals	<u><u>100.0 %</u></u>	

G. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan, Police and Fire Plan, and the Correctional Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan, 1.0% for the Police and Fire Plan, and 2.0% 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.

**BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Actuarial Assumptions (Continued)

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

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

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% 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.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Actuarial Assumptions (Continued)

Correctional Fund

Changes in Actuarial Assumptions:

- The investment return rate was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.42% to 7.00%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.50% 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 2.50%. The maximum increase is 1.50% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

H. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.00%. 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.

I. Pension Liability Sensitivity

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

Proportionate Share of the Net Pension Liability						
	General Employees		Police and Fire		Correctional	
	Retirement Plan		Retirement Plan		Retirement Plan	
	Discount	Net Pension	Discount	Net Pension	Discount	Net Pension
	Rate	Liability	Rate	Liability	Rate	Liability (Asset)
1% Decrease	6.00 %	\$ 16,668,861	6.00 %	\$ 5,814,458	6.00 %	\$ 2,256,521
Current	7.00	9,422,331	7.00	2,930,498	7.00	428,092
1% Increase	8.00	3,461,785	8.00	559,498	8.00	(1,030,762)

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS (CONTINUED)

J. Pension Plan Fiduciary Net Position

Detailed information about the 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.

NOTE 6 DEFINED CONTRIBUTION PLAN

Four board members are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

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

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

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 9,365	\$ 9,365	5 %	5 %	5 %

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 OPEB DISCLOSURE

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured defined benefit plan. The County provides benefits for retirees as required by Minnesota Statutes §471.61 subdivision 2b. Active employees who retire from the County when eligible to receive a retirement benefit from PERA (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program. Pursuant to the provisions of the plan, retirees are required to pay 100% of the total premium cost, except for certain public safety employees who were injured in the line of duty and the County is obligated to pay their insurance. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. As of the January 1, 2022 valuation, there were 31 inactive employees receiving health benefits from the County's health plan. The County has no active employees or inactive employees entitled to but not receiving benefits.

A. Funding Policy

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

B. Actuarial Methods and Assumptions

The County's OPEB liability was measured as of January 1, 2023, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2022. The January 1, 2022 valuation was rolled forward to the January 1, 2023 measurement date.

The total OPEB liability was measured as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary	Service Graded Table
Health Care Trend Rates	6.25% Decreasing to 5.00% over 5 Years then to 4.00% Over 48 Years

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 OPEB DISCLOSURE (CONTINUED)

B. Actuarial Methods and Assumptions (Continued)

Mortality rates were based on the Pub-2010 public retirement plans headcount-weighted mortality tables (general, safety) with MP-2021 Generational Improvement Scale. The actuarial assumptions used in the January 1, 2022 valuation were based on the PERA actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The most recent four-year experience study for the Police and Fire Plan was completed in 2020.

The discount rate used to measure the total OPEB liability was 4.00%. The discount rate is equal to the 20-Year high quality, tax-exempt, general obligation municipal bonds as of the Measurement Date.

Since the most recent valuation, the following assumption changes have been made:

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

C. Changes to Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of January 1, 2023	\$ 1,725,003
Changes for the Year:	
Service Cost	73,680
Interest	34,943
Assumption Changes	(208,143)
Benefit Payments	(103,536)
Net Change in Total OPEB Liability	<u>(203,056)</u>
Balance as of December 31, 2023	<u>\$ 1,521,947</u>

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 OPEB DISCLOSURE (CONTINUED)

C. Changes to Total OPEB Liability (Continued)

Of the \$1,521,947 total OPEB liability, \$100,584 is due within one year. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	\$ 1,636,569	\$ 1,521,947	\$ 1,416,003

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.25% decreasing to 4.00% then 3.00%) or 1% higher (7.25% decreasing to 6.00% then 5.00%) than the current healthcare costs trend rates:

	1% Decrease (5.25% Decreasing to 4.00% then 3.00%)	Current Trend Rates (6.25% Decreasing to 5.00% then 4.00%)	1% Increase (7.25% Decreasing to 6.00% then 5.00%)
Medical Trend Rate			
Total OPEB Liability	\$ 1,376,527	\$ 1,521,947	\$ 1,690,983

For the year ended December 31, 2023, the County recognized OPEB expense of \$138,636. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 72,430	\$ 189,009
Liability Gain or Loss	181,224	-
County Contributions Subsequent to the Measurement Date	100,584	-
Total	\$ 354,238	\$ 189,009

\$100,584 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be amortized over 6 years and will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	OPEB Expense Amount
2024	\$ 30,013
2025	30,014
2026	35,308
2027	5,102
2028	(6,059)
Thereafter	(29,733)

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 RISK MANAGEMENT

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

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

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

On September 19, 2017, Benton County entered into a joint powers agreement with four counties (Lyon, Murray, Redwood, and Swift) and Southwest Health and Human Services to form the Minnesota Public Sector Collaborative to self-insure health insurance as of January 1, 2018. Currently, the County contracts with BlueCross BlueShield of Minnesota (BCBS) to administer employee and dependent group health coverage. Claims are paid by BCBS and reimbursed by the County on a weekly basis.

Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program. The County has retained risk up to a \$70,000 specific excess coverage per contract claim per year for all employees for the health plan. Liabilities of the fund are reported when it is probable that the loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount, as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 RISK MANAGEMENT (CONTINUED)

Changes in the balance of claims liabilities during the past two years are as follows:

	Year Ended December 31,	
	2023	2022
Unpaid Claims, Beginning of Year	\$ 242,436	\$ 432,100
Incurred Claims (including IBNR)	2,446,079	3,356,363
Claims Payments	(2,524,522)	(3,546,027)
Unpaid Claims, End of Year	<u>\$ 163,993</u>	<u>\$ 242,436</u>

NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS

A. Joint Ventures

Career Solutions

Career Solutions was created for the purpose of undertaking, implementing, and maintaining the programs established under the Job Training Partnership Act of 1982 and other federal and state laws and regulations governing the establishment and implementation of programs within the areas governed by Stearns and Benton Counties. The Council is an organized joint venture having the duties, powers, and privileges granted joint powers by Minnesota Statutes §471.59. The Council is governed by a Joint Powers Board and a Workforce Development Council. The Joint Powers Board is composed of two commissioners each from Stearns and Benton Counties and one Workforce Development Council member. The Workforce Development Council is composed of 24 members from local business, industry, agriculture, labor organizations, public or private education, and community service groups. Included in the Joint Powers board's duties and powers is the authority to approve the Council's budget and enter into any necessary contracts or leases.

Benton County pays a contractual amount through Human Services for its administrative costs, but the amounts contributed are considered immaterial. The County provided no funding in 2023. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Complete financial information can be obtained from:

Minnesota Workforce Center
1540 Northway Drive
St. Cloud, MN 56303

Tri-County Solid Waste Commission

The Tri-County Solid Waste Commission was established in July 1983 by a joint powers agreement among Benton, Sherburne, and Stearns Counties to conduct a solid waste management program on behalf of the participating counties. The Commission is an organized joint venture having the duties, powers, and privileges granted joint powers by Minnesota Statutes §471.59.

**BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

A. Joint Ventures (Continued)

Tri-County Solid Waste Commission (Continued)

The Commission is governed by a board of directors. Each member county is entitled to no less than two and no more than four of its own county commissioners on the board. Population of the member counties determines how many of their commissioners sit on the board. The board of directors currently comprises eight members: four county commissioners from Stearns County and two each from Benton and Sherburne Counties.

Each county's proportionate share of the net operating costs is based on the usage of the household hazardous waste facility and the solid waste picked up in each county. The County contributed \$36,068 during 2023. There is no accumulation of significant financial resources or fiscal stress related to this entity.

The Commission will remain in existence so long as two or more counties remain as parties to the agreement. Upon dissolution of the Commission, there will be an accounting to determine assets and liabilities. The assets of the Commission will be liquidated and, after payment of liabilities, the proceeds will be distributed to the member counties in the ratio that the total contributions made by each of them bears to the sum total of contributions made by all.

Separate financial information can be obtained from:

Tri-County Solid Waste Commission
3601 5th Street South
Waite Park, MN 56387

Central Minnesota Violent Offender Task Force

Benton, Morrison, Todd, Sherburne, and Stearns Counties and the Cities of Sartell, Sauk Rapids, Waite Park, St. Joseph, St. Cloud, and Little Falls have entered into a joint powers agreement to investigate, identify, and disrupt illegal drug and gang activity through multi-jurisdictional investigations in Central Minnesota. The Stearns County Sheriff's Office is the fiscal agent for the Central Minnesota Violent Offender Task Force. Members provide officers to the Task Force in lieu of appropriations. Benton County provided no funding to this organization in 2023. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Control of the Task Force is vested in a board of directors. The members of the board shall be the Sheriff of each member county, a county attorney from a member county as the legal advisor to the Task Force, the chief of police for the Little Falls Police Department, the chief of police for the City of St. Cloud, and one representative among the chiefs of police from the Cities of Sartell, Sauk Rapids, Waite Park, and St. Joseph, who shall be selected annually by a majority vote of the chiefs of police.

**BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

A. Joint Ventures (Continued)

Central Minnesota Violent Offender Task Force (Continued)

Separate financial information can be obtained from:

St. Cloud Police Department
101 11th Avenue North, P.O. Box 1616
St. Cloud MN 56303

Great River Regional Library

The Great River Regional Library operates under a joint powers agreement and according to the authority granted by Minnesota Statutes. The specific operating framework is set forth in a service agreement which has been entered into by each of the six members. The membership consists of Benton, Morrison, Stearns, Wright, Sherburne, and Todd Counties. The board of directors consists of 15 people. The Benton County Board of Commissioners has one representative on the Library board. The County's 2023 contribution to the Great River Regional Library of \$557,476 is included in the expenditures of the General Fund. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Separate financial information can be obtained from:

Great River Regional Library
1300 W. St. Germain Street
St. Cloud, MN 56301

Central Minnesota Emergency Medical Services

The Central Minnesota Emergency Medical Services Region was established in 2001, under Minnesota Statutes §471.59, to improve access, delivery, and effectiveness of the emergency medical services system; promote systematic and cost-effective delivery of services; and identify and address system needs within the member counties. The member counties are Benton, Cass, Chisago, Crow Wing, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, and Wright. The Region established a board comprising one commissioner from each county. The Region's board has financial responsibility, and Stearns County is the fiscal agent. The County had no contributions during 2023. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Complete financial information can be obtained from:

Central Minnesota Emergency Medical Services
Administration Center
705 Courthouse Square
St. Cloud, MN 56303-4701

**BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

A. Joint Ventures (Continued)

St. Cloud Area Planning Organization

The St. Cloud Area Planning Organization was created to keep governmental units and the general public informed and advised on all matters relative to the transportation planning, programming, and funding. The Council is an organized joint venture having the duties, powers, and privileges granted joint powers by Minnesota Statutes §471.59. The joint venture is governed by a Policy board, which is comprised of 11 local government member jurisdictions, as well as representatives from the Central Minnesota Transportation Alliance and St. Cloud Metro Bus. The Policy Board is responsible for adopting regional transportation plans, projects, and policies. The Policy Board consists of 43 voting members, 36 of which are elected officials from cities, counties, and townships. During 2023, the County contributed \$7,237 to the St. Cloud Area Planning Organization. There is no accumulation of significant financial resources or fiscal stress related to this entity. Complete financial statements can be obtained from:

St. Cloud Area Planning Organization
1040 County Road #4
St. Cloud, MN 56303

Central Minnesota Emergency Services Board

The Central Minnesota Regional Radio Board was established in 2007, under the authority conferred upon the member parties by Minn. Stat. §§ 471.59 and 403.39. As of June 1, 2011, the Central Minnesota Regional Radio Board changed its name to the Central Minnesota Emergency Services board. Members include the City of St. Cloud and the counties of Benton, Big Stone, Douglas, Grant, Kandiyohi, Meeker, Mille Lacs, Morrison, Otter Tail, Pope, Sherburne, Stearns, Stevens, Swift, Todd, Traverse, Wadena, Wilkin, and Wright.

The purpose of the Central Minnesota Emergency Services Board is to provide for regional administration of enhancements to the Statewide Public Safety Radio and Communication System (ARMER) owned and operated by the state of Minnesota.

The Central Minnesota Emergency Services Board is composed of one commissioner of each county appointed by their respective County Board and one City Council Member from each city appointed by their respective City Council, as provided in the Central Minnesota Emergency Service board's by-laws.

In the event of dissolution of the Central Minnesota Emergency Services board, all property, assets, and funds of the board shall be distributed to the parties of the agreement upon termination in direct proportion to their participation and contribution. Any city or county that has withdrawn from the agreement prior to termination of the board shall share in the distribution of property, assets, and funds of the board only to the extent they shared in the original expense.

**BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

A. Joint Ventures (Continued)

Central Minnesota Emergency Services Board (Continued)

The Central Minnesota Emergency Services Board has no long-term debt. Financing is provided by the appropriations from member parties and by state and federal grants. During 2023, Benton County contributed \$5,018 to the board. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Separate financial information can be obtained from:

Central Minnesota Emergency Services Board
City of St. Cloud
Office of the Mayor
City Hall
400 Second Street South
St. Cloud, MN 56301

Central Minnesota Economic Development 7w District

The Central Minnesota Economic Development 7w District Board was established in 2018 pursuant to Minnesota Statutes, §§ 471.59 for the purpose of coordinating and implementing economic development activities within the district. The member counties are Benton, Sherburne, Stearns, and Wright.

The Central Minnesota Economic Development 7w District Board is composed of two directors from each county who is a party to the agreement and one additional director from the private sector, representing the business community.

If the Joint Powers Board is terminated by the federal EDA, then the Parties shall institute a wind down plan.

The County had no contributions during 2023. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Complete financial information can be obtained from:

Central MN Jobs and Training
406 East 7th Street
P.O. Box 720
Monticello, MN 55362

**BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

A. Joint Ventures (Continued)

Central Minnesota Home Visiting Coalition

The Central Minnesota Home Visiting Coalition Board was established in 2019 pursuant to Minnesota Statutes, §§ 471.59 for the purpose of promoting public health including family health. The member counties are Benton, Sherburne, Stearns, and Wright.

The Central Minnesota Home Visiting Coalition Board is composed of one county board commissioner from each county who is a party to the agreement.

The County had no contributions during 2023. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Complete financial information can be obtained from:

Central Minnesota Home Visiting Coalition
Sherburne County
13880 Business Center Drive, Suite 100
Elk River, MN 55330

CommUNITY Adult Mental Health Initiative

The CommUNITY Adult Mental Health Initiative Board was established in 2013 pursuant to Minnesota Statutes, §§ 471.59 and 245.4661 for the purpose of establishing a mechanism to service persons with serious and persistent mental illness in the most clinically appropriate, person-centered, least restrictive, and cost-effective ways. The member counties are Benton, Sherburne, Stearns, and Wright.

The CommUNITY Adult Mental Health Initiative Board is composed of one county board commissioner from each county who is a party to the agreement, one consumer from the advisory group, one provider from the advisory group, and one member from the advisory group who is not employed by another party to the agreement. Benton County is the fiscal agent for the joint venture.

In the event of dissolution of the CommUNITY Adult Mental Health Initiative Board, all property, assets, and funds of the board shall be distributed to the parties of the agreement upon termination in accordance with the grantor agreement of the state of Minnesota or otherwise in direct proportion to the total population of the respective counties still member to the agreement as reported by the most recent census.

The County had no contributions during 2023. There is no accumulation of significant financial resources or fiscal stress related to this entity.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

A. Joint Ventures (Continued)

Stearns-Benton Multidisciplinary Child Protection Team

The Stearns-Benton Multidisciplinary Child Protection Team was established in 2022 pursuant to Minnesota Statute, §§ 626.556 for the purpose of protecting children whose health or welfare may be jeopardized through physical abuse, neglect or sexual abuse; as well as to strengthen the family and make the home safe for the children through improvement of parental and guardian capacity for responsible child care; and finally to provide a safe temporary or permanent home environment for physically or sexually abused children.

The Stearns-Benton Multidisciplinary Child Protection Team is composed of the following: Benton County Health and Human Services Director, Stearns County Health and Human Services Director, Benton County Attorney, Stearns County Attorney, Benton County Sheriff, Stearns County Sheriff, Stearns-Benton schools, Stearns-Benton law enforcement agencies, Central Minnesota Mental Health Center, physicians, Benton County Public Health nursing services, Stearns County Community Health services, and community representatives. The chair shall be a Benton or Stearns employee and shall rotate between the counties every two years.

The County contributed no funding during 2023. There is no accumulation of significant financial resources or fiscal stress related to this entity.

Benton County is the fiscal agent for the Stearns-Benton Multidisciplinary Child Protection Team.

Rum River Comprehensive Water Management Plan

The Rum River Watershed Partnership was established through a joint powers agreement, pursuant to Minn. Stat. §§ 471.59, to prepare, develop, adopt, implement, and administer a comprehensive local water management plan and carry out implementation actions, programs, and projects toward achievement of goals and objectives of such plans.

The joint powers are the Counties of Aitkin, Benton, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, and Sherburne, the Mille Lacs Band of Ojibwe, and the Soil and Water Conservation Districts of Aitkin, Anoka, Benton, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, and Sherburne Counties, and the Lower Rum River and Upper Rum River Watershed Management Organizations. Control of the Rum River Watershed Partnership is vested in a Board of Directors composed of one individual selected by each party. Each board member has one vote.

Anoka Soil and Water Conservation District is the fiscal agent for the Rum River Watershed Partnership. Funding is provided by grants and contributions from participating members. Benton County contributed no funding in 2023. There is no accumulation of significant financial resources or fiscal stress related to this entity.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

A. Joint Ventures (Continued)

Rum River Comprehensive Water Management Plan (Continued)

Separate financial information can be obtained from:

Anoka Soil and Water Conservation District
 1318 McKay Drive Northeast
 Ham Lake, Minnesota 55304

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 10 TAX ABATEMENTS

The County has multiple pay-as-you-go tax increment financing districts with local businesses pursuant to Minn. Stat. §§ 469.174-1799; one to promote economic development, two to promote housing districts for low to moderate income, and two to promote redevelopment. The County is currently collecting tax increments that are paid through the property tax collection processes. The requirement for businesses to receive the excess tax increments from the County is to perform improvements on the owned property. The increment taxes are based on the increase of the property value after the improvements are made. There are five TIF Districts that exist within Benton County boundaries which are listed below by city.

Purpose	Name	City	Percentage of Increment Collected to Be Returned	Decertification Date	Excess Tax Increment Paid During 2023
Economic Development	TIF District 1-9	Foley	91 %	12/31/25	\$ 68,653
Housing District for Low to Moderate Income	TIF District 1-8	Rice	99	12/31/38	31,778
Housing District for Low to Moderate Income	TIF District 1-8	Foley	51	12/31/39	4,332
Redevelopment	TIF District 82	St. Cloud	60	12/31/49	15,449
Redevelopment	TIF District 23	Sauk Rapids	92	12/31/41	113,226
Redevelopment	TIF District 5-6	Sartell	76	12/31/29	164,336

For the year ended December 31, 2023, the County paid excess tax increment in the amount of \$397,774. The County's tax revenues were reduced by \$330,448 during 2023.

BENTON COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 TAX ABATEMENTS (CONTINUED)

During 2021, the County entered into a tax abatement agreement with the Performance Food Group, Inc (the Company) along with the City of Rice, Minnesota dated May 3, 2021. In this agreement, the Company agreed to complete a two-phase project consisting of the acquisition, construction, and equipping of an expansion to a renovation of an existing manufacturing facility within the City of Rice. Pursuant to Minn. Stat. §§ 469.1812-1815 and §§ 116J.993-995, the City and County agreed to provide tax abatement assistance in order to assist in financing a portion of the costs of the project. The Company agrees that it intends to maintain the existing 175 full-time equivalent jobs at the existing facility, and create at least 22 additional full-time equivalent jobs with an average wage of \$45,000 per year during both phases of the project as it adds approximately 26,500 square feet to its facilities. The Tax Abatement program will exist for a period of up to 14 years beginning with the tax year 2023 through 2038. The phase one abatement will be determined by taking the County tax rate multiplied by the difference between the Net Tax Capacity of the property as improved by phase one project, less the Net Tax Capacity of the existing land. The phase two abatement will be determined by taking the County tax rate multiplied by the Net Tax Capacity of the property as improved by the phase two project. The County agreed to reimburse the Company for the costs of construction up to \$250,000 in semi-annual installments from 2023-2034 for phase one and \$150,000 in semi-annual installments from 2027-2038 for phase two pursuant to the terms of the tax abatement program. If the Company fails to maintain its agreed upon employment numbers they will be required to pay a penalty based on predetermined rates.

No other commitments were made by the County as part of these agreements.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

BENTON COUNTY, MINNESOTA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED
RATIOS, AND NOTES
LAST TEN FISCAL YEARS

	Measurement Date					
	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018
TOTAL OPEB LIABILITY						
Service Cost	\$ 73,680	\$ 99,966	\$ 105,005	\$ 87,961	\$ 60,559	\$ 64,133
Interest	34,943	31,643	42,367	44,760	37,893	36,202
Assumption Changes	(208,143)	3,540	78,095	58,986	(37,106)	-
Differences Between Expected and Actual Experience	-	162,240	-	152,464	-	-
Benefit Payments	(103,536)	(108,606)	(89,710)	(66,658)	(51,819)	(39,308)
Net Change in Total OPEB Liability	(203,056)	188,783	135,757	277,513	9,527	61,027
Total OPEB Liability - Beginning	<u>1,725,003</u>	<u>1,536,220</u>	<u>1,400,463</u>	<u>1,122,950</u>	<u>1,113,423</u>	<u>1,052,396</u>
Total OPEB Liability - Ending	<u>\$ 1,521,947</u>	<u>\$ 1,725,003</u>	<u>\$ 1,536,220</u>	<u>\$ 1,400,463</u>	<u>\$ 1,122,950</u>	<u>\$ 1,113,423</u>
Covered Employee Payroll	\$ 15,776,352	\$ 15,316,847	\$ 14,198,720	\$ 13,751,787	\$ 13,393,190	\$ 13,003,097
County's OPEB Liability as a Percentage of Covered Employee Payroll	10 %	11 %	11 %	10 %	8 %	9 %

Note 1: The County implemented GASB Statement No. 75 in 2018. The above table will be expanded to 10 years of information as the information becomes available.

Note 2: No assets are accumulated in a trust.

BENTON COUNTY, MINNESOTA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
DECEMBER 31, 2023

PERA GENERAL EMPLOYEES RETIREMENT PLAN

Measurement Date	Employer's Portion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability		State's Proportionate Share of the Net Pension	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		Employer's Portion of the Net Pension Liability	Share of the Net Pension Liability Associated with Benton County					
2023	0.169 %	\$ 9,422,331	\$ 259,824	\$ 9,682,155	\$ 17,718,322	53.18 %	83.10 %	
2022	0.170	13,440,296	394,085	13,834,381	12,712,470	105.73	76.70	
2021	0.159	6,794,283	207,536	7,001,819	11,890,370	57.14	87.00	
2020	0.155	9,292,958	286,598	9,579,556	11,054,615	84.06	79.06	
2019	0.150	8,304,222	258,155	8,562,377	10,634,199	78.09	80.20	
2018	0.156	8,637,598	283,316	8,920,914	10,463,459	82.55	79.53	
2017	0.156	9,978,089	125,502	10,103,591	10,075,256	99.04	75.90	
2016	0.160	13,169,836	171,984	13,341,820	10,791,851	122.04	68.91	
2015	0.162	8,312,760	-	8,312,760	9,915,678	83.83	78.19	

PERA PUBLIC EMPLOYEES POLICE AND FIRE

Measurement Date	Employer's Portion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability		State's Proportionate Share of the Net Pension	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		Employer's Portion of the Net Pension Liability	Share of the Net Pension Liability Associated with Benton County					
2023	0.170 %	\$ 2,930,498	\$ 118,086	\$ 3,048,584	\$ 2,664,254	109.99 %	86.47 %	
2022	0.175	7,619,660	332,961	7,952,621	2,127,152	358.21	70.50	
2021	0.171	1,318,395	59,278	1,377,673	2,090,971	63.05	93.66	
2020	0.174	2,292,188	54,001	2,346,189	1,963,883	116.72	87.19	
2019	0.175	1,865,181	-	1,865,181	1,848,727	100.89	89.30	
2018	0.157	1,674,524	-	1,674,524	1,655,660	101.14	88.84	
2017	0.165	2,227,696	-	2,227,696	1,696,213	131.33	85.43	
2016	0.172	6,902,659	-	6,902,659	1,654,186	417.28	63.80	
2015	0.170	1,931,598	-	1,931,598	1,442,728	133.89	86.61	

See accompanying Notes to Required Supplementary Information.

BENTON COUNTY, MINNESOTA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET) (CONTINUED)
DECEMBER 31, 2023

PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN

Measurement Date	Employer's Portion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2023	0.947 %	\$ 428,092	\$ 3,525,820	12.14 %	95.94 %
2022	0.915	3,041,462	2,010,075	151.31	74.60
2021	0.919	(150,989)	2,107,655	(7.16)	101.61
2020	0.924	250,827	2,011,550	12.47	96.67
2019	0.944	130,626	2,012,422	6.49	98.17
2018	0.969	159,354	1,975,745	8.07	97.64
2017	0.950	2,707,509	1,907,753	141.92	67.89
2016	1.020	3,726,203	1,922,086	193.86	58.16
2015	1.000	154,600	1,861,093	8.31	96.95

These schedules are intended to show information for 10 years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

BENTON COUNTY, MINNESOTA
SCHEDULE OF COUNTY CONTRIBUTIONS
DECEMBER 31, 2023

PERA GENERAL EMPLOYEES RETIREMENT PLAN

Year Ended	Statutorily Required Contributions	Actual Contributions in Relation to Statutorily Required Contributions			Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
		Statutorily Required Contributions	Contribution (Deficiency) Excess	Covered Payroll		
2023	\$ 1,356,658	\$ 1,356,658	\$ -	\$ 18,088,768	7.50 %	
2022	985,466	985,466	-	13,139,545	7.50	
2021	897,738	897,738	-	11,969,834	7.50	
2020	822,109	822,109	-	10,961,455	7.50	
2019	811,974	811,974	-	10,826,321	7.50	
2018	786,079	786,079	-	10,481,016	7.50	
2017	774,408	774,408	-	10,307,154	7.50	
2016	737,219	737,219	-	9,829,853	7.50	
2015	743,589	743,589	-	9,914,920	7.50	

PERA PUBLIC EMPLOYEES POLICE AND FIRE

Year Ended	Statutorily Required Contributions	Actual Contributions in Relation to Statutorily Required Contributions			Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
		Statutorily Required Contributions	Contribution (Deficiency) Excess	Covered Payroll		
2023	\$ 480,800	\$ 480,800	\$ -	\$ 2,716,383	17.70 %	
2022	381,774	381,774	-	2,156,914	17.70	
2021	371,229	371,229	-	2,097,340	17.70	
2020	362,468	362,468	-	2,047,843	17.70	
2019	326,025	326,025	-	1,923,450	16.95	
2018	287,332	287,332	-	1,773,654	16.20	
2017	267,654	267,654	-	1,652,186	16.20	
2016	267,195	267,195	-	1,649,353	16.20	
2015	258,971	258,971	-	1,598,587	16.20	

See accompanying Notes to Required Supplementary Information.

BENTON COUNTY, MINNESOTA
SCHEDULE OF COUNTY CONTRIBUTIONS (CONTINUED)
DECEMBER 31, 2023

PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN

Year Ended	Statutorily Required Contributions	Actual Contributions in Relation to Statutorily Required Contributions			Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
		Statutorily Required Contributions	Contribution (Deficiency) Excess	Covered Payroll		
2023	\$ 315,622	\$ 315,622	\$ -	\$ 3,607,113	8.75 %	
2022	179,077	179,077	-	2,046,589	8.75	
2021	177,148	177,148	-	2,024,543	8.75	
2020	240,056	240,056	-	2,743,493	8.75	
2019	178,151	178,151	-	2,036,011	8.75	
2018	175,198	175,198	-	2,002,256	8.75	
2017	166,535	166,535	-	1,907,018	8.75	
2016	166,326	166,326	-	1,900,861	8.75	
2015	163,494	163,494	-	1,868,503	8.75	

These schedules are intended to show information for 10 years. Additional years will be displayed as they become available. The measurement date for each year is December 31.

BENTON COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 14,125,733	\$ 14,125,733	\$ 14,153,574	\$ 27,841
Special Assessments	-	-	33,300	33,300
Licenses and Permits	400,209	400,209	345,100	(55,109)
Intergovernmental	2,604,097	2,604,097	3,068,440	464,343
Charges for Services	1,647,688	1,647,688	1,662,723	15,035
Fines and Forfeits	10,000	10,000	5,228	(4,772)
Gifts and Contributions	1,000	1,000	1,895	895
Investment Earnings	200,000	200,000	1,997,349	1,797,349
Miscellaneous	176,180	176,180	149,871	(26,309)
Total Revenues	19,164,907	19,164,907	21,417,480	2,252,573
EXPENDITURES				
Current:				
General Government:				
Commissioners	291,864	291,864	298,020	(6,156)
Public Defender	152,000	152,000	151,396	604
Administration	972,930	972,930	862,073	110,857
Auditor-Treasurer	821,775	821,775	772,162	49,613
Assessor	627,934	627,934	543,492	84,442
Information Technology	1,168,744	1,168,744	971,359	197,385
Attorney	1,478,643	1,478,643	1,438,315	40,328
Recorder	252,239	252,239	250,876	1,363
Property Management	891,635	891,635	861,048	30,587
Veterans Service Officer	94,307	94,307	89,588	4,719
Other Outside Agencies	183,027	183,027	185,189	(2,162)
Other General Government	994,039	994,039	1,060,171	(66,132)
Total General Government	7,929,137	7,929,137	7,483,689	445,448
Public Safety:				
Sheriff	4,969,637	4,969,637	4,930,673	38,964
Emergency Management	112,122	112,122	131,416	(19,294)
Prisoner Custodial	4,028,690	4,028,690	4,115,961	(87,271)
Probation	830,715	830,715	739,996	90,719
Total Public Safety	9,941,164	9,941,164	9,918,046	23,118
Health:				
Groundwater Management	127,022	127,022	124,360	2,662

See accompanying Notes to Required Supplementary Information.

BENTON COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued):				
Culture and Recreation:				
Historical Society	\$ 13,070	\$ 13,070	\$ 13,070	\$ -
Regional Library	557,476	557,476	557,476	-
Total Culture and Recreation	<u>570,546</u>	<u>570,546</u>	<u>570,546</u>	<u>-</u>
Conservation of Natural Resources:				
University of Minnesota Extension	223,170	223,170	223,164	6
Soil and Water Conservation	250,000	250,000	250,000	-
Total Conservation of Natural Resources	<u>473,170</u>	<u>473,170</u>	<u>473,164</u>	<u>6</u>
Economic Development:				
Economic Development	7,500	7,500	7,500	-
Planning and Zoning	383,108	383,108	365,347	17,761
Total Economic Development	<u>390,608</u>	<u>390,608</u>	<u>372,847</u>	<u>17,761</u>
Capital Outlay:				
General Government	30,800	30,800	11,494	19,306
Public Safety	282,500	282,500	354,697	(72,197)
Total Capital Outlay	<u>313,300</u>	<u>313,300</u>	<u>366,191</u>	<u>(52,891)</u>
Debt Service:				
Principal	-	-	129,101	(129,101)
Total Expenditures	<u>19,744,947</u>	<u>19,744,947</u>	<u>19,437,944</u>	<u>307,003</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(580,040)	(580,040)	1,979,536	2,559,576
OTHER FINANCING SOURCES (USES)				
Transfers In	174,170	174,170	54,986	(119,184)
Transfers Out	(144,130)	(144,130)	(64,853)	79,277
Total Other Financing Sources (Uses)	<u>30,040</u>	<u>30,040</u>	<u>(9,867)</u>	<u>(39,907)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (550,000)</u></u>	<u><u>\$ (550,000)</u></u>	<u><u>1,969,669</u></u>	<u><u>\$ 2,519,669</u></u>
Fund Balance - Beginning of Year			8,291,172	
FUND BALANCE - END OF YEAR			<u><u>\$ 10,260,841</u></u>	

See accompanying Notes to Required Supplementary Information.

BENTON COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,605,621	\$ 2,605,621	\$ 2,625,271	\$ 19,650
Licenses and Permits	55,000	55,000	49,785	(5,215)
Intergovernmental	6,295,130	6,295,130	6,111,578	(183,552)
Charges for Services	147,000	147,000	316,982	169,982
Miscellaneous	35,000	35,000	50,728	15,728
Total Revenues	<u>9,137,751</u>	<u>9,137,751</u>	<u>9,154,344</u>	<u>16,593</u>
EXPENDITURES				
Current:				
Highways and Streets:				
Administration	529,098	529,098	428,943	100,155
Maintenance	3,020,252	3,020,252	2,953,019	67,233
Construction	969,539	969,539	953,956	15,583
Equipment and Maintenance Shop	737,426	737,426	707,668	29,758
Total Highways and Streets	<u>5,256,315</u>	<u>5,256,315</u>	<u>5,043,586</u>	<u>212,729</u>
Capital Outlay	11,656,556	11,656,556	13,170,211	(1,513,655)
Debt Service:				
Principal	<u>60,186</u>	<u>60,186</u>	<u>1,142</u>	<u>59,044</u>
Total Expenditures	<u>16,973,057</u>	<u>16,973,057</u>	<u>18,214,939</u>	<u>(1,241,882)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,835,306)	(7,835,306)	(9,060,595)	(1,225,289)
OTHER FINANCING SOURCES (USES)				
Transfers In	7,523,156	7,523,156	8,967,411	1,444,255
Transfers Out	(330,000)	(330,000)	(331,000)	(1,000)
Total Other Financing Sources (Uses)	<u>7,193,156</u>	<u>7,193,156</u>	<u>8,636,411</u>	<u>1,443,255</u>
NET CHANGE IN FUND BALANCE	<u>\$ (642,150)</u>	<u>\$ (642,150)</u>	<u>(424,184)</u>	<u>\$ 217,966</u>
Fund Balance - Beginning of Year			<u>1,023,061</u>	
FUND BALANCE - END OF YEAR			<u>\$ 598,877</u>	

See accompanying Notes to Required Supplementary Information.

BENTON COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,677,494	\$ 5,677,494	\$ 5,702,919	\$ 25,425
Intergovernmental	9,313,911	9,313,911	9,729,748	415,837
Charges for Services	600,464	600,464	392,332	(208,132)
Miscellaneous	93,200	93,200	270,122	176,922
Total Revenues	<u>15,685,069</u>	<u>15,685,069</u>	<u>16,095,121</u>	<u>410,052</u>
EXPENDITURES				
Current:				
Human Services:				
Income Maintenance	4,746,290	4,746,290	4,690,686	55,604
Social Services	9,485,791	9,485,791	9,415,982	69,809
Total Human Services	<u>14,232,081</u>	<u>14,232,081</u>	<u>14,106,668</u>	<u>125,413</u>
Health:				
Public Health	1,527,925	1,527,925	1,639,546	(111,621)
Capital Outlay:				
Human Services	108,805	108,805	37,092	71,713
Health	16,258	16,258	4,901	11,357
Total Capital Outlay	<u>125,063</u>	<u>125,063</u>	<u>41,993</u>	<u>83,070</u>
Debt Service:				
Principal	-	-	83,254	(83,254)
Total Expenditures	<u>15,885,069</u>	<u>15,885,069</u>	<u>15,871,461</u>	<u>13,608</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (200,000)</u></u>	<u><u>\$ (200,000)</u></u>	<u><u>223,660</u></u>	<u><u>\$ 423,660</u></u>
Fund Balance - Beginning of Year			<u><u>7,689,260</u></u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 7,912,920</u></u>	

See accompanying Notes to Required Supplementary Information.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

I. BUDGETARY INFORMATION

The County board adopts annual budgets for the General Fund, certain special revenue funds (Road and Bridge, and Human Services), Debt Service Fund, and Capital Projects Fund. These budgets are prepared on the modified accrual basis of accounting. Annual budgets are not adopted for the Economic Development, Miscellaneous, State and Local Fiscal Recovery, Opioid Remediation, Ditch, Boundary Commission, and Gravel Pit Restoration Special Revenue Funds.

Based on a process established by the County board, all departments for the County submit requests for appropriations to the County Administrator each year. After review, analysis, and discussions with the departments, the County Administrator's proposed budget is presented to the County board for review. The County board holds public hearings and a final budget must be prepared and adopted no later than December 31.

The overall budget is prepared by fund and department. The legal level of budgetary control – the level at which expenditures may not legally exceed appropriations – is the department level. The Road and Bridge and Human Services Funds are considered departments of one for budgetary control purposes. Budgets may be amended during the year with proper approval.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

II. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following major funds had expenditures in excess of budget at the department level for the year ended December 31, 2023:

Fund	Function	Expenditures	Budget	Excess
General	Current:			
	General Government:			
	Commissioners	\$ 298,020	\$ 291,864	\$ 6,156
	Other Outside Agencies	185,189	183,027	2,162
	Other General Government	1,060,171	994,039	66,132
	Public Safety:			
	Emergency Management	131,416	112,122	19,294
	Prisoner Custodial	4,115,961	4,028,690	87,271
	Capital Outlay			
	Public Safety	354,697	282,500	72,197
	Debt Service:			
	Principal	129,101	-	129,101
Special Revenue Funds:				
Road and Bridge	Capital Outlay:			
	Highways and Streets	13,170,211	11,656,556	1,513,655
Human Services	Current:			
	Health:			
	Nursing Service	1,639,546	1,527,925	111,621
	Debt Service:			
	Principal	83,254	-	83,254

The additional expenditures were financed by greater than anticipated grant revenues, greater than anticipated tax revenues, existing fund balance, and other additional revenues.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

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

**A. General Employees Fund
2023**

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Actuarial Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022

Changes in Actuarial Assumptions:

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

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

2021

Changes in Actuarial Assumptions:

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

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2020 (Continued)

Changes in Actuarial Assumptions (Continued)

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

2018

Changes in Actuarial Assumption

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

A. General Employees Fund (Continued)

2018 (Continued)

Changes in Plan Provisions

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

2017

Changes in Actuarial Assumption

- 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, 15.0% for vested deferred member liability and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

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

2016

Changes 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 future 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.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

A. General Employees Fund (Continued)

2016 (Continued)

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

B. Police and Fire Fund

2023

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% 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 in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

B. Police and Fire Fund (Continued)

2021

Changes in Actuarial Assumptions

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

- The mortality 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 in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

B. Police and Fire Fund (Continued)

2018

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 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes 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.
- 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.
- 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.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

B. Police and Fire Fund (Continued)

2017 (Continued)

Changes in Actuarial Assumptions (Continued)

- The single discount rate was changed from 5.6% per annum to 7.5% % per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

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 in Actuarial Assumptions

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

Changes in Plan Provisions

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

C. Correctional Fund

2023

Changes in Actuarial Assumptions

- The investment return rate was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.42% to 7.00%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.50% 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 2.50%. The maximum increase is 1.50% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

C. Correctional Fund (Continued)

2022

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.

2021

Changes in Actuarial Assumptions

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

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

C. Correctional Fund (Continued)

2019

Changes in Actuarial Assumptions

- The mortality 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 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.

Changes in Plan Provisions

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

2017

Changes 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.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

III. CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

C. Correctional Fund (Continued)

2017 (Continued)

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% 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.

2015

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.

BENTON COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

IV. OTHER POSTEMPLOYMENT BENEFITS

As disclosed on the Schedule of Funding Progress, no assets have been irrevocably deposited in a trust to advance fund the employer's obligation. Therefore, the actuarial value of assets is zero.

Since the most recent valuation, the following assumption changes have been made:

2023

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

2022

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (Generation, Safety) with MP-2021 Generational Improvement Scale.
- The retirement, withdrawal and salary increase rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.

2021

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

2020

- The medical trend rates, mortality tables, and salary increase rates were updated.
- The discount rate was changed from 3.80% to 2.90%.

2019

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

SUPPLEMENTARY INFORMATION

BENTON COUNTY, MINNESOTA
DECEMBER 31, 2023

NONMAJOR GOVERNMENTAL FUNDS

The Boundary Commission Special Revenue Fund is used to account for the activities of the Boundary Commission.

The Economic Development Special Revenue Fund is used to account for the activities of the Economic Development revolving loan program.

The Gravel Pit Restoration Special Revenue Fund is used to account for the 5% of aggregate production taxes collected and retained by the County to restore abandoned pits on public or tax-forfeited land.

**BENTON COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Boundary Commission	Economic Development	Gravel Pit Restoration	Total Nonmajor Funds
ASSETS				
Cash and Pooled Investments	\$ -	\$ 879,324	\$ 274,703	\$ 1,154,027
Loans Receivable, Net of Allowance	- 391,214	391,214	-	391,214
Total Assets	\$ -	\$ 1,270,538	\$ 274,703	\$ 1,545,241
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 30	\$ -	\$ 30
Due to Other Funds	13,736	-	-	13,736
Total Liabilities	13,736	30	-	13,766
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	391,214	-	391,214
FUND BALANCES				
Restricted	-	879,294	274,703	1,153,997
Unassigned	(13,736)	-	-	(13,736)
Total Fund Balances	(13,736)	879,294	274,703	1,140,261
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 1,270,538	\$ 274,703	\$ 1,545,241

BENTON COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>Boundary Commission</u>	<u>Economic Development</u>	<u>Gravel Pit Restoration</u>	<u>Total Nonmajor Funds</u>
REVENUES				
Taxes	\$ 2,404	\$ -	\$ -	\$ 2,404
Miscellaneous	-	155,472	25,183	180,655
Total Revenues	2,404	155,472	25,183	183,059
EXPENDITURES				
Current:				
Economic Development	-	145,000	-	145,000
NET CHANGE IN FUND BALANCES	2,404	10,472	25,183	38,059
Fund Balances - Beginning of Year	(16,140)	868,822	249,520	1,102,202
FUND BALANCES - END OF YEAR	\$ (13,736)	\$ 879,294	\$ 274,703	\$ 1,140,261

BENTON COUNTY, MINNESOTA
DECEMBER 31, 2023

FIDUCIARY FUNDS

Private-Purpose Trust Funds

The Social Welfare Fund is used to account for the activity related to income received and payments made on behalf of individuals for whom the County is responsible to assist in accordance with Minn. Stat. § 256.8.

The Henkemeyer Fund is used to account for money put aside for potential environmental remediation at a local privately owned landfill.

Custodial Funds

The Taxes and Penalties Fund is used to account for the inflows of tax collections and the disbursement of taxes during the settlement process for municipalities within the County.

The Building Official Fund is used to account for the third-party building inspector's share of building permits sold by the County each year.

The Sheriff Investigation Fund is used to maintain compliance with State guidelines regarding the proper handling of seized currency.

The State Revenue Fund is used for the collection of fees on behalf of the state.

The License Center Fund is used to account for the collection of license fees on behalf of the state.

The Estate Recoveries Fund is used to hold the State's portion of estates from deceased parties within the County until such a time they can be analyzed and disbursed appropriately.

The Jail Canteen Fund is used to account for deposits and withdrawals made by inmates of the Benton County Jail.

The MH Initiative Community Project is used to account for the interagency funds used in order to provide support for persons experiencing mental health problems to enhance their contributions to the community.

The MCHHSA Regional Fund is used to account for the activity in planning and hosting the MCHHSA regional meeting.

The CMH Collaborative Fund is used to account for an interagency agreement between the County and school districts for the purpose of planning and coordination of family services within the County.

The Child Protection Fund is used to account for the Stearns-Benton Multidisciplinary Child Protection activity.

BENTON COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – PRIVATE PURPOSE TRUST FUNDS
DECEMBER 31, 2023

	Social Welfare Private-Purpose Trust Fund	Henkemeyer Private-Purpose Trust Fund	Total Private-Purpose Trust Fund
ASSETS			
Cash and Pooled Investments	<u>\$ 115,772</u>	<u>\$ 115,594</u>	<u>\$ 231,366</u>
NET POSITION			
Restricted for:			
Individuals, Organizations, and Other Governments	<u>\$ 115,772</u>	<u>\$ 115,594</u>	<u>\$ 231,366</u>

BENTON COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – PRIVATE PURPOSE TRUST FUNDS
YEAR ENDED DECEMBER 31, 2023

	Social Welfare Private-Purpose Trust Fund	Henkemeyer Private-Purpose Trust Fund	Total Private-Purpose Trust Fund
ADDITIONS			
Contributions - Individuals	\$ 752,081	\$ -	\$ 752,081
DEDUCTIONS			
Beneficiary Payments to Individuals	<u>757,097</u>	<u>-</u>	<u>757,097</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION			
	(5,016)	-	(5,016)
Fiduciary Net Position - Beginning of Year	<u>120,788</u>	<u>115,594</u>	<u>236,382</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 115,772</u>	<u>\$ 115,594</u>	<u>\$ 231,366</u>

BENTON COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
DECEMBER 31, 2023

	Custodial Funds					
	Taxes and Penalties	Building Official	Sheriff Investigation	State Revenue	License Center	Estate Recoveries
ASSETS						
Cash and Pooled Investments	\$ 629,722	\$ 6,410	\$ 5,151	\$ 95,301	\$ 58,609	\$ 25,107
Due from Other Governments	-	-	-	-	-	6,208
Taxes for Other Governments	615,699	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	1,245,421	6,410	5,151	95,301	58,609	31,315
LIABILITIES						
Due to Others	200	6,410	5,151	-	-	-
Unearned Revenue	-	-	-	-	-	-
Loans Payable	-	-	-	-	-	-
Due to Other Governments	572,178	-	-	95,301	58,609	31,315
Total Liabilities	572,378	6,410	5,151	95,301	58,609	31,315
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Collected for Subsequent Period	33,790	-	-	-	-	-
NET POSITION						
Restricted for:						
Individuals, Organizations, and Other Governments	\$ 639,253	\$ -	\$ -	\$ -	\$ -	\$ -

BENTON COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)
DECEMBER 31, 2023

	Custodial Funds					Total Custodial Funds
	Jail Canteen	MH Initiative Community Project	MCHHSA Regional Fund	CMH Collaborative	Child Protection	
ASSETS						
Cash and Pooled Investments	\$ 14,748	\$ -	\$ 474	\$ 162,549	\$ 10,657	\$ 1,008,728
Due from Other Governments	-	543,975	-	2,569	-	552,752
Taxes for Other Governments	-	-	-	-	-	615,699
Prepaid Items	-	300	-	-	350	650
Total Assets	<u>14,748</u>	<u>544,275</u>	<u>474</u>	<u>165,118</u>	<u>11,007</u>	<u>2,177,829</u>
LIABILITIES						
Due to Others	-	8,984	-	15,281	-	36,026
Unearned Revenue	-	10,022	-	-	-	10,022
Loans Payable	-	121,852	-	-	-	121,852
Due to Other Governments	-	1,165	-	1,200	-	759,768
Total Liabilities	<u>-</u>	<u>142,023</u>	<u>-</u>	<u>16,481</u>	<u>-</u>	<u>927,668</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Collected for Subsequent Period	-	-	-	-	-	33,790
NET POSITION						
Restricted for:						
Individuals, Organizations, and						
Other Governments	<u>\$ 14,748</u>	<u>\$ 402,252</u>	<u>\$ 474</u>	<u>\$ 148,637</u>	<u>\$ 11,007</u>	<u>\$ 1,216,371</u>

BENTON COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Custodial Funds					
	Taxes and Penalties	Building Official	Sheriff Investigation	State Revenue	License Center	Estate Recoveries
ADDITIONS						
Contributions:						
Individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Property Tax Collections for Other Governments	36,105,796	-	-	-	-	-
Fee Collections for Other Governments and Organizations	-	187,514	-	-	-	-
License and Fees Collected for State	-	-	-	1,158,885	3,378,974	242,510
Miscellaneous	-	-	-	-	-	-
Total Additions	36,105,796	187,514	-	1,158,885	3,378,974	242,510
DEDUCTIONS						
Beneficiary Payments to Individuals	-	-	-	-	-	-
Payments of Property Tax to Other Governments	36,224,020	-	-	-	-	-
Payments to State	-	-	-	1,158,885	3,378,974	-
Administrative Expense	-	-	-	-	-	-
Payments to Other Entities	-	187,514	-	-	-	242,510
Total Deductions	36,224,020	187,514	-	1,158,885	3,378,974	242,510
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION						
	(118,224)	-	-	-	-	-
Fiduciary Net Position - Beginning of Year	757,477	-	-	-	-	-
FIDUCIARY NET POSITION - END OF YEAR	\$ 639,253	\$ -	\$ -	\$ -	\$ -	\$ -

BENTON COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Custodial Funds					Total Custodial Funds
	Jail Canteen	MH Initiative Community Project	MCHHSA Regional Fund	CMH Collaborative	Child Protection	
ADDITIONS						
Contributions:						
Individuals	\$ 241,763	\$ -	\$ -	\$ -	\$ -	\$ 241,763
Investment Earnings	-	718	-	4,132	-	4,850
Intergovernmental	-	2,002,858	-	70,433	-	2,073,291
Property Tax Collections for Other Governments	-	-	-	-	-	36,105,796
Fee Collections for Other Governments and Organizations	-	-	-	4,625	-	192,139
License and Fees Collected for State	-	-	-	-	-	4,780,369
Miscellaneous	-	11,608	1,580	-	7,740	20,928
Total Additions	241,763	2,015,184	1,580	79,190	7,740	43,419,136
DEDUCTIONS						
Beneficiary Payments to Individuals	236,790	-	-	-	-	236,790
Payments of Property Tax to Other Governments	-	-	-	-	-	36,224,020
Payments to State	-	-	-	-	-	4,537,859
Administrative Expense	-	-	-	9,581	-	9,581
Payments to Other Entities	-	2,067,881	3,040	80,790	8,253	2,589,988
Total Deductions	236,790	2,067,881	3,040	90,371	8,253	43,598,238
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION						
	4,973	(52,697)	(1,460)	(11,181)	(513)	(179,102)
Fiduciary Net Position - Beginning of Year	9,775	454,949	1,934	159,818	11,520	1,395,473
FIDUCIARY NET POSITION - END OF YEAR	\$ 14,748	\$ 402,252	\$ 474	\$ 148,637	\$ 11,007	\$ 1,216,371

OTHER SUPPLEMENTARY INFORMATION

BENTON COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
YEAR ENDED DECEMBER 31, 2023

	General	Road and Bridge	Human Services	Miscellaneous	State and Local Fiscal Recovery	Debt Service
SHARED REVENUE AND APPROPRIATIONS						
State:						
County Program Aid	\$ 1,720,887	\$ 296,243	\$ 705,911	\$ -	\$ -	\$ -
PERA Rate Reimbursement	41,592	2,624	13,290	-	-	-
Disparity Reduction Aid	7,441	-	-	-	-	-
Police Aid	260,439	-	-	-	-	-
Highway Users Tax	-	5,729,075	-	-	-	-
Market Value Credit	217,519	37,445	89,227	-	-	4,860
Local Homeless Aid	-	-	121,270	-	-	-
Aquatic Invasive Species Aid	-	-	-	34,481	-	-
Enhanced 911	-	-	-	301,991	-	-
Riparian Aid	58,119	-	-	-	-	-
SCORE	-	20,000	-	118,193	-	-
Total Shared Revenue and Appropriations	2,305,997	6,085,387	929,698	454,665	-	4,860
REIMBURSEMENT FOR SERVICES						
State:						
Minnesota Department of:						
Human Services	4,240	-	2,323,396	-	-	-
LOCAL						
Payments in Lieu of Tax	38,580	-	-	-	-	-
GRANTS						
State:						
Minnesota Department/Board of:						
Revenue	-	26,191	-	-	-	-
Corrections	451,914	-	-	-	-	-
Public Safety	12,666	-	-	7,773	-	-
Health	-	-	355,970	-	-	-
Natural Resources	15,285	-	-	-	-	-
Human Services	-	-	1,826,057	-	-	-
Water and Soil Resources	36,234	-	-	119,114	-	-
Veterans Affairs	-	-	-	10,000	-	-
Transportation	-	-	-	-	-	-
Secretary of State	-	-	-	9,854	-	-
Peace Officer's Board	26,265	-	-	-	-	-
Total State Grants	542,364	26,191	2,182,027	146,741	-	-
Federal:						
Department of:						
Agriculture	34,268	-	692,055	-	-	-
Justice	38,011	-	-	19,032	-	-
Transportation	13,766	-	-	-	-	-
Treasury	-	-	-	-	1,112,215	-
Education	-	-	1,625	-	-	-
Health and Human Services	87,610	-	3,600,947	-	-	-
Homeland Security	3,604	-	-	-	-	-
Total Federal Grants	177,259	-	4,294,627	19,032	1,112,215	-
Total State and Federal Grants	719,623	26,191	6,476,654	165,773	1,112,215	-
Total Intergovernmental Revenue	<u>\$ 3,068,440</u>	<u>\$ 6,111,578</u>	<u>\$ 9,729,748</u>	<u>\$ 620,438</u>	<u>\$ 1,112,215</u>	<u>\$ 4,860</u>

BENTON COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Ditch	Capital Projects	Total Governmental Funds	Internal Service Fund	Total Intergovernmental Revenue
SHARED REVENUE AND APPROPRIATIONS					
State:					
County Program Aid	\$ -	\$ -	\$ 2,723,041	\$ -	\$ 2,723,041
PERA Rate Reimbursement			57,506		57,506
Disparity Reduction Aid			7,441		7,441
Police Aid		815,814	1,076,253		1,076,253
Highway Users Tax			5,729,075		5,729,075
Market Value Credit			349,051		349,051
Local Homeless Aid			121,270		121,270
Aquatic Invasive Species Aid			34,481		34,481
Enhanced 911			301,991		301,991
Riparian Aid			58,119		58,119
SCORE			138,193		138,193
Total Shared Revenue and Appropriations		815,814	10,596,421		10,596,421
REIMBURSEMENT FOR SERVICES					
State:					
Minnesota Department of:					
Human Services			2,327,636		2,327,636
LOCAL					
Payments in Lieu of Tax			38,580		38,580
GRANTS					
State:					
Minnesota Department/Board of:					
Revenue			26,191		26,191
Corrections			451,914		451,914
Public Safety			20,439	43,007	63,446
Health			355,970		355,970
Natural Resources			15,285		15,285
Human Services			1,826,057		1,826,057
Water and Soil Resources			155,348		155,348
Veterans Affairs			10,000		10,000
Transportation		88,079	88,079		88,079
Secretary of State			9,854		9,854
Peace Officer's Board			26,265		26,265
Total State Grants		88,079	2,985,402	43,007	3,028,409
Federal:					
Department of:					
Agriculture			726,323		726,323
Justice			57,043		57,043
Transportation			13,766		13,766
Treasury			1,112,215		1,112,215
Education			1,625		1,625
Health and Human Services			3,688,557		3,688,557
Homeland Security		60,000	63,604		63,604
Total Federal Grants		60,000	5,663,133		5,663,133
Total State and Federal Grants		148,079	8,648,535	43,007	8,691,542
Total Intergovernmental Revenue	\$ -	\$ 963,893	\$ 21,611,172	\$ 43,007	\$ 21,654,179

**REPORTS RELATED TO GOVERNMENT AUDITING STANDARDS
AND SINGLE AUDIT**



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

Board of County Commissioners
Benton County, Minnesota
Foley, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Minnesota (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 10, 2024.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a significant deficiency.

Report on Compliance and Other Matters

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

The County's Response to Findings

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Brainerd, Minnesota
September 10, 2024



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

Board of County Commissioners
Benton County, Minnesota
Foley, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Benton County, Minnesota's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-004, to be a significant deficiency.

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

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

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



CliftonLarsonAllen LLP

Brainerd, Minnesota
September 10, 2024

BENTON COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
3. Noncompliance material to financial statements noted? yes no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of Major Federal Programs

Assistance Listing Numbers	Name of Federal Program or Cluster
93.778	Medical Assistance Program (Medicaid Cluster)
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>750,000</u>
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

BENTON COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Section II – Financial Statement Findings

AUDIT ADJUSTMENTS (2023-001)

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

Condition: As part of the audit, we proposed material adjustments to adjust accruals, net pension liability and related deferred inflows and outflows of resources, reclassifications of fund balances between categories and revenues and expenditures to the proper accounts.

Criteria or Specific Requirement: County management is responsible for establishing and maintaining internal controls for the proper recording of all County's accounting transactions, including reclassifications between funds, account coding, and reporting of accruals.

Effect: The design of the internal controls over recording transactions, including reclassifications, could affect the ability of the County to detect or prevent errors, a misappropriation of assets, or fraudulent activity.

Cause: The County has a limited number of personnel.

Repeat Finding: Yes, 2022-001.

Recommendation: We recommend County management continue to increase their awareness and knowledge of all procedures and processes involved in recording transactions, accruals, and reclassifications and develop internal control policies to ensure proper recording of these items.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding. Management will continue to work at eliminating the need for audit adjustments through learning about new GASB standards and reviewing work performed by department personnel.

BENTON COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Section II – Financial Statement Findings (Continued)

FINANCIAL REPORTING PROCESS (2023-002)

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

Condition: The County Board and management of the County share the ultimate responsibility for the County's internal control system. The County does not have the expertise necessary to prepare the financial statements and related disclosures. As part of its internal control over the preparation of the financial statements, including disclosures, the County has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of GAAP and knowledge of the County activities and operation.

Criteria or Specific Requirement: County management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements in accordance with applicable accounting and reporting standards.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the County's internal controls.

Cause: The County has a limited number of personnel.

Repeat Finding: Yes, 2022-002.

Recommendation: We recommend the County continue to evaluate their internal staff capacity to determine if an internal control policy over the preparation of the financial statements and other areas is beneficial.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding. The County will review the financial reporting requirements and undertake them if deemed cost-beneficial.

BENTON COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Section II – Financial Statement Findings (Continued)

SEGREGATION OF DUTIES (2023-003)

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

Condition: Adequate segregation of the accounting functions necessary to ensure adequate internal accounting control, is not in place for various departments/offices in the County.

Criteria or Specific Requirement: Management should always be aware of the need to have adequate segregation of duties regarding the processing of transactions for the County. In addition, management should be aware that the concentration of duties and responsibilities in one or a very few individuals is not desirable from an internal control perspective.

Effect: The lack of adequate segregation of duties can result in incorrect financial information, failure to detect misstatements or misappropriations, and the lack of adherence to the County's procedures.

Cause: The County has a limited number of personnel within various departments/offices.

Repeat Finding: Yes, 2022-003.

Recommendation: We recommend management be aware of the lack of segregation of duties within the accounting functions and provide oversight to ensure the internal control policies and procedures are being implemented by organization staff.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding. The County will review the accounting functions and segregate them as deemed cost-beneficial.

BENTON COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Section III –Major Program Findings and Compliance

SUSPENSION AND DEBARMENT (2023-004)

Federal Agency: U.S. Department of the Treasury

Federal Program Name: COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: SLFRP2889, 2023

Compliance Requirement Affected: Suspension and Debarment

Award Period: Year Ended December 31, 2023

Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

Criteria or Specific Requirement: According to Uniform Guidance 2 CFR 180.300, the County must check for federally suspended or debarred vendors prior to entering a covered transaction.

Condition: The County did not verify one of two vendors were not suspended or debarred before entering into the contract.

Questioned Costs: Unknown.

Context: For one of two contracts tested for suspension and debarment, the County did not verify the vendor was not suspended or debarred before entering the contract.

Cause: Lack of management oversight.

Effect: The County could be using a vendor that is suspended or debarred at the time of the transaction.

Repeat Finding: Prior year finding identified as Finding 2022-004 (procurement portion resolved).

Recommendation: We recommend the County align their policies to address any necessary modifications to ensure all suspension and debarment requirements are met.

Views of Responsible Officials: There is no disagreement with the audit finding.

BENTON COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Section IV – Items for Consideration – Minnesota Legal Compliance

DITCH SPECIAL REVENUE FUND – CASH DEFICIT (2023-005)

Condition: The County reported 11 out of 13 active ditch systems as having deficit cash balances as of December 31, 2023, totaling \$892,068.

Criteria or Specific Requirement: Minnesota Statutes §103E.655 subd. 2 requires active ditch systems to maintain sufficient funds to pay for project costs.

Effect: The County is not in compliance with Minnesota Statutes §103E.655 subd. 2.

Cause: Expenditures to upgrade ditches are incurred prior to revenue stream.

Repeat Finding: Yes, 2022-005.

Recommendation: We recommend the County continue to try to eliminate the deficit cash balances in the active ditch systems by borrowing from an eligible ditch system or fund with a surplus cash balance.

View of Responsible Officials and Planned Corrective Actions: The County has made the managerial decision to accumulate expenditures related to ditch cleaning projects, establishing loans to ditch accounts once all final expenditures are known. Ditch cleaning projects can span two to three years, creating short-term deficits in ditch accounts. Delaying loans until all ditch expenditures are known eliminates the need to make interim loans, or loan amount adjustments.

Section V – Previously Reported Item Resolved

MAJOR PROGRAM FINDINGS AND COMPLIANCE

PROCUREMENT, SUSPENSION AND DEBARMENT (2022-004)

Resolution: The County adjusted processes to fully correct the procurement portion of this finding in the current year. See 2023-004 for the continuation of the suspension and debarment portion of the finding.

MINNESOTA LEGAL COMPLIANCE

TIMELY PAYMENT OF CLAIMS (2022-006)

Resolution: During current year testing, invoices tested were paid within 35 days of receipt from the outside vendor.

BENTON COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

Federal Grantor Pass Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Health				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	222MN004W1003	\$ 268,438	\$ -
WIC Grants to States (WGS)	10.578	FY23 ORIG 6324	1,986	-
Passed Through Minnesota Department of Human Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Part of SNAP Cluster)	10.561	232MN101S2520	455,899	-
Total Department of Agriculture			726,323	-
U.S. Department of Justice				
Direct:				
State Criminal Alien Assistance Program	16.606	Not Applicable	970	-
Bulletproof Vest Partnership Program	16.607	Not Applicable	5,339	-
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	F-CVS-2022-BENTONAO	50,734	-
Total Department of Justice			57,043	-
U.S. Department of Transportation				
Passed Through City of St. Cloud				
State and Community Highway Safety (Part of Highway Safety Cluster)	20.600	A-ENFRC23-2023- STCLOUDP-026	5,134	-
National Priority Safety Programs (Part of Highway Safety Cluster)	20.616	A-ENFRC23-2023- STCLOUDP-026	2,757	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC23-2023- STCLOUDP-026	5,875	-
Total Department of Transportation			13,766	-
U.S. Department of Treasury				
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	1,112,215	913,000
U.S. Department of Education				
Passed Through Minnesota Department of Health				
Special Education-Grants for Infants and Families	84.181	91-0300-0-1-501	1,625	-
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	NU90TP922026	43,780	-
Early Hearing Detection and Intervention	93.251	H6100035	675	-
COVID-19 Immunization Cooperative Agreements	93.268	NU50CK000508	19,127	-
Rare Disorders: Research, Surveillance, Health Promotion, and Education	93.315	NU50DD00096	150	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NUY50000508	124,706	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families AL 93.558 \$444,282)	93.558	2301MNTANF	20,303	-
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	X1043589	189,609	-
Maternal and Child Health Services Block Grant to the States	93.994	BO4MC32551	43,309	-
Passed Through Minnesota Department of Human Services				
MaryLee Allen Promoting Safe and Stable Families	93.556	2201MNFSS	4,073	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families AL 93.558 \$444,282)	93.558	2301MNTANF	423,979	-
Child Care and Development Block Grant (Part of CCDF Cluster)	93.575	2301MNCCDF	36,869	-
Child Support Enforcement	93.563	2301MNCSES	\$ 139,879	-
Child Support Enforcement	93.563	2301MNCEST	695,555	835,434
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2301MNRCMA	1,541	-
Community-Based Child Abuse Prevention Grants	93.590	2202MNBCAP	4,895	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2201MNCWSS	6,459	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

BENTON COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Federal Grantor Pass Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed Through Minnesota Department of Human Services (Continued)				
Foster Care Title IV-E	93.658	2301MNPOST	\$ 196,253	\$ -
Social Services Block Grant	93.667	2301MNSOSR	217,406	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2301MNCILP	3,326	-
Children's Health Insurance Program	93.767	2305MN5021	1,814	-
Medical Assistance Program (Part of Medicaid Cluster)	93.778	2305MN5ADM	\$ 1,325,810	
Medical Assistance Program (Part of Medicaid Cluster)	93.778	2305MN5MAP	11,244	1,337,054
Elder Abuse Prevention Interventions Program	93.747	2101MNAPC6	4,101	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08TI083504	2,205	-
Block Grants for Community Mental Health Services	93.958	B09SM085364	219,555	-
Total Department of Health and Human Services			3,736,623	-
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	R29CG70CBLA21	3,604	-
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	F-EMPG-2022-BENTONCO-4375	29,562	
COVID-19 Emergency Management Performance Grants	97.042	F-EMPG-ARPA-2022-BENTONCO-4284	60,000	89,562
Total Department of Homeland Security			93,166	-
Total Expenditures of Federal Awards			\$ 5,740,761	\$ 913,000

Clusters of programs are groupings of closely related programs that share common compliance requirements.

Total expenditures by cluster are:

CCDF Cluster	\$ 36,869
Medicaid Cluster	1,337,054
SNAP Cluster	455,899
Highway Safety Cluster	7,891

See accompanying Notes to Schedule of Expenditures of Federal Awards.

BENTON COUNTY, MINNESOTA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RECONCILIATION TO THE SCHEDULE OF INTERGOVERNMENTAL REVENUE

<u>Reconciliation to the Schedule of Intergovernmental Revenue</u>		
Federal Grant Revenue per Schedule of Intergovernmental Revenue:		\$ 5,663,133
Grants Unavailable in 2023, Recognized as Revenue in 2024:		
Public Health Emergency Preparedness		10,355
Temporary Assistance for Needy Families		18,494
Block Grants for Community Mental Health Services		19,217
Emergency Management Performance Grants		29,562
Expenditures per Schedule of Expenditures of Federal Awards		<u>\$ 5,740,761</u>



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of County Commissioners
Benton County, Minnesota
Foley, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Minnesota (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 10, 2024.

In connection with our audit, we noted that the County failed to comply with provisions of the miscellaneous provisions section of *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, in so far as they relate to accounting matters as described in the schedule of findings and questioned costs as item 2023-005. Also, in connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the provisions of the depositories of public funds and public investments, contracting – bid laws, conflicts of interest, claims and disbursements, and public indebtedness sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

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

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Counties* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Brainerd, Minnesota
September 10, 2024



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