

# **ANNUAL FINANCIAL REPORT**

RENVILLE COUNTY  
OLIVIA, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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Renville County  
 Olivia, Minnesota  
 Annual Financial Report  
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INTRODUCTORY SECTION

RENVILLE COUNTY  
OLIVIA, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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Renville County  
Olivia, Minnesota  
Organizational  
For the Year Ended December 31, 2023

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>Elected Commissioners</b>		
Greg Snow	Chair	December 2026
Randy Kramer	Vice Chair	December 2024
Doug Erickson	Commissioner	December 2024
John A. Robinson	Commissioner	December 2026
David Hamre	Commissioner	December 2024
<b>Appointed Officials</b>		
Lisa Herges	Administrator	Indefinite

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FINANCIAL SECTION

RENVILLE COUNTY  
OLIVIA, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Renville County  
Olivia, Minnesota

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Renville 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, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 17 and the Budgetary Comparison Schedules, Schedules of Employer's Share of the Net Pension Liability and the Schedules of Employer's Contributions on page 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules 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 in the report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**Abdo**  
Minneapolis, Minnesota  
June 30, 2025



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## **Management's Discussion and Analysis**

The Management's Discussion and Analysis (MD&A) provides an overview and analysis of Renville County's financial activities for the fiscal year ended December 31, 2023. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the County's basic financial statements that follow this section.

### **Financial Highlights**

- Governmental activities' total net position is \$120,968,944, of which \$87,487,913 is net investment in capital assets, and \$12,181,525 is restricted to specific purposes. The \$21,299,506 remaining as unrestricted may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's net position increased by \$9,443,065 for the year ended December 31, 2023. Revenues increased by approximately \$10.1 million during the year and were greater than expenses mainly due to state aid related to various highway capital projects.
- The net cost of governmental activities for the current fiscal year was \$12,329,826. The net cost was funded by general revenues and other items totaling \$21,608,380.
- The fund balances of the governmental funds decreased by \$1,384,653 due to highway projects exhausting bond proceeds.
- For the year ended December 31, 2023, the unrestricted fund balance of the General Fund was \$6,815,432, or 45.5 percent, of the total General Fund expenditures for the year.

### **Overview of the Financial Statements**

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

## **Government-wide Financial Statements.**

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

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

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

The government-wide statements start on page 27 of this report.

**Fund Financial Statements.** Fund level financial statements provide detailed information about the significant funds—not the County as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Board establishes some funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

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

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

The County adopts an annual appropriated budget for its General Fund, Road and Bridge Special Revenue Fund, Welfare Special Revenue Fund and Debt Service Fund. A budgetary comparison schedule has been provided for each of these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 32 of this report.

**Proprietary Funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for its solid waste operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its insurance operations. Because both of these services predominately benefit governmental rather than *business-type functions*, they have been included within the *governmental activities* in the government-wide financial statements.

**Fiduciary Funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside of the County. Fiduciary funds are not reflected in the government-wide statements because the resources of these funds are not available to support the County's own programs or activities. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 42 of this report.

**Notes to the Financial Statements.** The notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 45 of this report.

**Required Supplementary Information.** Governments have an option of including the budgetary comparison statements for the General fund and major special revenue funds as either part of the fund financial statements within the basic financial statements, or as required supplementary information after the footnotes. The County has chosen to present these budgetary statements as part of the required supplementary information. Additionally, this report also presents certain *required supplementary information* concerning the County's share of net pension liabilities (assets) for defined benefits plans, schedules of contributions, and progress in funding its obligation to provide pension benefits to its employees starting on page 87 of this report. The County has disclosed this information in Note 4 to the financial statements and as separate required supplementary information.

**Supplementary Information.** Renville County's individual fund financial statements and schedules are presented following the notes to the financial statements.

### Government-wide Financial Analysis

Over time, net position serves as a useful indicator of the County's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$124,680,068 at the close of 2023. The largest portion of the net position (70.4 percent) reflects the County's net investment in capital assets (land, buildings, equipment, and infrastructure such as roads and bridges), less any related outstanding debt used to acquire those assets. However, it should be noted that these assets are not available for future spending or for liquidating any remaining debt. Comparative data with 2022 is presented.

### Renville County's Summary of Net Position

Unrestricted net position--the part of net position that may be used to meet the County's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements--was 19.2 percent of the net position.

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Current and Other Assets	\$ 68,825,630	\$ 69,153,987	\$ (328,357)	\$ 5,212,916	\$ 5,088,580	\$ 124,336
Capital Assets	132,250,397	123,161,312	9,089,085	240,555	253,651	(13,096)
Total Assets	<u>201,076,027</u>	<u>192,315,299</u>	<u>8,760,728</u>	<u>5,453,471</u>	<u>5,342,231</u>	<u>111,240</u>
Deferred Outflows of Resources	5,263,977	7,165,716	(1,901,739)	7,771	18,767	(10,996)
Long-term Liabilities Outstanding	57,231,128	65,285,373	(8,054,245)	1,691,757	1,753,495	(61,738)
Other Liabilities	5,329,291	4,990,018	339,273	48,054	40,876	7,178
Total Liabilities	<u>62,560,419</u>	<u>70,275,391</u>	<u>(7,714,972)</u>	<u>1,739,811</u>	<u>1,794,371</u>	<u>(54,560)</u>
Deferred Inflows of Resources	22,810,641	17,515,234	5,295,407	10,307	20,014	(9,707)
Net Position						
Net investment in capital assets	87,487,913	85,859,832	1,628,081	240,555	253,651	(13,096)
Restricted	12,181,525	6,246,041	5,935,484	731,794	583,353	148,441
Unrestricted	<u>21,299,506</u>	<u>19,584,517</u>	<u>1,714,989</u>	<u>2,738,775</u>	<u>2,709,609</u>	<u>29,166</u>
Total Net Position	<u>\$ 120,968,944</u>	<u>\$ 111,690,390</u>	<u>\$ 9,278,554</u>	<u>\$ 3,711,124</u>	<u>\$ 3,546,613</u>	<u>\$ 164,511</u>

The County's activities increased net position by 8.2 percent (\$9,443,065 for 2023 compared to \$1,011,383 for 2022). Key elements of this increase in net position are as follows:

## Renville County's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services, fees and other	\$ 5,284,280	\$ 8,516,365	\$ (3,232,085)	\$ 714,605	\$ 735,293	\$ (20,688)
Operating grants and contributions	28,369,029	11,230,977	17,138,052	37,754	36,295	1,459
Capital grants and contributions	128,152	6,269,205	(6,141,053)	-	-	-
General Revenues						
Property taxes	15,979,588	15,383,589	595,999	-	-	-
Sales tax	726,149	-	726,149	-	-	-
Other taxes	16,085	52,903	(36,818)	-	-	-
Grants and contributions not restricted to specific programs	2,044,462	1,516,133	528,329	-	-	-
Unrestricted investment earnings	1,681,429	600,437	1,080,992	24,349	29,156	(4,807)
Miscellaneous	1,118,817	1,718,728	(599,911)	129,030	68,594	60,436
Gain on sale of capital assets	41,850	-	41,850	-	-	-
Total Revenues	<u>55,389,841</u>	<u>45,288,337</u>	<u>10,101,504</u>	<u>905,738</u>	<u>869,338</u>	<u>36,400</u>
Expenses						
General government	8,827,646	7,793,910	1,033,736	-	-	-
Public safety	6,935,618	7,009,840	(74,222)	-	-	-
Highways and streets	11,675,236	10,728,244	946,992	-	-	-
Sanitation	47,810	91,785	(43,975)	-	-	-
Human services	7,054,894	6,126,392	928,502	-	-	-
Health	1,876,372	1,884,163	(7,791)	-	-	-
Culture and recreation	470,144	460,458	9,686	-	-	-
Conservation of natural resources	8,188,621	9,285,336	(1,096,715)	-	-	-
Interest and other costs	1,034,946	1,028,422	6,524	-	-	-
Solid waste	-	-	-	741,227	737,742	3,485
Total Expenses	<u>46,111,287</u>	<u>44,408,550</u>	<u>1,702,737</u>	<u>741,227</u>	<u>737,742</u>	<u>3,485</u>
Change in Net Position	9,278,554	879,787	8,398,767	164,511	131,596	32,915
Net Position, January 1	<u>111,690,390</u>	<u>110,810,603</u>	<u>879,787</u>	<u>3,546,613</u>	<u>3,415,017</u>	<u>131,596</u>
Net Position, December 31	<u>\$ 120,968,944</u>	<u>\$ 111,690,390</u>	<u>\$ 9,278,554</u>	<u>\$ 3,711,124</u>	<u>\$ 3,546,613</u>	<u>\$ 164,511</u>

### Financial Analysis of the County's Funds

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

At the end of the current fiscal year, governmental funds reported combined ending fund balances of \$31,605,278, a decrease of \$1,220,891 in comparison with the prior year. Of the combined ending fund balances, \$19,362,888 represents unrestricted (committed, assigned, and unassigned) fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is classified as either nonspendable or restricted to indicate that it is not available for new spending because it has already been restricted for various reasons either by state law, grant agreements, or bond covenants, or is nonspendable.

The General Fund is the main operating fund for the County. At the end of the current fiscal year, it had an unrestricted fund balance of \$6,815,432. As a measure of the General Fund's liquidity, it may be useful to compare unrestricted fund balance to total expenditures. The General Fund unrestricted fund balance represents 45.5 percent of total General Fund expenditures. During 2023, the ending fund balance increased by \$1,821,917 mainly due to an increase in investment earnings and intergovernmental revenue.

The Road and Bridge Special Revenue Fund had an unrestricted fund balance of \$2,719,714 at fiscal year-end, representing 13.0 percent of its annual expenditures. The ending fund balance decreased by \$3,672,769 during 2023 which is attributable to spending down previous bonding proceeds on capital projects

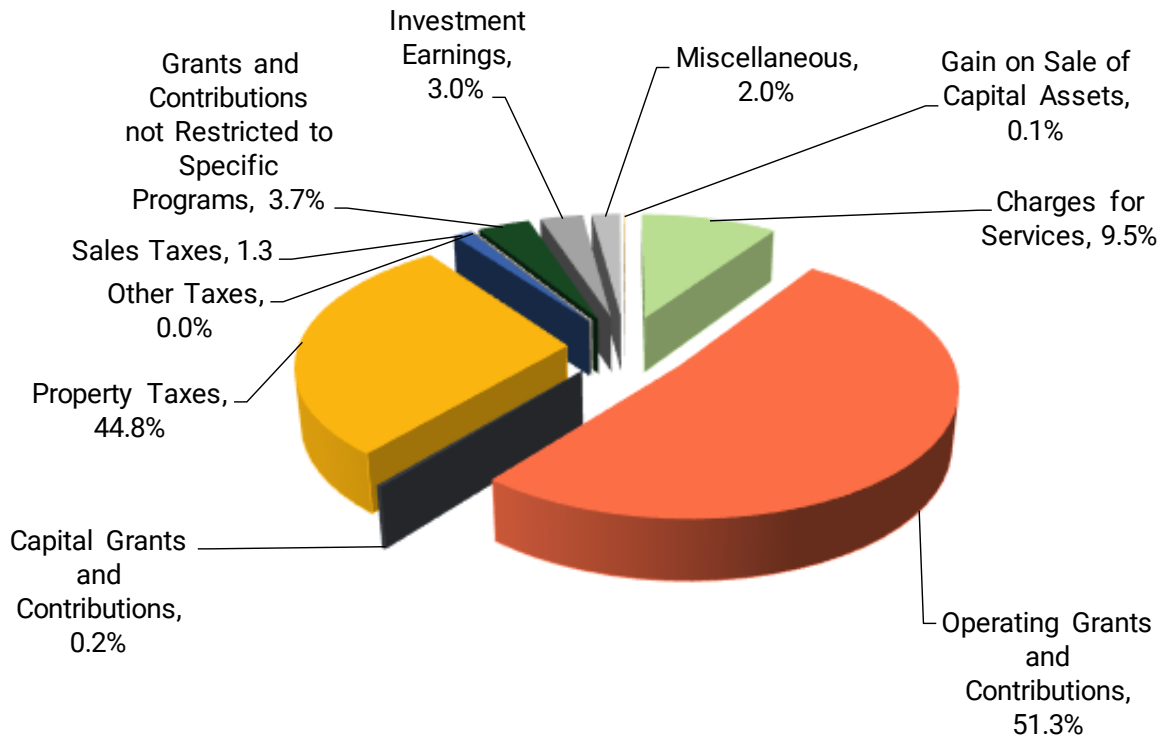
The Welfare Special Revenue Fund had an unrestricted fund balance of \$5,513,198 at fiscal year-end, representing 80.4 percent of its annual expenditures. The ending fund balance increased \$131,216 during 2023 mainly due to revenues being higher than anticipated.

The Ditch Special Revenue Fund had a fund balance deficit of \$3,115,391 at fiscal year-end. The ending fund balance decreased \$604,192 during 2023 due to ongoing project costs related to various ditch repairs, maintenance and improvement projects.

The Debt Service Fund had no unrestricted fund balance at fiscal year-end, as the entire fund balance of \$3,727,450 is restricted. The ending fund balance increased \$80,357 during 2023 due to taxes and intergovernmental revenues in excess of debt service payments.

**Governmental Activities.** The County's total revenues were \$55,389,841. The following graph presents the percent of total County revenues by source for the year ended December 31, 2023.

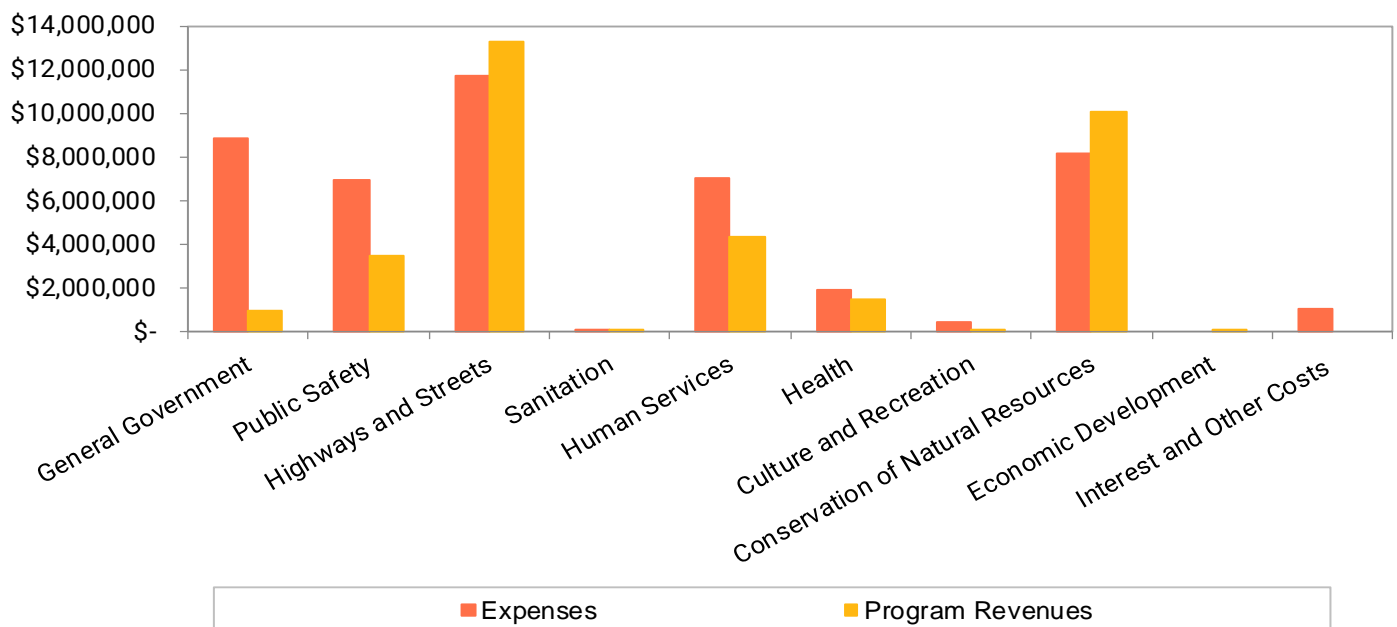
### Revenues by Source - Governmental Activities



The following graph presents the cost and revenue of each program, as well as the County's general revenues.

Total program revenues for the County were \$33,781,461, while total expenses were \$46,111,287.

### Expenses and Program Revenues - Governmental Activities



The cost of all governmental activities this year was \$46,111,287. However, as shown on the Statement of Activities on Exhibit 2, the amount that taxpayers ultimately financed for these activities through County taxes was only \$12,329,826 because some of the costs were paid by those who directly benefited from the programs (\$5,284,280) or by other governments, organizations, and individuals that subsidized certain programs with grants and contributions (\$28,497,181). The County paid for the remaining “public benefit” portion of governmental activities with \$21,608,380 in general revenues, primarily taxes (some of which could be used only for certain programs) and other revenues, such as grants and contributions not restricted to specific programs and interest.

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

### Total and Net Cost of Services - Governmental Activities

	Governmental Activities	
	Total Cost of Services 2023	Net Cost of Services 2023
Highways and Streets	\$ 11,675,236	\$ (1,639,596)
Human Services	7,054,894	2,741,459
Public Safety	6,935,618	3,479,878
General Government	8,827,646	7,898,456
Conservation of Natural Resources	8,188,621	(1,842,133)
All Others	3,429,272	1,691,762
Total	\$ 46,111,287	\$ 12,329,826

#### General Fund Budgetary Highlights

The County Board did not amend the General fund budgeted during 2023. During 2023, the County continued to draw down ARPA funding to offset spending increases due to the COVID pandemic 2023 was the second year of drawing down significant funds from this source which is anticipated to be used throughout 2024 as well. Once this source is exhausted, it is anticipated that a levy increase will be required to cover any ongoing costs

#### Capital Asset and Debt Administration

**Capital Assets.** The County’s capital assets for its governmental activities at December 31, 2023, totaled \$132,250,397 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and construction in progress. The investment in capital assets increased \$9,089,085, or 7.4 percent, from the previous year. The major capital asset events were:

- Projects were completed and capitalized for a total cost of \$14,629,197
- Construction in progress mainly related to highway projects totaling \$9,535,827
- Various machinery and equipment purchases amounted to \$1,450,663

**Renville County's Capital Assets**  
(Net of Depreciation)

	Governmental Activities		
	2023	2022	Increase (Decrease)
Land	\$ 1,753,785	\$ 1,753,785	\$ -
Construction in Progress	9,535,827	10,048,035	(512,208)
Intangible Assets (Nondepreciable)	4,752,887	4,752,887	-
Buildings	21,800,902	23,375,947	(1,575,045)
Land Improvements	757,257	817,714	(60,457)
Machinery and Equipment	5,081,187	4,384,909	696,278
Infrastructure	74,763,142	64,678,461	10,084,681
Bridges	13,766,269	13,292,096	474,173
Intangible Assets (Depreciable)	39,141	57,478	(18,337)
<b>Total</b>	<b>\$ 132,250,397</b>	<b>\$ 123,161,312</b>	<b>\$ 9,089,085</b>

Additional information about the County's capital assets can be found in Note 3C starting on page 58 of this report.

**Long-term Debt.** At the end of the current fiscal year, the County had total outstanding debt of \$47,478,754 which was backed by the full faith and credit of the government.

**Renville County's Outstanding Debt**

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
G.O. Drainage Bonds	\$ 1,210,000	\$ 1,310,000	\$ (100,000)	\$ -	\$ -	\$ -
G.O. Capital Improvement Bonds	15,595,000	16,510,000	(915,000)	-	-	-
G.O. Refunding Bonds	5,215,000	6,055,000	(840,000)	-	-	-
Taxable Revenue Bonds	16,855,069	17,170,198	(315,129)	-	-	-
Notes Payable	5,561,601	4,498,706	1,062,895	-	-	-
Loans Payable	1,380,842	1,795,062	(414,220)	-	-	-
Landfill Liability	-	-	-	1,661,242	1,721,478	(60,236)
<b>Total</b>	<b>\$ 45,817,512</b>	<b>\$ 47,338,966</b>	<b>\$ (1,521,454)</b>	<b>\$ 1,661,242</b>	<b>\$ 1,721,478</b>	<b>\$ (60,236)</b>

The County's debt related to general obligation bonds decreased by \$1,855,000 (7.8 percent) during the fiscal year.

Minnesota statutes limit the amount of debt a county may carry to 3.0 percent of its total market value. At the end of 2023, the County's outstanding debt was under the 3.0 percent limit of its total estimated market value.

Additional information on the County's long-term debt can be found in Note 3E starting on page 61 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

The County's elected and appointed officials considered many factors when setting the 2023 budget, tax rates, and fees that will be charged for the year.

- The County has a strong agricultural base. Keeping the County's tax base vital and healthy is very important to the County's overall financial health and condition.
- The rapid rising costs of employee health insurance and uncertainty in intergovernmental program funding have a large impact on the budgeting process.
- The 2024 gross property tax levy for the County increased 3.1 percent from 2023.
- Considering cost-effective and efficient means for delivery of County programs and services will influence the development of future budgets.

## **Requests for Information**

This financial report is designed to provide a general overview of Renville County's finances. If you have questions concerning any of the information provided in this report or requests for additional financial information, address them to the Renville County Administrator's Office, Renville County Government Services Center, 105 South 5th Street, Suite 315, Olivia, Minnesota 56277.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RENVILLE COUNTY  
OLIVIA, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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Renville County  
Olivia, Minnesota  
Statement of Net Position  
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Renville County HRA and EDA
<b>Assets</b>				
Cash and pooled investments	\$ 33,362,531	\$ 17,686	\$ 33,380,217	\$ 729,934
Receivables				
Delinquent taxes	186,398	-	186,398	-
Special assessments	7,179,299	44,108	7,223,407	-
Accounts, net of allowance	262,118	1,879	263,997	5,717
Intergovernmental	8,982,657	1,962	8,984,619	3,218
Loans	1,003,600	-	1,003,600	-
Notes	-	-	-	972,156
Accrued interest	59,770	-	59,770	-
Lease	16,855,069	-	16,855,069	-
Internal balances	(19,158)	19,158	-	-
Prepaid items	265,844	1,640	267,484	14,160
Inventories	687,502	-	687,502	-
Restricted cash and investments	-	2,393,036	2,393,036	90,580
Investment in joint venture	-	2,733,447	2,733,447	-
Capital assets				
Nondepreciable	16,042,499	87,000	16,129,499	62,530
Depreciable, net of accumulated depreciation	116,207,898	153,555	116,361,453	143,705
Total Assets	<u>201,076,027</u>	<u>5,453,471</u>	<u>206,529,498</u>	<u>2,022,000</u>
<b>Deferred Outflows of Resources</b>				
Deferred pension resources	<u>5,263,977</u>	<u>7,771</u>	<u>5,271,748</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	1,820,108	10,763	1,830,871	6,099
Salaries payable	237,863	-	237,863	1,948
Deposits payable	514,865	-	514,865	6,430
Due to other governments	171,207	1,071	172,278	4,575
Accrued liabilities	32,644	-	32,644	3,836
Accrued interest payable	250,216	-	250,216	-
Unearned revenue	2,302,388	36,220	2,338,608	1,456
Noncurrent liabilities				
Due within one year				
Long-term liabilities	3,955,141	-	3,955,141	10,338
Due in more than one year				
Long-term liabilities	44,511,861	1,661,242	46,173,103	128,134
Net pension liability	8,764,126	30,515	8,794,641	-
Total Liabilities	<u>62,560,419</u>	<u>1,739,811</u>	<u>64,300,230</u>	<u>162,816</u>
<b>Deferred Inflows of Resources</b>				
Deferred lease resources	16,855,069	-	16,855,069	-
Deferred pension resources	5,955,572	10,307	5,965,879	-
Total Deferred Inflows of Resources	<u>22,810,641</u>	<u>10,307</u>	<u>22,820,948</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	87,487,913	240,555	87,728,468	82,599
Restricted				
Highways and streets	6,427,609	-	6,427,609	-
Public safety	1,011,673	-	1,011,673	-
Debt service	3,396,174	-	3,396,174	-
Sales tax	736,096	-	736,096	-
Opioid settlement	48,987	-	48,987	-
Other purposes	560,986	-	560,986	-
Landfill	-	731,794	731,794	-
Housing vouchers	-	-	-	8,822
Revolving loans	-	-	-	601,348
Unrestricted	<u>21,299,506</u>	<u>2,738,775</u>	<u>24,038,281</u>	<u>1,166,415</u>
Total Net Position	<u>\$ 120,968,944</u>	<u>3,711,124</u>	<u>\$ 124,680,068</u>	<u>1,859,184</u>

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

Renville County  
Olivia, Minnesota  
Statement of Activities  
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Fees, Charges for Services and Other	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 8,827,646	\$ 738,765	\$ 190,425	\$ -
Public safety	6,935,618	2,150,288	1,305,452	-
Highways and streets	11,675,236	499,457	12,687,223	128,152
Sanitation	47,810	70,131	-	-
Human services	7,054,894	957,666	3,355,769	-
Health	1,876,372	742,039	731,396	-
Culture and recreation	470,144	97,750	5,835	-
Conservation of natural resources	8,188,621	28,184	10,002,570	-
Economic development	-	-	90,359	-
Interest and other costs	1,034,946	-	-	-
Total Governmental Activities	\$ 46,111,287	\$ 5,284,280	\$ 28,369,029	\$ 128,152
<b>Business-type Activities</b>				
Solid Waste	741,227	714,605	37,754	-
Total	\$ 46,852,514	\$ 5,998,885	\$ 28,406,783	\$ 128,152
<b>Component Units</b>				
Renville County HRA and EDA	\$ 1,062,237	\$ 107,909	\$ 760,628	\$ 7,019

General Revenues

Property taxes  
Sales tax  
Mortgage registry and deed tax  
Grants and contributions not restricted to specific programs  
Unrestricted investment earnings  
Miscellaneous  
Gain on sale of capital assets  
Total General Revenues

Change in Net Position

Net Position, January 1

Net Position, December 31

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

Net (Expense) Revenue and Changes in Net Position			Component Unit
Primary Government			
Governmental Activities	Business-type Activities	Total	Renville County HRA and EDA
\$ (7,898,456)	\$ -	\$ (7,898,456)	\$ -
(3,479,878)	-	(3,479,878)	-
1,639,596	-	1,639,596	-
22,321	-	22,321	-
(2,741,459)	-	(2,741,459)	-
(402,937)	-	(402,937)	-
(366,559)	-	(366,559)	-
1,842,133	-	1,842,133	-
90,359	-	90,359	-
(1,034,946)	-	(1,034,946)	-
(12,329,826)	-	(12,329,826)	-
-	11,132	11,132	-
(12,329,826)	11,132	(12,318,694)	-
			\$ (186,681)
15,979,588	-	15,979,588	260,488
726,149	-	726,149	-
16,085	-	16,085	-
2,044,462	-	2,044,462	-
1,681,429	24,349	1,705,778	13,419
1,118,817	129,030	1,247,847	-
41,850	-	41,850	-
21,608,380	153,379	21,761,759	273,907
9,278,554	164,511	9,443,065	87,226
111,690,390	3,546,613	115,237,003	1,771,958
\$ 120,968,944	\$ 3,711,124	124,680,068	\$ 1,859,184

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

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FUND FINANCIAL STATEMENTS

RENVILLE COUNTY  
OLIVIA, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

Renville County  
Olivia, Minnesota  
Balance Sheet  
Governmental Funds  
December 31, 2023

	General	Road and Bridge	Welfare	Ditch
<b>Assets</b>				
Cash and pooled investments	\$ 10,728,766	\$ 3,740,023	\$ 5,198,136	\$ 806,171
Receivables				
Delinquent taxes	94,405	31,430	29,396	-
Special assessments	2,078,429	-	-	4,289,349
Accounts	30,469	10,713	158,382	-
Accrued interest	59,770	-	-	-
Intergovernmental	716,370	6,585,803	525,267	910,891
Lease	-	-	-	-
Loans receivable	1,003,600	-	-	-
Advance to other funds	3,500,000	-	-	-
Prepaid items	79,001	-	587	-
Inventories	-	687,502	-	-
<b>Total Assets</b>	<b><u>\$ 18,290,810</u></b>	<b><u>\$ 11,055,471</u></b>	<b><u>\$ 5,911,768</u></b>	<b><u>\$ 6,006,411</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 251,462	\$ 526,742	\$ 116,425	\$ 909,391
Salaries payable	134,366	34,195	44,757	3,362
Deposits payable	77,331	-	17,834	419,700
Due to other governments	104,897	9,678	54,198	-
Advance from other funds	-	-	-	3,500,000
Unearned revenue	1,559,718	650,031	-	-
<b>Total Liabilities</b>	<b><u>2,127,774</u></b>	<b><u>1,220,646</u></b>	<b><u>233,214</u></b>	<b><u>4,832,453</u></b>
<b>Deferred Inflows of Resources</b>				
Deferred lease resources	-	-	-	-
Unavailable revenue	2,541,845	6,427,609	164,769	4,289,349
<b>Total Deferred Inflows of Resources</b>	<b><u>2,541,845</u></b>	<b><u>6,427,609</u></b>	<b><u>164,769</u></b>	<b><u>4,289,349</u></b>
<b>Fund Balances</b>				
Nonspendable	4,582,601	687,502	587	-
Restricted	2,223,158	-	-	-
Committed	654,074	2,719,714	4,923,198	-
Assigned	367,679	-	590,000	-
Unassigned	5,793,679	-	-	(3,115,391)
<b>Total Fund Balances</b>	<b><u>13,621,191</u></b>	<b><u>3,407,216</u></b>	<b><u>5,513,785</u></b>	<b><u>(3,115,391)</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 18,290,810</u></b>	<b><u>\$ 11,055,471</u></b>	<b><u>\$ 5,911,768</u></b>	<b><u>\$ 6,006,411</u></b>

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

Debt Service	Nonmajor Governmental Funds	Total
\$ 3,802,809	\$ 8,216,959	\$ 32,492,864
	-	
22,010	9,157	186,398
811,521	-	7,179,299
-	62,554	262,118
-	-	59,770
-	244,326	8,982,657
16,855,069	-	16,855,069
-	-	1,003,600
-	-	3,500,000
-	751	80,339
-	-	687,502
<u>\$ 21,491,409</u>	<u>\$ 8,533,747</u>	<u>\$ 71,289,616</u>
\$ -	\$ 15,615	\$ 1,819,635
-	21,183	237,863
-	-	514,865
-	1,434	170,207
-	-	3,500,000
75,360	17,279	2,302,388
<u>75,360</u>	<u>55,511</u>	<u>8,544,958</u>
16,855,069	-	16,855,069
833,530	27,209	14,284,311
<u>17,688,599</u>	<u>27,209</u>	<u>31,139,380</u>
-	751	5,271,441
3,727,450	1,020,341	6,970,949
-	7,019,935	15,316,921
-	410,000	1,367,679
-	-	2,678,288
<u>3,727,450</u>	<u>8,451,027</u>	<u>31,605,278</u>
<u>\$ 21,491,409</u>	<u>\$ 8,533,747</u>	<u>\$ 71,289,616</u>

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

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Renville County  
 Olivia, Minnesota  
 Reconciliation of the Balance Sheet  
 to the Statement of Net Position  
 Governmental Funds  
 December 31, 2023

Total Fund Balances - Governmental Funds	\$ 31,605,278
Amounts reported for governmental activities in the statement of net position are different because	
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	132,250,397
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	14,284,311
Governmental funds do not report a liability for accrued interest until due and payable.	(250,216)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Long-term liabilities at year-end consist of	
Compensated absences payable	(1,417,481)
Bonds payable	(38,875,069)
Notes payable	(5,561,601)
Loans payable	(1,380,842)
Bond premiums, net of accumulated amortization	(1,232,009)
Net pension liability	(8,764,126)
Governmental funds do not report long-term amounts related to pensions and other postemployment benefits.	
Deferred pension outflows	5,263,977
Deferred pension inflows	(5,955,572)
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.	1,001,897
Total Net Position - Governmental Activities	\$ 120,968,944

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

Renville County  
Olivia, Minnesota  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Year Ended December 31, 2023

	General	Road and Bridge	Welfare	Ditch
<b>Revenues</b>				
Taxes	\$ 8,500,099	\$ 2,616,246	\$ 2,289,670	\$ -
Special assessments	467,795	-	-	7,362,510
Licenses and permits	37,500	-	-	-
Intergovernmental	3,463,579	14,077,491	3,538,228	138,728
Charges for services	2,520,698	239,765	14,311	-
Investment earnings	878,851	245,195	185,689	7,681
Miscellaneous	373,324	75,254	962,222	27,184
<b>Total Revenues</b>	<b>16,241,846</b>	<b>17,253,951</b>	<b>6,990,120</b>	<b>7,536,103</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	6,605,657	-	-	-
Public safety	6,300,354	-	-	-
Highways and streets	-	5,395,735	-	-
Sanitation	-	-	-	-
Human services	-	-	6,814,249	-
Health	-	-	-	-
Culture and recreation	450,957	-	-	-
Conservation of natural resources	803,239	-	-	7,350,019
<b>Capital outlay</b>				
General government	155,221	-	-	-
Public safety	265,673	-	-	-
Highways and streets	-	15,563,068	-	-
Sanitation	-	-	-	-
Human services	-	-	44,655	-
Culture and recreation	14,516	-	-	-
Conservation of natural resources	6,187	-	-	-
<b>Debt service</b>				
Principal	345,675	-	-	673,401
Interest and other costs	13,419	-	-	116,875
<b>Total Expenditures</b>	<b>14,960,898</b>	<b>20,958,803</b>	<b>6,858,904</b>	<b>8,140,295</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,280,948</b>	<b>(3,704,852)</b>	<b>131,216</b>	<b>(604,192)</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	51,637	-	-
Loans issued	540,969	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(183,316)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>540,969</b>	<b>(131,679)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>1,821,917</b>	<b>(3,836,531)</b>	<b>131,216</b>	<b>(604,192)</b>
Fund Balance, January 1	11,799,274	7,079,985	5,382,569	(2,511,199)
Increase (Decrease) in Inventories	-	163,762	-	-
<b>Fund Balance, December 31</b>	<b>\$ 13,621,191</b>	<b>\$ 3,407,216</b>	<b>\$ 5,513,785</b>	<b>\$ (3,115,391)</b>

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

Debt Service	Nonmajor Governmental Funds	Total
\$ 1,869,380	\$ 1,397,499	\$ 16,672,894
135,209	1,487	7,967,001
-	84,377	121,877
51,429	749,721	22,019,176
-	711,254	3,486,028
86,583	277,430	1,681,429
1,027,435	44,284	2,509,703
<u>3,170,036</u>	<u>3,266,052</u>	<u>54,458,108</u>
-	111,156	6,716,813
-	-	6,300,354
-	-	5,395,735
-	47,498	47,498
-	-	6,814,249
-	1,871,841	1,871,841
-	-	450,957
-	-	8,153,258
-	-	-
-	-	155,221
-	100,000	365,673
-	-	15,563,068
-	1,239,759	1,239,759
-	-	44,655
-	-	14,516
-	-	6,187
-	-	-
2,170,129	100,000	3,289,205
1,102,866	-	1,233,160
<u>3,272,995</u>	<u>3,470,254</u>	<u>57,662,149</u>
<u>(102,959)</u>	<u>(204,202)</u>	<u>(3,204,041)</u>
-	-	51,637
-	1,226,782	1,767,751
183,316	-	183,316
-	-	(183,316)
<u>183,316</u>	<u>1,226,782</u>	<u>1,819,388</u>
80,357	1,022,580	(1,384,653)
3,647,093	7,428,447	32,826,169
-	-	163,762
<u>\$ 3,727,450</u>	<u>\$ 8,451,027</u>	<u>\$ 31,605,278</u>

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

Renville County  
 Olivia, Minnesota  
 Reconciliation of the Statement of  
 Revenues, Expenditures and Changes in Fund Balance  
 to the Statement of Activities  
 Governmental Funds  
 For the Year Ended December 31, 2023

Net Change in Fund Balance - Governmental Funds	\$ (1,384,653)
<p>Amounts reported for governmental activities in the statement of activities are different because</p>	
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	15,567,652
Depreciation expense	(6,468,780)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net position</p>	
Book value of disposed of capital assets	(9,787)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Principal repayments	3,289,205
Loans and notes issued	(1,767,751)
Premiums received on bonds, net of amortization expense	169,035
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	29,179
<p>Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Unavailable revenue - January 1	(13,400,296)
Unavailable revenue - December 31	14,284,311
<p>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.</p>	
Change in compensated absences	(256,195)
Change in inventories	163,762
<p>Long-term pension activity is not reported in governmental funds.</p>	
Change in pension expense	(898,192)
Direct aid contributions	5,868
<p>Internal service funds are used by management to charge the costs of various services to individual funds. The net revenues of certain of the internal activities of internal service funds are reported in governmental activities.</p>	
	(44,804)
Change in Net Position - Governmental Activities	\$ 9,278,554

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

Renville County  
Statement of Net Position  
Proprietary Funds  
December 31, 2023

	<u>Business-type Activities - Solid Waste</u>	<u>Governmental Activities - Internal Service Fund - Health Insurance</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and investments	\$ 17,686	\$ 869,667
Receivables		
Special assessments	44,108	-
Accounts	1,879	-
Intergovernmental	1,962	-
Prepaid items	1,640	185,505
Total Current Assets	<u>67,275</u>	<u>1,055,172</u>
<b>Noncurrent Assets</b>		
Restricted cash	2,393,036	-
Investment in joint venture	2,733,447	-
Capital assets		
Land	87,000	-
Infrastructure	2,269,662	-
Less accumulated depreciation	<u>(2,116,107)</u>	<u>-</u>
Total capital assets	<u>240,555</u>	<u>-</u>
Total Noncurrent Assets	<u>5,367,038</u>	<u>-</u>
Total Assets	<u>5,434,313</u>	<u>1,055,172</u>
<b>Deferred Outflows of Resources</b>		
Deferred pension resources	<u>7,771</u>	<u>-</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	10,763	473
Due to other governments	1,071	1,000
Accrued liabilities	-	32,644
Unearned revenue	36,220	-
Total Current Liabilities	<u>48,054</u>	<u>34,117</u>
<b>Noncurrent Liabilities</b>		
Landfill liability	1,661,242	-
Net pension liability	<u>30,515</u>	<u>-</u>
Total Noncurrent Liabilities	<u>1,691,757</u>	<u>-</u>
Total Liabilities	<u>1,739,811</u>	<u>34,117</u>
<b>Deferred Inflows of Resources</b>		
Deferred pension resources	<u>10,307</u>	<u>-</u>
<b>Net Position</b>		
Investment in capital assets	240,555	-
Restricted		
Landfill	731,794	-
Unrestricted	<u>2,719,617</u>	<u>1,021,055</u>
Total Net Position	<u>\$ 3,691,966</u>	<u>\$ 1,021,055</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	<u>19,158</u>	
Net Position of Business-type Activities	<u>\$ 3,711,124</u>	

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

Renville County  
Olivia, Minnesota  
Statements of Revenue, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2023

	Business-type Activities - Solid Waste	Governmental Activities - Internal Service Fund - Health Insurance
Operating Revenues		
Intergovernmental	\$ 37,754	\$ -
Special assessments	572,260	-
Charges for services	141,769	1,252,431
Miscellaneous	576	-
Total Operating Revenues	752,359	1,252,431
Operating Expenses		
Personal services	61,851	-
Other services and charges	657,814	-
Utilities	8,359	-
Depreciation	13,096	-
Claims/insurance expense	-	1,297,342
Total Operating Expenses	741,120	1,297,342
Operating Income (Loss)	11,239	(44,911)
Nonoperating Revenues (Expenses)		
Investment earnings	24,349	-
Income (loss) from joint venture	129,030	-
Total Nonoperating Revenues (Expenses)	153,379	-
Change in Net Position	164,618	(44,911)
Net Position, January 1	3,527,348	1,065,966
Net Position, December 31	\$ 3,691,966	\$ 1,021,055
Changes in Net Position as Shown Above	\$ 164,618	
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	(107)	-
Changes in Net Position of Business-type Activities	\$ 164,511	\$ -

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

Renville County  
Olivia, Minnesota  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2023

	Business-type Activities - Solid Waste	Governmental Activities - Internal Service Fund - Health Insurance
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 777,924	\$ 1,252,431
Payments to vendors and suppliers	(721,293)	(1,449,213)
Payments to and on behalf of employees	(61,638)	-
Net Cash Provided (Used) by Operating Activities	(5,007)	(196,782)
Cash Flows from Investing Activities		
Interest receipts (payments)	21,349	-
Net Increase (Decrease) in Cash And Cash Equivalents	16,342	(196,782)
Cash and Cash Equivalents, January 1	2,394,380	1,066,449
Cash and Cash Equivalents, December 31	\$ 2,410,722	\$ 869,667
Cash and Cash Equivalents, Reported on Statement of Net Position		
Unrestricted cash and investments	\$ 17,686	\$ 869,667
Restricted cash and investments	2,393,036	-
Total Cash and Cash Equivalents	\$ 2,410,722	\$ 869,667
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ 11,239	\$ (44,911)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	13,096	-
(Increase) decrease in assets		
Special assessments	27,261	-
Accounts receivable	(298)	-
Due from other governments	(1,394)	-
Prepaid items	(1,640)	(185,505)
(Increase) decrease in deferred outflows of resources		
Deferred pension resources	10,996	-
Increase (decrease) in liabilities		
Accounts payable	6,573	(10)
Due to other governments	605	1,000
Accrued liabilities	-	32,644
Landfill liability	(60,236)	-
Net pension liability	(1,502)	-
Increase (decrease) in deferred inflows of resources		
Deferred pension resources	(9,707)	-
Net Cash Provided (Used) by Operating Activities	\$ (5,007)	\$ (196,782)
Schedule of Noncash Financing and Investing Activities		
Income (loss) from equity interest in joint venture	\$ 129,030	\$ -
Change in postclosure liability	\$ (60,236)	\$ -

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

Renville County  
Olivia, Minnesota  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2023

	Custodial Funds
Assets	
Cash and pooled investments	\$ 3,690,109
Receivables	
Special assessments	69,865
Accounts	167,253
Intergovernmental	280,553
Prepaid items	13,930
Total Assets	4,221,710
Liabilities	
Accounts payable	130,823
Accrued liabilities	59,961
Due to other governments	116,180
Unearned revenue	72,440
Total Liabilities	379,404
Net Position	
Restricted	
Individuals, organizations and other governments	3,848,961
Unrestricted	(6,655)
Total Net Position	\$ 3,842,306

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

**Renville County**  
 Olivia, Minnesota  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Year Ended December 31, 2023

	Custodial Funds
<b>Additions</b>	
Property tax collections for other governments	\$ 38,886,302
Special assessments	1,204,134
Intergovernmental	1,228,007
Charges for services	2,075,008
Fees collected for state	558,098
Miscellaneous	144,433
Total Additions	44,095,982
<b>Deductions</b>	
Payments of property tax to other governments	39,025,423
Payments to state	557,428
Recycling services	2,458,306
Nursing services	1,707,675
Total Deductions	43,748,832
Net Increase (Decrease) in Fiduciary Net Position	347,150
Net Position, January 1	3,495,156
Net Position, December 31	\$ 3,842,306

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

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Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies**

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

**A. Financial Reporting Entity**

Renville County was established November 8, 1866, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. § 373.01. As required by accounting principles generally accepted in the United States of America, these financial statements present Renville County. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year. The County Administrator serves as the clerk of the Board of Commissioners but has no vote.

***Discretely Presented Component Unit***

The component unit’s column in the combined financial statements include the financial data of the Renville County Housing and Redevelopment Authority and Economic Development Authority. This component unit is presented in a separate column to emphasize the entity is legally separate from the County.

Component Unit	Component Unit Included in Reporting Entity Because	Separate Financial Statements
Renville County Housing and Redevelopment Authority and Economic Development Authority provides services pursuant to Minn. Stat. §§ 469.090-.1081 and §§ 469.001-.047.	The seven member board consists of all Board approved members. The HRA/EDA may not exercise any of the powers enumerated by the authorizing statutes without prior approval of the County Board.	Separate financial statements are prepared and can be obtained by contacting the Renville County Administrator’s Office, Renville County Government Services Center, 105 South 5th Street, Suite 315, Olivia, Minnesota 56277.

***Joint Ventures and Related Organizations***

The County participates in several joint ventures described in Note 5. The County also participates in jointly-governed organizations also described in Note 5.

**B. Government-wide and Fund Financial Statements**

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

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

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

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

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

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

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

The *Debt Service fund* is used to account for the accumulation of restricted resources used for, and the payment of, principal, interest and related costs.

The County reports the following major governmental funds:

The *Solid Waste fund* is used to account for the operation of solid waste activities, including landfill and recycling. The fund also accounts for funds accumulated for closure and post closure care costs associated with the landfill.

Additionally, the County reports the following fund types:

The *Internal Service - Health Insurance fund* accounts for the payment of the County's commercial policy and related administrative costs,

**Fiduciary Funds**

*Custodial funds* are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds or private-purpose trust funds. The County's Custodial fund accounts for activities of Taxes & Penalties collections, State collections, mortgage registration, Redwood-Renville Regional Solid Waste Authority and Supporting Hands Nurse Family Partnership operations.

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus and Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Renville County considers all revenues as available if collected within 60 days after the end of the current period. Property taxes are recognized as revenues in the year for which they are levied provided they are also available. Shared revenues are generally recognized in the period the appropriation goes into effect and the revenues are available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and are available. Property and other taxes, licenses, and interest are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance**

***Deposits and Investments***

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

The cash balances of substantially all funds are pooled and invested by the County Finance Coordinator for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2023. A market approach is used to value all investments other than the external investment pool, which is measured at the net asset value. Pursuant to Minn. Stat. §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 \$2,000,180.

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

Included in total cash and investments are the assets held for Union (Doncastor) Cemetery Association. For the purposes of financial reporting, the Cemetery Association's cash is reported as an investment trust fund.

***Receivables and Payables***

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

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

Special assessments receivable consist of delinquent special assessments payable in the years 2009 through 2022 and deferred special assessments payable in 2023 and after. Unpaid special assessments at December 31 are classified in the financial statements as delinquent special assessments.

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

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Inventories and Prepaid Items***

All inventories are valued at cost using the first in/first out method. Inventories in governmental funds are recorded as expenditures when purchased rather than when consumed. Inventories at the government-wide level are recorded as expenses when consumed.

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.

***Lease Receivable***

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

***Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

***Capital Assets***

Capital assets, which include property, plant, equipment, infrastructure assets (such as roads, bridges, sidewalks, and similar items) and intangible assets, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an estimated useful life in excess of one year and an initial, individual cost over the following:

Assets	Amount
Land and Right of Way	\$ 1
Hospital Assets	5,000
Buildings and Improvements	25,000
Land Improvements	25,000
Machinery, Equipment and Vehicles	25,000
Roads	25,000
Bridges	25,000
Intangible Assets	50,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value (entry price) on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

Assets	Years
Machinery, Equipment and Vehicles	5 - 30
Land Improvements	10 - 20
Intangible Assets	10 - 15
Buildings and Improvements	20 - 50
Roads	25
Bridges	50

***Deferred Outflows of Resources***

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The County has one item which qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statement of net position and results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

***Compensated Absences***

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated vacation, sick leave, and comp time 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. A liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are accrued when incurred in the government-wide financial statements. The government-wide statement of net position reports both current and noncurrent portions of compensated absences. The current portion consists of an amount based on a trend analysis of current usage of vacation. The noncurrent portion consists of the remaining amount of vacation, total vested sick leave, and comp time. For the governmental activities, compensated absences are liquidated by the General fund, the Road and Bridge Special Revenue fund and the Welfare Special Revenue fund.

***Unearned Revenue***

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

***Long-term Obligations***

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

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

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Pension Plan***

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

The total pension expense for the GERP, PEPFP, PECP and DCP plans is as follows:

	Public Employees Retirement Association of Minnesota (PERA)				Total
	GERP	PEPFP	PECP	DCP	
County's Proportionate Share	\$ 952,911	\$ 602,136	\$ 118,352	\$ 9,281	\$ 1,682,680
Proportionate Share of State's Contribution	855	(4,370)	-	-	(3,515)
<b>Total</b>	<b>953,766</b>	<b>597,766</b>	<b>118,352</b>	<b>9,281</b>	<b>1,679,165</b>

***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has the following items listed below reported in the statement of net position and governmental funds balance sheet:

- *Unavailable revenues* are presented in the governmental funds from two sources: property taxes and special assessments. These arise only under a modified accrual basis of accounting that qualifies for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Deferred pension resources* are reported only in the statements of net position and results from actuarial calculations.
- *Deferred lease resources* are reported in the governmental funds balance sheet and are deferred to the period the amounts become available. This item is also reported in the statement of net position.

***Net Position***

Net position in the government-wide financial statements is classified in the following categories:

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

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

**Fund Balance**

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

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

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

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

*Assigned* - amounts the County intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount not restricted or committed. In the General fund, assigned amounts represent intended uses established by the County Board or the County Administrator, who has been delegated that authority by Board resolution.

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

Renville County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources as needed.

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Minimum Fund Balance***

Renville County has adopted a minimum fund balance policy for the General fund. The General fund is heavily reliant on property tax revenues to fund current operations. However, current property tax revenues are not available for distribution until June. Therefore, the County Board has determined it needs to maintain a minimum unrestricted fund balance (committed, assigned, and unassigned) of no less than five months of operating expenditures or 30.0 percent to 50.0 percent of operating revenue. At December 31, 2023, the County's unrestricted fund balance was at or above the minimum fund balance level.

***Use of Estimates***

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

**Note 2: Stewardship, Compliance and Accountability**

**Excess of Expenditures Over Appropriations**

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

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 13,464,936	\$ 14,960,898	\$ 1,495,962
Special Revenue			
Road and Bridge	18,339,088	20,958,803	2,619,715
Human Services	6,828,560	6,858,904	30,344
Debt Service	3,271,847	3,272,995	1,148

Excess expenditures in the above funds were funded by actual revenues in excess of budget and available fund balances.

**Deficit Fund Equity**

The following funds had fund equity deficits at December 31, 2023:

Fund	Amount
Special revenue	
Ditch	\$ 3,115,391
Fiduciary	
Mortgage Registration	6,655

The above deficits will be eliminated through future special assessments, charges for services and/or fees or transfers from other funds.

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds**

**A. Deposits and Investments**

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

Government-wide Statement of Net Position	
Governmental activities	
Cash and pooled investments	\$ 33,362,531
Business-type activities	
Cash and pooled investments	17,686
Restricted cash and investments	2,393,036
Discretely presented component unit	
Cash and pooled investments	729,934
Restricted cash and investments	90,580
Statement of Fiduciary Net Position	
Cash and pooled investments	<u>3,690,109</u>
 Total	 <u><u>\$ 40,283,876</u></u>

**Deposits**

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

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

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. The County's policy is to minimize deposit custodial credit risk by obtaining collateral or bond for all uninsured amounts on deposit and obtaining necessary documentation to show compliance with state law and perfected security interest under federal law. As of December 31, 2023, the County's deposits were not exposed to custodial credit risk.

**Investments**

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

1. securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. §118A.04, subd. 6;
2. mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
3. general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;

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**Note 3: Detailed Notes on All Funds (Continued)**

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 minimizes its exposure to interest rate risk by investing in both short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The County's investment policy specifies that securities must have a final maturity of ten years or less from the date of purchase and specifies that the overall weighted average duration of the entire portfolio shall be less than seven years.

***Credit Risk***

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

***Custodial Credit Risk***

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party.

The County's investment policy states to follow state statutes for collateralization of cash and investments. At December 31, 2023, the County's investments were not exposed to custodial credit risk.

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. The County's investment policy specifies maximum percentages allowed to be invested in various investment types. The County has no concentrations greater than five percent in any one issuer.

The following table presents the County's cash and deposit balances at December 31, 2023.

Checking	\$ 1,253,294
Brokered Cash	1,440,659
Non-negotiable Certificates of Deposits	1,516,360
MAGIC Fund	25,217,085
Fixed Income Securities	<u>10,856,478</u>
 Total	 <u><u>\$ 40,283,876</u></u>

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**Note 3: Detailed Notes on All Funds (Continued)**

**Concentration of Credit Risk Fair Value of Investments**

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

As of December 31, 2023, the County had the following investments that are insured or registered, or securities held by the County's agent in the County's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
<b>Pooled Investments at Amortized Costs</b>						
Brokered Cash	N/A	less than 1 year	\$ 1,440,659			
Minnesota Association of Governments Investing for Counties (MAGIC) fund	N/A	less than 1 year	13,217,085			
Minnesota Association of Governments Investing for Counties (MAGIC) TERM	N/A	less than 1 year	12,000,000			
<b>Non-pooled Investments at Fair Value</b>						
U.S. Treasury Notes	AA+/Aaa	less than 1 year	2,457,648	\$ -	\$ 2,457,648	\$ -
U.S. Treasury Bills	A-1+/P-1	less than 1 year	398,770	-	398,770	-
Commerical Papers	A-1/P-1	less than 1 year	610,987	-	610,987	-
U.S. Treasury Notes	AA+/Aaa	1 to 5 years	2,627,500	-	2,627,500	-
Federal Agency Mortgage Backed Securities	AA+/Aaa	1 to 5 years	112,279	-	112,279	-
Federal Agency Commercial Mortgage Backed Securities	AA+/Aaa	1 to 5 years	1,353,718	-	1,353,718	-
Federal Agency Bonds and Notes	AA+/Aaa	1 to 5 years	825,163	-	825,163	-
Federal Agency Mortgage Backed Securities	AA+/Aaa	more than 5 years	1,345,411	-	1,345,411	-
Federal Agency Commercial Mortgage Backed Securities	AA+/Aaa	more than 5 years	310,252	-	310,252	-
Federal Agency Collateralized Mortgage Obligations	AA+/Aaa	more than 5 years	814,750	-	814,750	-
<b>Total Investments</b>			<b>\$ 37,514,222</b>	<b>\$ -</b>	<b>\$ 10,856,478</b>	<b>\$ -</b>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

Debt securities classified in Level 2 are valued using matrix pricing based on the securities' relationship to benchmark quoted prices

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

MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet 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.

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**Note 3: Detailed Notes on All Funds (Continued)**

**B. 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
Governmental Activities		
Delinquent taxes	\$ 186,398	\$ 120,690
Special assessments	7,179,299	3,744,484
Accounts	262,118	-
Intergovernmental	8,982,657	-
Notes	1,003,600	1,000,000
Accrued interest	59,770	-
Lease	16,855,069	16,531,784
Total	\$ 34,528,911	\$ 21,396,958

**Note Receivable**

The HRA/EDA has received grants to be used for economic development. The proceeds of these grants were loaned to businesses and individuals and are to be paid back to the HRA/EDA. The balance of these notes at December 31, 2023 is \$972,156.

**Lease Receivable**

The County leases the hospital building equal to the payments on mortgage revenue debt. Long-term lease activity for the year ended December 31, 2023 was as follows:

Description	Total Lease Receivable	Interest Rate	Issue Date	Payment Terms	Payment Amount	Balance at Year End
Hospital Building	\$ 19,000,000	2.75 %	7/13/2016	480 Monthly	\$ 65,630	\$ 16,855,069

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**Note 3: Detailed Notes on All Funds (Continued)**

**C. Capital Assets**

**Primary Government**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not Depreciated				
Land	\$ 1,753,785	\$ -	\$ -	\$ 1,753,785
Construction in progress	10,048,035	1,239,759	(1,751,967)	9,535,827
Intangible assets	4,752,887	-	-	4,752,887
Total Capital Assets not Depreciated	<u>16,554,707</u>	<u>1,239,759</u>	<u>(1,751,967)</u>	<u>16,042,499</u>
Capital Assets Depreciated				
Buildings	40,073,649	-	-	40,073,649
Land improvements	1,877,255	24,651	-	1,901,906
Machinery and equipment	13,393,067	1,450,663	(334,183)	14,509,547
Roads	122,060,096	13,742,561	-	135,802,657
Bridges	19,094,927	861,985	(31,435)	19,925,477
Intangible assets	301,770	-	-	301,770
Total Capital Assets Depreciated	<u>196,800,764</u>	<u>16,079,860</u>	<u>(365,618)</u>	<u>212,515,006</u>
Less Accumulated Depreciation for				
Buildings	(16,697,702)	(1,575,045)	-	(18,272,747)
Land improvements	(1,059,541)	(85,108)	-	(1,144,649)
Machinery and equipment	(9,008,158)	(744,598)	324,396	(9,428,360)
Roads	(57,381,635)	(3,657,880)	-	(61,039,515)
Bridges	(5,802,831)	(387,812)	31,435	(6,159,208)
Intangible assets	(244,292)	(18,337)	-	(262,629)
Total Accumulated Depreciation	<u>(90,194,159)</u>	<u>(6,468,780)</u>	<u>355,831</u>	<u>(96,307,108)</u>
Total Capital Assets Depreciated, Net	<u>106,606,605</u>	<u>9,611,080</u>	<u>(9,787)</u>	<u>116,207,898</u>
Governmental Activities Capital Assets, Net	<u>\$ 123,161,312</u>	<u>\$ 10,850,839</u>	<u>\$ (1,761,754)</u>	<u>\$ 132,250,397</u>

Construction in progress primarily consists of various highway projects along with a septic project.

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**Note 3: Detailed Notes on All Funds (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets not Depreciated				
Land	\$ 87,000	\$ -	\$ -	\$ 87,000
Capital Assets Depreciated				
Buildings	172,969	-	-	172,969
Land improvements	1,854,686	-	-	1,854,686
Machinery and equipment	242,007	-	-	242,007
Total Capital Assets Depreciated	<u>2,269,662</u>	<u>-</u>	<u>-</u>	<u>2,269,662</u>
Less Accumulated Depreciation for				
Buildings	(81,283)	(3,114)	-	(84,397)
Land improvements	(1,784,628)	(9,982)	-	(1,794,610)
Machinery and equipment	(237,100)	-	-	(237,100)
Total Accumulated Depreciation	<u>(2,103,011)</u>	<u>(13,096)</u>	<u>-</u>	<u>(2,116,107)</u>
Total Capital Assets Depreciated, Net	<u>166,651</u>	<u>(13,096)</u>	<u>-</u>	<u>153,555</u>
Business-Type Activities Capital Assets, Net	<u>\$ 253,651</u>	<u>\$ (13,096)</u>	<u>\$ -</u>	<u>\$ 240,555</u>

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

<b>Governmental Activities</b>	
General government	\$ 1,655,970
Public safety	151,420
Highways and streets, including depreciation of infrastructure assets	4,616,234
Sanitation	312
Human services	16,906
Culture and recreation	16,831
Conservation	<u>11,107</u>
Total Depreciation Expense	<u>\$ 6,468,780</u>
<b>Business-Type Activities</b>	
Solid Waste	<u>\$ 13,096</u>

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Notes to the Financial Statements  
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**Note 3: Detailed Notes on All Funds (Continued)**

***Discretely Presented Component Unit***

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Component Unit Activities</b>				
Capital Assets not Depreciated				
Land	\$ 62,530	\$ -	\$ -	\$ 62,530
Capital Assets Depreciated				
Buildings	1,505,017	-	-	1,505,017
Property and equipment	80,690	655	(5,319)	76,026
Total Capital Assets Depreciated	<u>1,585,707</u>	<u>655</u>	<u>(5,319)</u>	<u>1,581,043</u>
Less Accumulated Depreciation for				
Buildings	(1,331,333)	(36,567)	-	(1,367,900)
Property and equipment	(72,880)	(1,877)	5,319	(69,438)
Total Accumulated Depreciation	<u>(1,404,213)</u>	<u>(38,444)</u>	<u>5,319</u>	<u>(1,437,338)</u>
Total Capital Assets Depreciated, Net	<u>181,494</u>	<u>(37,789)</u>	<u>-</u>	<u>143,705</u>
HRA/EDA Component Unit Capital Assets, Net	<u>\$ 244,024</u>	<u>\$ (37,789)</u>	<u>\$ -</u>	<u>\$ 206,235</u>

Depreciation expense charged to the HRA/EDA functions/programs of the discretely presented component unit was \$38,444.

***Construction Commitments***

The County has active construction projects as of December 31, 2023. At year end, the County's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Lake Allie ESSD Wastewater Treatment SAP 065-598-024/025/027	\$ 1,219,074	\$ 265,228
	<u>-</u>	<u>955,598</u>
Total	<u>\$ 1,219,074</u>	<u>\$ 1,220,826</u>

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**Note 3: Detailed Notes on All Funds (Continued)**

**D. Interfund Receivables, Payables and Transfers**

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

**Advances To/From Other Funds**

Receivable Fund	Payable Fund	Amount
General Fund	Ditch Fund	<u>\$ 3,500,000</u>

The \$3,500,000 was an advance from the General fund to the Ditch fund to cover the County Ditch Improvement costs. Funds will be repaid to the General fund when funds become available in the ditch fund or by bonds issued at a later date and carries an interest rate of 4.9 percent. There is no formal repayment schedule set up for the advance.

**Interfund Transfers**

Transfers Out	Transfers in Debt Service Fund
Road and Bridge	<u>\$ 183,316</u>

The following transfers were made during 2023:

- To transfer wheelage taxes

**E. Liabilities and Deferred Inflows of Resources**

**Payables**

Payables at December 31, 2023 were as follows:

<b>Governmental Activities</b>	
Accounts Payable	\$ 1,820,108
Salaries Payable	237,863
Deposits Payable	514,865
Due to Other Governments	171,207
Accrued Liabilities	<u>32,644</u>
Total	<u>\$ 2,776,687</u>

Renville County  
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**Note 3: Detailed Notes on All Funds (Continued)**

**G.O. Bonds Payable**

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Bonds					
2016A G.O. Capital Improvement Bonds	\$ 4,150,000	2.00 - 2.375 %	2/16/2016	2/1/2031	\$ 2,145,000
2019A G.O. Drainage Bonds	1,510,000	2.00 - 2.20	11/14/2019	2/1/2035	1,210,000
2020A G.O. Capital Improvement Bonds	14,065,000	2.00	11/5/2020	2/1/2041	13,450,000
2020B G.O. Refunding Bonds	6,810,000	5.00	11/20/2020	Varies	5,215,000
Total General Obligation Bonds					<u>\$ 22,020,000</u>

Payments on the Series 2019A general obligation drainage bonds are made by the Ditch Special Revenue fund while payments on the other general obligation bonds are to be made by the Debt Service fund. Total debt service requirements at December 31, 2023 were as follows:

Year Ending December 31	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 1,920,000	\$ 566,950	\$ 2,486,950
2025	1,990,000	500,550	2,490,550
2026	2,055,000	431,300	2,486,300
2027	2,110,000	359,500	2,469,500
2028	1,675,000	296,150	1,971,150
2029 - 2033	5,500,000	929,625	6,429,625
2034 - 2038	4,185,000	465,450	4,650,450
2039 - 2041	2,585,000	78,250	2,663,250
Total	<u>\$ 22,020,000</u>	<u>\$ 3,627,775</u>	<u>\$ 25,647,775</u>

**Taxable Revenue Bonds Payable**

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Taxable Revenue Bonds					
2016A and 2016B Mortgage Revenue Bonds	\$ 19,000,000	2.75 %	7/13/2016	7/13/2056	<u>\$ 16,855,069</u>

Debt payments on the mortgage revenue bonds payable are made from the Debt Service fund. Total debt service requirements at December 31, 2023 were as follows:

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**Note 3: Detailed Notes on All Funds (Continued)**

Year Ending December 31	Taxable Mortgage Revenue Bonds		
	Principal	Interest	Total
2024	\$ 324,043	\$ 460,277	\$ 784,320
2025	333,083	451,237	784,320
2026	342,376	441,944	784,320
2027	351,928	432,392	784,320
2028	361,746	422,574	784,320
2029 - 2033	1,965,864	1,955,736	3,921,600
2034 - 2038	2,255,214	1,666,386	3,921,600
2039 - 2043	2,588,552	1,333,048	3,921,600
2044 - 2048	2,970,356	951,244	3,921,600
2049 - 2053	3,408,476	513,124	3,921,600
2054 - 2056	1,953,431	71,972	2,025,403
Total	<u>\$ 16,855,069</u>	<u>\$ 8,699,934</u>	<u>\$ 25,555,003</u>

**Notes Payable**

The County has notes with the Minnesota Pollution Control Agency for financing of clean water projects. The notes are secured by special assessments placed on the individual parcels requesting funding of a project. Note payments for MPCA loans are reported in the General fund while the USDA note is paid by the Capital Projects fund.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
<b>MPCA Notes</b>					
Middle Minnesota Watershed	\$ 228,575	2.00 %	2/1/2010	12/15/2024	\$ 24,958
Crow River Watershed (RSWR)	23,320	2.00	2/4/2011	6/15/2024	1,280
Crow River Watershed (BMP)	101,258	2.00	5/4/2012	12/15/2026	32,519
Hawk Creed Watershed	318,806	2.00	5/14/2013	12/15/2026	102,387
Middle Minnesota Watershed (SSTS)	112,229	2.00	10/2/2014	6/15/2029	64,478
Hawk Creed Watershed (SSTS)	387,442	2.00	8/2/2016	12/15/2029	241,649
Crow River Watershed (SSTS)	126,985	2.00	2/1/2017	12/15/2029	79,201
Renville County SSTS	1,239,823	0.00	4/10/2020	6/15/2034	1,190,633
Renville County Buffer Implementation	2,191,904	0.00	7/6/2020	12/15/2028	1,972,714
Lake Allie ESSD Wastewater Collection	1,226,782	0.00	11/19/2020	6/15/2032	1,226,782
<b>USDA Notes</b>					
Rural Electrification Act	1,000,000	0.00	7/1/2020	6/1/2030	625,000
Total Notes Payable					<u>\$ 5,561,601</u>

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**Note 3: Detailed Notes on All Funds (Continued)**

Total debt service requirements at December 31, 2023 were as follows:

Year Ending December 31	<b>Notes Payable</b>		
	Governmental Activities		
	Principal	Interest	Total
2024	\$ 730,283	\$ 16,392	\$ 746,675
2025	936,509	10,264	946,773
2026	938,685	7,743	946,428
2027	894,117	5,567	899,684
2028	676,250	3,580	679,830
2029 - 2033	1,326,225	3,162	1,329,387
2034	59,532	-	59,532
<b>Total</b>	<b>\$ 5,561,601</b>	<b>\$ 46,708</b>	<b>\$ 5,608,309</b>

**Loans Payable**

The County has entered into agreements with the Minnesota Department of Agriculture to provide loans to eligible farmers, rural landowners and agriculture supply businesses for projects that mitigate nonpoint source pollution and other adverse environmental impacts. The Department of Agriculture disburses funds to the County as the loans are issued and all funds provided to the County must be repaid, at no interest, to the Department of Agriculture. If the County fails to repay these loans within six months of their due date, the Department may demand immediate and full repayment.

Description	Authorized and Issued	Interest Rate	Semi-Annual Installment Amount	Final Maturity	Balance at Year End
<b>AgBMP</b>					
CD 36 loan	\$ 65,050	N/A	\$ 6,505	2024	\$ 6,505
CD 39 loan	25,517	N/A	2,552	2024	2,552
CD 59 loan	194,313	N/A	19,431	2024	19,431
CD 111 loan	94,563	N/A	9,456	2024	9,456
CD 132 loan	165,514	N/A	16,551	2024	16,551
CD 133 loan	177,066	N/A	17,707	2024	17,707
CD 142 loan	71,896	N/A	7,190	2024	7,190
CD 7A loan	204,928	N/A	20,493	2025	61,479
CD 10A loan	132,129	N/A	13,213	2025	39,639
CD 17A loan	436,105	N/A	43,610	2025	130,830
CD 24A loan	14,408	N/A	1,441	2025	4,323
CD 28A loan	59,183	N/A	5,918	2025	17,754
CD 30A loan	100,557	N/A	10,056	2025	30,168
CD 31 loan	256,687	N/A	25,669	2025	77,007
CD 125A loan	273,126	N/A	27,313	2025	81,939
Septic loan	1,097,349	N/A	Varies	2035	858,311
<b>Total Loans Payable</b>					<b>\$ 1,380,842</b>

N/A - Not Applicable

Debt payments on the loans payable are made from the Ditch fund. Debt service requirements at December 31, 2023 were as follows:

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**Note 3: Detailed Notes on All Funds (Continued)**

Year Ending December 31	<b>Loans Payable</b>		
	Governmental Activities		
	Principal	Interest	Total
2024	\$ 474,816	\$ -	\$ 474,816
2025	225,045	-	225,045
2026	152,087	-	152,087
2027	150,228	-	150,228
2028	135,206	-	135,206
2029 - 2033	210,039	-	210,039
2034 - 2035	33,421	-	33,421
<b>Total</b>	<b>\$ 1,380,842</b>	<b>\$ -</b>	<b>\$ 1,380,842</b>

**Component Unit Debt**

On April 22, 2016, the HRA/EDA issued an MHFA loan in the amount of \$123,636. The loan has a 0.0 percent interest rate and the loan will be forgiven on April 22, 2036 as long as the Authority complies with the terms and conditions of the loan agreement.

**Changes in Long-term Liabilities**

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds Payable					
General obligation bonds					
Drainage	\$ 1,310,000	\$ -	\$ (100,000)	\$ 1,210,000	\$ 100,000
Capital improvement	16,510,000	-	(915,000)	15,595,000	935,000
Refunding	6,055,000	-	(840,000)	5,215,000	885,000
Revenue bonds	17,170,198	-	(315,129)	16,855,069	324,043
Unamortized premium	1,401,044	-	(169,035)	1,232,009	-
Total Bonds Payable	<u>42,446,242</u>	<u>-</u>	<u>(2,339,164)</u>	<u>40,107,078</u>	<u>2,244,043</u>
Notes Payable	4,498,706	1,547,762	(484,867)	5,561,601	730,283
Loans Payable	1,795,062	219,989	(634,209)	1,380,842	474,816
Compensated Absences Payable	1,161,286	1,498,447	(1,242,252)	1,417,481	505,999
Governmental Activities Long-term Liabilities	<u>\$ 49,901,296</u>	<u>\$ 3,266,198</u>	<u>\$ (4,700,492)</u>	<u>\$ 48,467,002</u>	<u>\$ 3,955,141</u>
<b>Business-type Activities</b>					
Landfill Liability	<u>\$ 1,721,478</u>	<u>\$ -</u>	<u>\$ (60,236)</u>	<u>\$ 1,661,242</u>	<u>\$ -</u>
<b>Component Unit Activities</b>					
Loans Payable	\$ 123,636	\$ -	\$ -	\$ 123,636	\$ -
Compensated Absences Payable	12,464	2,372	-	14,836	10,338
Component Unit Activities Long-term Liabilities	<u>\$ 136,100</u>	<u>\$ 2,372</u>	<u>\$ -</u>	<u>\$ 138,472</u>	<u>\$ 10,338</u>

For the governmental activities, compensated absences are liquidated by the General fund, the Road and Bridge Special Revenue fund and the Welfare Special Revenue fund.

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**Note 3: Detailed Notes on All Funds (Continued)**

***Unearned Revenue and Deferred Inflows of Resources***

Unearned revenues and deferred inflows of resources consist of special assessments, taxes, state grants, interest, leases and other receivables not collected soon enough after year-end to pay liabilities of the current period, and state grants received but not yet earned. Unearned revenues and deferred inflows of resources at December 31, 2023, are summarized below by fund:

	Taxes	Special Assessments	Grants	Leases	Other	Total
Major Governmental Funds						
General	\$ 94,405	\$ 2,078,430	\$ 1,465,313	\$ -	\$ 463,415	\$ 4,101,563
Road and Bridge	31,430	-	7,046,210	-	-	7,077,640
Welfare	29,396	-	135,373	-	-	164,769
Ditch	-	4,289,349	-	-	-	4,289,349
Debt Service	22,010	811,520	-	16,855,069	75,360	17,763,959
Nonmajor Governmental Funds	9,157	-	25,040	-	10,291	44,488
Total	<u>\$ 186,398</u>	<u>\$ 7,179,299</u>	<u>\$ 8,671,936</u>	<u>\$ 16,855,069</u>	<u>\$ 549,066</u>	<u>\$ 33,441,768</u>
Liabilities						
Unearned revenue	\$ -	\$ -	\$ 2,209,749	\$ -	\$ 92,639	\$ 2,302,388
Deferred Inflows of Resources						
Deferred lease inflows	-	-	-	16,855,069	-	16,855,069
Unavailable revenue	186,398	7,179,299	6,462,187	-	456,427	14,284,311
Total	<u>\$ 186,398</u>	<u>\$ 7,179,299</u>	<u>\$ 8,671,936</u>	<u>\$ 16,855,069</u>	<u>\$ 549,066</u>	<u>\$ 33,441,768</u>

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**Note 3: Detailed Notes on All Funds (Continued)**

**F. Fund Balance**

The summary of fund balance classifications is:

	General	Road and Bridge	Human Services	Ditch	Debt Service	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>							
Prepaid items	\$ 79,001	\$ -	\$ 587	\$ -	\$ -	\$ 751	\$ 80,339
Advances to other funds	3,500,000	-	-	-	-	-	3,500,000
Loans receivable	1,003,600	-	-	-	-	-	1,003,600
Inventories	-	687,502	-	-	-	-	687,502
<b>Total Nonspendable</b>	<b>\$ 4,582,601</b>	<b>\$ 687,502</b>	<b>\$ 587</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 751</b>	<b>\$ 5,271,441</b>
<b>Restricted</b>							
Law library	\$ 64,449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,449
Enhanced 911	386,540	-	-	-	-	-	386,540
Sheriff's activities	4,488	-	-	-	-	-	4,488
Sheriff's forfeited property	67,912	-	-	-	-	-	67,912
Jail canteen	169,706	-	-	-	-	-	169,706
Permit to carry	67,166	-	-	-	-	-	67,166
Attorney's forfeited property	13,746	-	-	-	-	-	13,746
Loan programs	583,016	-	-	-	-	-	583,016
Riparian aid	302,924	-	-	-	-	-	302,924
Unspent grant monies	352,760	-	-	-	-	-	352,760
Land aggregates	74,794	-	-	-	-	-	74,794
Public housing aid	90,359	-	-	-	-	-	90,359
Missing heirs	45,298	-	-	-	-	-	45,298
Tax forfeiture	-	-	-	-	-	7,500	7,500
Sales tax	-	-	-	-	-	736,096	736,096
Lake Allie sewer	-	-	-	-	-	61,398	61,398
DNR projects	-	-	-	-	-	166,360	166,360
Opioid settlement	-	-	-	-	-	48,987	48,987
Debt service	-	-	-	-	3,727,450	-	3,727,450
<b>Total Restricted</b>	<b>\$ 2,223,158</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,727,450</b>	<b>\$ 1,020,341</b>	<b>\$ 6,970,949</b>
<b>Committed</b>							
Compensated absences	\$ 654,074	\$ 317,402	\$ 229,073	\$ -	\$ -	\$ 156,640	\$ 1,357,189
Streets and highways	-	2,402,312	-	-	-	-	2,402,312
Human services	-	-	4,694,125	-	-	-	4,694,125
Public health	-	-	-	-	-	3,427,840	3,427,840
Capital projects	-	-	-	-	-	3,435,455	3,435,455
<b>Total Committed</b>	<b>\$ 654,074</b>	<b>\$ 2,719,714</b>	<b>\$ 4,923,198</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,019,935</b>	<b>\$ 15,316,921</b>
<b>Assigned</b>							
2024 budget deficit	\$ 367,679	\$ -	\$ 590,000	\$ -	\$ -	\$ 410,000	\$ 1,367,679
<b>Unassigned</b>							
	\$ 5,793,679	\$ -	\$ -	\$ (3,115,391)	\$ -	\$ -	\$ 2,678,288

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**Note 4: Defined Benefit Pension Plans - Statewide**

**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.

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

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

Local Government Correctional Plan

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

**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.

General Employee 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 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary 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 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

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 percent after five years up to 100 percent 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 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent 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 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Correctional Plan Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. The annuity accrual rate is 1.9 percent 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 percent and a maximum of 2.5 percent. If the plan's funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.5 percent to 1.5 percent. In 2023, legislation clarified that if the annual increase cap was reduced to 1 percent, there is a way to return to the 2.5 percent increase if certain criteria are met. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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

**C. Contributions**

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the County was required to contribute 7.50 percent for Coordinated Plan members. The County's contributions to the General Employees Fund for the years ending December 31, 2023, 2022 and 2021 were \$722,305, 683,377 and 675,937, respectively. The County's contributions were equal to the required contributions for each year as set by state statute.

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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023 and the County was required to contribute 17.70 percent for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the years ending December 31, 2023, 2022 and 2021 were \$247,735, 223235 and 205433, respectively. The County's contributions were equal to the required contributions for each year as set by state statute.

Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in fiscal year 2023 and the County was required to contribute 8.75 percent for Correctional Plan members. The County's contributions to the Correctional Fund for the years ending December 31, 2023, 2022, and 2021 were \$99,931, \$92,013 and \$78,466, respectfully. The County's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2023, the County reported a liability of \$6,773,322 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 \$186,601. 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 0.1211 percent at the end of the measurement period and 0.1217 percent for the beginning of the period.

County Proportionate Share of the Net Pension Liability	\$ 6,773,322
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the County	186,601
	186,601
Total	\$ 6,959,923

For the year ended December 31, 2023, the County recognized pension expense of \$1,211,463 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized \$838 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.

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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 222,522	\$ 48,294
Changes in Actuarial Assumptions	1,135,616	1,892,775
Net Difference Between Projected and Actual Investment Earnings	-	316,902
Changes in Proportion	-	65,893
Contributions Paid to PERA Subsequent to the Measurement Date	367,884	-
Total	\$ 1,726,022	\$ 2,323,864

The \$367,884 reported as deferred outflows of resources related to pensions resulting from the County's 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:

2024	\$ 124,861
2025	(1,107,318)
2026	169,510
2027	(152,779)

Police and Fire Fund Pension Costs

At December 31, 2023, the County reported a liability of \$1,801,125 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 0.1043 percent at the end of the measurement period and 0.0991 percent 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 does meet 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 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$72,550.

County Proportionate Share of the Net Pension Liability	\$ 1,801,125
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the	72,550
Total	\$ 1,873,675

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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

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 December 31, 2023, the County recognized pension expense of \$611,237 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the County recognized an additional negative \$4,370 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County recognized \$9,387 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 from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 481,752	\$ -
Changes in Actuarial Assumptions	1,951,143	2,530,791
Net Difference Between Projected and Actual Investment Earnings	-	56,320
Changes in Proportion	206,442	-
Contributions Paid to PERA Subsequent to the Measurement Date	137,007	-
Total	\$ 2,776,344	\$ 2,587,111

The \$137,007 reported as deferred outflows of resources related to pensions resulting from the County's 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:

2024	\$ 124,153
2025	53,848
2026	422,534
2027	(101,440)
2028	(446,869)

Correctional Plan Pension Costs

At December 31, 2023, the County reported a liability of \$220,194 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.4871 percent at the end of the measurement period and 0.4397 percent for the beginning of the period.

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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

For the year ended December 31, 2023 the County recognized pension expense of \$116,501 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 84,809	\$ 21,381
Changes in Actuarial Assumptions	563,242	1,004,184
Net Difference Between Projected and Actual Investment Earnings	367	-
Changes in Proportion	70,025	1,869
Contributions Paid to PERA Subsequent to the Measurement Date	51,946	-
Total	\$ 770,390	\$ 1,027,434

The \$51,946 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:

2024	\$ 36,748
2025	(110,467)
2026	(212,401)
2027	(22,870)

The total pension expense for all plans recognized by the County for the year ended December 31, 2023 was \$1,935,699

**E. Long-term Expected Return on Investment**

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0 %	

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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**F. 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 percent. 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 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan, Police and Fire Plan, and the Correctional Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan, 1.00 percent for the the Police and Fire Plan and 2.00 percent for the Correctional Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.00 percent at age 20 to 3.00 percent 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 is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

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

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

General Employees Fund

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

Changes in Plan Provisions

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

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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

Police and Fire Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- The 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 percent vesting after five years increasing incrementally to 100 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023 prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

Correctional Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2023 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire and Correctional Plan 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.

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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**H. 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:

	<u>1 Percent Decrease (6.0%)</u>	<u>Current (7.0%)</u>	<u>1 Percent Increase (8.0%)</u>
General Employees Fund	\$ 11,975,556	\$ 6,773,322	\$ 2,487,081
Police and Fire Fund	3,573,648	1,801,125	343,875
Correctional Fund	1,160,667	220,194	(530,184)

**I. Pension Plan Fiduciary Net Position**

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

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 5: Summary of Significant Contingencies and Other Items**

**A. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters for which the County carries commercial insurance. To manage these risks, the County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). MCIT is a public entity risk pool currently operated as a common risk management and insurance program for its members. The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. For group employee health benefits, the County has entered into a joint powers agreement, the Southwest/West Central Service Cooperative. For all other risk, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2022 and in 2023. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

**B. Contingent Liabilities**

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

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

**C. Legal Debt Margin**

In accordance with Minnesota statutes, the County may not incur or be subject to net debt in excess of three percent of the market value of taxable property within the County. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments or tax increments. As of December 31, 2023, the County is under the legal debt margin.

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 5: Summary of Significant Contingencies and Other Items (Continued)**

**D. Closure and Postclosure Care Cost**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,661,242 reported as landfill closure and postclosure care liability at December 31, 2023. The municipal solid waste landfill reached maximum capacity as of December 31, 2018 and ceased accepting waste in 2019. The demolition debris landfill continues to accept waste. The landfill closure and postclosure care liability is based on 2020 costs. Actual costs may be higher due to inflation, changes in technology or changes in regulation. As of December 31, 2023, the County has a remaining contract commitment of approximately \$500,000 for closure costs.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements and, at December 31, 2023, investments of \$2,393,036 are held for these purposes. These are reported as restricted assets on the statement of net position. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

**E. Joint Ventures**

***Central Community Transit (Kandiyohi Renville Transit Joint Powers)***

In June 2014, the County entered into a joint powers agreement with Kandiyohi and Meeker Counties and the Cities of Litchfield and Willmar. The purpose of the Central Community Transit is to provide coordinated public transportation services. The Board consists of two representatives from each member organization. Renville County contributed \$17,500 to the project in 2023.

Current financial statements can be obtained from the Transit Director at: 1320 22<sup>nd</sup> Street SW, PO Box 186, Wilmar, MN 56201.

***Central Community Transit (Kandiyohi Renville Transit Joint Powers)***

The PrimeWest Central County-Based Purchasing Initiative (since renamed PrimeWest Rural Minnesota Health Care Access Initiative) was established in December 1998 by a joint powers agreement with Big Stone, Douglas, Grant, McLeod, Meeker, Pipestone, Pope, Renville, Stevens, and Traverse Counties under the authority of Minnesota Statute §471.59. Pipestone County has since joined Southwest Health and Human Services for public health and human services functions. There are currently 24 counties in PrimeWest Health. The partnership is organized to directly purchase health care services for county residents who are eligible for Medical Assistance and General Assistance Medical Care as authorized by Minnesota Statute §256B.692. County-based purchasing is the local control alternative favored for improved coordination of services to prepaid Medical Assistance programs in complying with Minnesota Department of Health requirements as set forth in Minnesota Statutes, Chapters 62D and 62N.

Control of PrimeWest Health is vested in a Joint Powers Board, composed of two Commissioners from each member county (one active and one alternate). Each member of the Joint Powers Board is appointed by the County Commissioners of the county represented.

In the event of termination of the joint powers agreement, all assets owned pursuant to this agreement shall be sold, and the proceeds, together with monies on hand, will be distributed to the current members based on their proportional share of each member's county-based purchasing eligible population.

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 5: Summary of Significant Contingencies and Other Items (Continued)**

Douglas County acts as fiscal agent for the PrimeWest Health and reports the cash transactions as an investment trust fund on its financial statements. Financing is provided by Medical Assistance and General Assistance Medical Care payments from the Minnesota Department of Human Services.

Complete financial information can be obtained from its administrative office at PrimeWest Health, 3905 Dakota Street, Alexandria, Minnesota 56308.

***Brown-Lyon-Renville-Redwood Drug Task Force***

The Brown-Lyon-Redwood Drug Task Force was established between Brown, Lyon, Renville and Redwood Counties and the Cities of New Ulm, Redwood Falls and Marshall pursuant to Minn. Stat. Ch. 471.59. The Task Force was established to create a cooperative law enforcement effort that provides drug enforcement services for member organizations. The Task Force is governed by an Advisory Board consisting of one appointed member from each party. Fiscal agent responsibilities for the Task Force are with the City of New Ulm. During 2023, the County paid \$61,018 to the Task Force.

Financial statements can be obtained from: City of New Ulm, 100 North Broadway, New Ulm, MN 56073.

***Supporting Hands Nurse Family Partnership***

December 2010, Renville County, along with 15 other counties, entered into the Supporting Hands Nurse Family Partnership joint powers agreement in order to fund family home visiting programs for children that meet the guidelines provided by the state. Renville County contributed \$14,618 to the Supporting Hands Nurse Family Partnership in 2023. The governing board is composed of one representative from each of the participating counties.

Upon termination of the joint powers agreement, assets of Supporting Hands Nurse Family Partnership will be divided amount the participants as determined by the board. A complete financial report of the Supporting Hands Nurse Family Partnership can be obtained at SHNFP - Renville County Public Health, 105 S. 5th Street, Suite 1194, Olivia, MN 56277.

***Southwest Regional Solid Waste Commission***

Renville County has entered into a joint powers agreement with 11 other counties to create and operate the Southwest Regional Solid Waste Commission under the authority of Minn. Stat. § 471.59. The Commission was formed to exercise the County's authority and obligation pursuant to Minn. Stat. chs. 400 and 115A; to provide for the management of solid waste in the respective counties; and provide the greatest public service benefit possible for the entire contiguous 12-county area encompassed by the counties in planning, management, and implementation of methods to deal with solid waste in southwest Minnesota.

The governing board is composed of one Board member from each of the participating counties. Financing of the Commission's solid waste management program is through appropriations from the participating counties, grants and loans from the Minnesota Office of Waste Management, or from the sale of bonds or other obligations secured by revenues of the Commission. Administration and planning costs of the Commission are assessed to the counties on equal shares.

The Commission is headquartered in Ivanhoe, Minnesota, where Lincoln County acts as fiscal host. A complete financial report of the Southwest Regional Solid Waste Commission can be obtained from the Lincoln County Auditor, 319 North Rebecca Street, PO Box 29, Ivanhoe, Minnesota 56142.

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 5: Summary of Significant Contingencies and Other Items (Continued)**

***Redwood Renville Regional Solid Waste Authority***

The Redwood Renville Regional Solid Waste Authority (RRRSWA) was established in 2012, by joint power agreements between Renville County and Redwood County. The agreement was made to facilitate development and operation of an integrated solid waste management system to protect public health and the environment; conserve resources through material recovery and transfer facilities; be in accord with the hierarchy established in Minnesota Statute 115A.02; minimize land filling; be cost effective; minimize potential liability of citizens; encourage responsibility by generators of waste and allocate system costs equitably among those who benefit from it.

The Joint Powers Board consists of three members from each participating governmental unit. Upon dissolution of the joint powers agreement, the remaining County may, in its discretion, purchase the withdrawing County's interest in real and personal property owned by the parties pursuant to the agreement. If the parties cannot agree, the matter shall be submitted to mandatory arbitration.

Renville County provided a \$1,000,000 loan to RRRSWA in 2013. Annual interest on the loan is 0.0 percent and a repayment schedule have not been established. Current financial statements can be obtained at: RRRSWA-Renville County 105 South 5th Street, Suite 315, Olivia, MN 56277.

***Southwestern Minnesota Adult Mental Health Consortium Board***

In November 1997, the Southwestern Minnesota Adult Mental Health Consortium Board was created under the authority of Minn. Stat. § 471.59. Presently, its members include Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, McLeod, Meeker, Nobles, Renville, Swift, and Yellow Medicine Counties; and Southwest Health and Human Services representing Lincoln, Lyon, Murray, Pipestone, Redwood, and Rock Counties. The Board is headquartered in Windom, Minnesota, where Des Moines Valley Health and Human Services (DVHHS) acts as fiscal host.

The Board shall take actions and enter into such agreements as necessary to plan and develop within the Southwestern Minnesota Adult Mental Health Consortium Board's geographic jurisdiction, a system of care that serves the needs of adults with serious and persistent mental illness. The governing board is composed of one Board member from each of the participating counties. Financing is provided by state proceeds or appropriations for the development of the system of care.

A complete financial report of the Southwestern Minnesota Adult Mental Health Consortium Board can be obtained by contacting DVHHS at 11 Fourth Street, Windom, Minnesota 56101.

***Southwest Minnesota Regional Emergency Communications Joint Powers Board***

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

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

Financing is provided by the appropriations from member parties and by state and federal grants. During 2023, Renville County contributed \$2,618 to the Joint Powers Board.

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 5: Summary of Significant Contingencies and Other Items (Continued)**

***Pioneerland Library System***

Renville County, along with 32 cities and 9 other counties, participates in the Pioneerland Library System in order to provide efficient and improved regional public library service. The Pioneerland Library System is governed by the Pioneerland Library System Board, composed of 35 members appointed by member cities and counties. During the year, Renville County contributed \$116,176 to the System.

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

***Counties Providing Technology***

In June of 2018, 23 counties created a joint powers organization (JPO) named Counties Providing Technology (CPT) for the purpose of purchasing their former software vendor, Computer Professionals Unlimited, Inc. (CPUI) and to provide for the development, operation and maintenance of technology applications and systems, and the support and management of such systems for the use and benefit of the members and other governmental units. Each member contributed \$175,000 to start up the JPO and provide funds for the purchase. The JPO purchased CPUI on September 28, 2019, for a purchase price of \$3,600,000. The JPO board is made up of one member from each county. Each member County has received a return of capital contributions totaling \$75,000 since 2019. There are now 24 member counties as Pope County joined during 2022.

***Putting All Communities Together for Families Collaborative***

Putting All Communities Together for Families Collaborative (PACT) was established in 1996 by a joint powers agreement among Kandiyohi, Meeker, Renville and Yellow Medicine Counties. Effective January 1, 2011, an additional joint powers agreement was entered into to add McLeod County as a fifth County partner to PACT. As a result, the name was changed from PACT 4 Families Collaborative to PACT for Families Collaborative. The joint powers agreements were established to provide coordinated services to children and families.

A County may withdraw from PACT by giving a 30-day written notice to PACT; however, the contribution will remain in the integrated fund for the implementation period. In the event of termination, any property acquired as a result of the agreement and any surplus monies on hand shall be distributed to the parties of this agreement in proportion to their contributions.

Management of PACT is vested in an Executive Board composed of nine members representing all counties. The Board includes an administrative representative of social services, public health services, community corrections, school districts, two parents (one parent of a child diagnosed with a serious emotional disturbance) and three members at large, one of whom is of a mental health background. The Board appoints a fiscal agent to handle and be responsible for safekeeping the funds of PACT. McLeod County Human Services has acted as fiscal agent for PACT since January 1, 2016. The County made \$24,780 in payments to the organization in 2023.

Financial statements can be obtained from: Kandiyohi County Health & Human Services Building, 2200 - 23rd Street NE, Suite 2030, Willmar, MN 56201.

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 5: Summary of Significant Contingencies and Other Items (Continued)**

***Central Minnesota Jobs and Training Services, Inc.***

Central Minnesota Jobs and Training Services, Inc., (CMJTS) is a nonprofit employment and training agency and partner in the Minnesota Work Force Center System. CMJTS is a joint venture established pursuant to Minn. Stat. Ch.268 and 471.59, consisting of 11 counties in central Minnesota, including Meeker, McLeod, Renville, Kandiyohi, Kanabec, Wright, Sherburne, Mille Lacs, Isanti, Chisago and Pine Counties and is also a partner of Workforce Service Area 5.

CMJTS's mission is to match job seekers, youth, businesses and those seeking training with the resources available to them. Funding is to be provided through block grants from the U.S. Department of Labor. One County commissioner from each participating County is appointed to the Joint Powers Board. The County made \$126,820 in payments to the organization in 2023.

Financial statements can be obtained from: Central MN Jobs & Training, 406 East 7th Street, PO Box 720, Monticello, MN 55362.

**E. Jointly-Governed Organizations**

Renville County, in conjunction with other local governments, has formed joint powers boards to provide a variety of services. The County participates along with other governments in the following organizations:

***Central Minnesota River Watershed Partnership***

The Central Minnesota River Watershed Partnership was established in 2022 by a joint powers agreement between the counties and the soil and water conservation districts of Chippewa, Kandiyohi and Renville. The Joint Powers Board consists of one member from each of the six participating governmental units. The purpose of the organization is to plan for and carry out water resource management programs in accordance with MN Statutes 103B and 103C. State funding is the primary revenue source for this program. Audited financial information is available at: Central MN Watershed Partnership, Renville County Courthouse, Lower Level, 500 East Depue Avenue, Olivia, MN 56277.

***Hawk Creek Watershed Project***

The Hawk Creek Watershed Project board was established in December 2012, by joint power agreements between Renville County, Chippewa County and Kandiyohi County. The agreement was made to establish a Board of Directors to organize, govern, train, equip and maintain an evaluation project to promote water quality, improvement and management of the Hawk Creek Watershed through collection of data, information sharing, education, coordination and related support by assisting in implementation and goal achievement of comprehensive water plans. Renville County contributed \$3,500 to the Hawk Creek Watershed Project in 2023 and also provided in-kind office space, network space and support.

The Joint Powers Board consists of one member from each participating governmental unit. Upon dissolution, all property purchased or owned pursuant to this agreement shall be sold and the proceeds thereof, together with monies on hand, shall be distributed to the current Members. Such distributions of assets shall be made in proportion to the total contribution by the respective members over the entire duration of this Agreement. Federal and state funding is the primary revenue source for this program. Audited financial information is available at: Hawk Creek Watershed Project, Renville County Courthouse, Lower Level, 500 East Depue Avenue, Olivia, MN 56277.

Renville County  
Olivia, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 6: Subsequent Events**

On March 26, 2024, the County approved the issuance of a \$750,000 loan through the MPCA and Clean Water Partnership to administer an SSTP loan program. The project implementation period is 3 years and the loan has a term of seven years with a 1.5 percent interest rate.

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REQUIRED SUPPLEMENTARY INFORMATION

RENVILLE COUNTY  
GRANITE FALLS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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Renville County  
Olivia, Minnesota  
Required Supplementary Information  
For the Year Ended December 31, 2023

**Budgetary Information**

The County Board adopts estimated revenue and expenditure budgets for the General Fund and the special revenue funds, with the exception of the Ditch fund. The expenditure budget is approved at the fund level.

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

Budgets are adopted on a basis consistent with generally accepted accounting principles.

Over the course of the year, the County Board may revise estimated revenue and expenditure budgets. These budget amendments fall into three categories: new information changing original budget estimations, greater than anticipated revenues or costs, and new grant awards. Expenditure budgets were amended in 2023 to reflect changes in social service activities.

**Excess of Expenditures Over Appropriations**

For the year ended December 31, 2023, expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 13,464,936	\$ 14,960,898	\$ 1,495,962
Special Revenue			
Road and Bridge	18,339,088	20,958,803	2,619,715
Human Services	6,828,560	6,858,904	30,344
Debt Service	3,271,847	3,272,995	1,148

Excess appropriations were funded by revenues over budget.

Renville County  
Olivia, Minnesota  
General Fund  
Budgetary Comparison Schedule (Continued on the Following Page)  
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 8,224,033	\$ 8,224,033	\$ 8,500,099	\$ 276,066
Special assessments	-	-	467,795	467,795
Licenses and permits	30,900	30,900	37,500	6,600
Intergovernmental	1,900,632	1,900,632	3,463,579	1,562,947
Charges for services	2,154,409	2,154,409	2,520,698	366,289
Investment earnings	300,000	300,000	878,851	578,851
Miscellaneous	363,377	363,377	373,324	9,947
Total Revenues	<u>12,973,351</u>	<u>12,973,351</u>	<u>16,241,846</u>	<u>3,268,495</u>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Commissioners	277,590	277,590	280,675	3,085
County administrator	341,892	341,892	349,712	7,820
Motor vehicle	195,485	195,485	208,284	12,799
County assessor	476,288	476,288	468,565	(7,723)
Elections	17,122	17,122	23,653	6,531
County attorney	866,494	866,494	781,651	(84,843)
Recorder	314,337	314,337	357,844	43,507
Environment and community development	403,888	403,888	412,386	8,498
Water planning	22,825	22,825	21,346	(1,479)
Facility maintenance	477,630	477,630	505,706	28,076
Veterans service	187,219	187,219	189,020	1,801
County auditor	422,742	422,742	352,823	(69,919)
Human resources	154,149	154,149	133,977	(20,172)
Finance	329,451	329,451	269,301	(60,150)
MIS	846,051	846,051	871,295	25,244
Appropriations	229,314	229,314	232,313	2,999
Other	577,416	577,416	821,713	244,297
Emergency relief funding	316,585	316,585	325,393	8,808
Total general government	<u>6,456,478</u>	<u>6,456,478</u>	<u>6,605,657</u>	<u>149,179</u>
<b>Public safety</b>				
Sheriff	3,021,780	3,021,780	3,272,793	251,013
Jail	1,960,748	1,960,748	2,251,050	290,302
E-911	88,582	88,582	119,306	30,724
Coroner	26,000	26,000	28,510	2,510
Probation	284,840	284,840	276,901	(7,939)
Correctional facilities	158,218	158,218	95,397	(62,821)
Emergency management	250,543	250,543	256,397	5,854
Total public safety	<u>5,790,711</u>	<u>5,790,711</u>	<u>6,300,354</u>	<u>509,643</u>

Renville County  
Olivia, Minnesota  
General Fund  
Budgetary Comparison Schedule (Continued)  
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (Continued)				
Current (Continued)				
Culture and recreation				
Parks	\$ 301,121	\$ 301,121	\$ 311,878	\$ 10,757
Regional library	116,176	116,176	116,176	-
Law library	28,000	28,000	22,903	(5,097)
Total culture and recreation	<u>445,297</u>	<u>445,297</u>	<u>450,957</u>	<u>5,660</u>
Conservation of natural resources				
County extension	126,036	126,036	108,356	(17,680)
Ag inspector	186,886	186,886	152,636	(34,250)
DNR shoreland grant	1,500	1,500	1,278	(222)
ISTS administration grant	-	-	540,969	540,969
Total conservation of natural resources	<u>314,422</u>	<u>314,422</u>	<u>803,239</u>	<u>488,817</u>
Total current	<u>13,006,908</u>	<u>13,006,908</u>	<u>14,160,207</u>	<u>1,153,299</u>
Capital outlay				
General government	149,000	149,000	155,221	6,221
Public safety	253,000	253,000	265,673	12,673
Sanitation	-	-	-	-
Culture and recreation	20,000	20,000	14,516	(5,484)
Conservation of natural resources	36,028	36,028	6,187	(29,841)
Total capital outlay	<u>458,028</u>	<u>458,028</u>	<u>441,597</u>	<u>(16,431)</u>
Debt service				
Principal	-	-	345,675	345,675
Interest and other costs	-	-	13,419	13,419
Total debt service	<u>-</u>	<u>-</u>	<u>359,094</u>	<u>359,094</u>
Total Expenditures	<u>13,464,936</u>	<u>13,464,936</u>	<u>14,960,898</u>	<u>1,495,962</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(491,585)	(491,585)	1,280,948	1,772,533
Other Financing Sources (Uses)				
Loans issued	<u>-</u>	<u>-</u>	<u>540,969</u>	<u>540,969</u>
Net Change in Fund Balance	(491,585)	(491,585)	1,821,917	2,313,502
Fund Balance, January 1	<u>11,799,274</u>	<u>11,799,274</u>	<u>11,799,274</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 11,307,689</u>	<u>\$ 11,307,689</u>	<u>\$ 13,621,191</u>	<u>\$ 2,313,502</u>

Renville County  
Olivia, Minnesota  
Road and Bridge Special Revenue Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,619,255	\$ 2,619,255	\$ 2,616,246	\$ (3,009)
Intergovernmental	13,377,790	13,377,790	14,077,491	699,701
Charges for services	234,000	234,000	239,765	5,765
Investment earnings	15,000	15,000	245,195	230,195
Miscellaneous	18,200	18,200	75,254	57,054
Total Revenues	<u>16,264,245</u>	<u>16,264,245</u>	<u>17,253,951</u>	<u>989,706</u>
Expenditures				
Current				
Highways and streets				
Administration	1,008,850	1,008,850	1,012,114	3,264
Engineering	608,622	608,622	799,693	191,071
Maintenance	1,916,158	1,916,158	2,028,377	112,219
Equipment and maintenance shops	980,598	980,598	1,411,452	430,854
Other	156,160	156,160	144,099	(12,061)
Total current	<u>4,670,388</u>	<u>4,670,388</u>	<u>5,395,735</u>	<u>725,347</u>
Capital outlay				
Highways and streets	<u>13,668,700</u>	<u>13,668,700</u>	<u>15,563,068</u>	<u>1,894,368</u>
Total Expenditures	<u>18,339,088</u>	<u>18,339,088</u>	<u>20,958,803</u>	<u>2,619,715</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,074,843)</u>	<u>(2,074,843)</u>	<u>(3,704,852)</u>	<u>(1,630,009)</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	-	51,637	51,637
Transfers out	(190,000)	(190,000)	(183,316)	6,684
Total Other Financing Sources (Uses)	<u>(190,000)</u>	<u>(190,000)</u>	<u>(131,679)</u>	<u>58,321</u>
Net Change in Fund Balance	(2,264,843)	(2,264,843)	(3,836,531)	(1,571,688)
Fund Balance, January 1	7,079,985	7,079,985	7,079,985	-
Increase (Decrease) in Inventories	-	-	163,762	163,762
Fund Balance, December 31	<u>\$ 4,815,142</u>	<u>\$ 4,815,142</u>	<u>\$ 3,407,216</u>	<u>\$ (1,407,926)</u>

Renville County  
 Olivia, Minnesota  
 Welfare Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,290,007	\$ 2,290,007	\$ 2,289,670	\$ (337)
Intergovernmental	3,321,270	3,321,270	3,538,228	216,958
Charges for services	38,636	38,636	14,311	(24,325)
Investment earnings (loss)	34,078	34,078	185,689	151,611
Miscellaneous	885,713	885,713	962,222	76,509
Total Revenues	<u>6,569,704</u>	<u>6,569,704</u>	<u>6,990,120</u>	<u>420,416</u>
Expenditures				
Current				
Human Services				
Income maintenance	1,875,723	1,875,723	2,040,846	165,123
Social services	4,918,617	4,918,617	4,773,403	(145,214)
Total current	<u>6,794,340</u>	<u>6,794,340</u>	<u>6,814,249</u>	<u>19,909</u>
Capital outlay				
Human Services				
Income maintenance	10,950	10,950	13,936	2,986
Social services	23,270	23,270	30,719	7,449
Total capital outlay	<u>34,220</u>	<u>34,220</u>	<u>44,655</u>	<u>10,435</u>
Total Expenditures	<u>6,828,560</u>	<u>6,828,560</u>	<u>6,858,904</u>	<u>30,344</u>
Net Change in Fund Balance	(258,856)	(258,856)	131,216	390,072
Fund Balance, January 1	<u>5,382,569</u>	<u>5,382,569</u>	<u>5,382,569</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 5,123,713</u>	<u>\$ 5,123,713</u>	<u>\$ 5,513,785</u>	<u>\$ 390,072</u>

Renville County  
Olivia, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

**Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund**

Fiscal Year Ending	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the County (b)	Total (a+b)	County's Covered Payroll (c)	County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2023	0.1211 %	\$ 6,773,322	\$ 186,601	\$ 6,959,923	\$ 9,620,468	70.4 %	83.1 %
6/30/2022	0.1217	9,642,120	282,808	9,924,928	9,110,988	105.8	76.7
6/30/2021	0.1250	5,338,841	163,030	5,501,871	8,998,934	59.3	87.0
6/30/2020	0.1239	7,428,495	229,080	7,657,575	8,838,061	84.1	79.0
6/30/2019	0.2718	15,026,029	480,479	6,919,301	19,415,420	77.4	80.2
6/30/2018	0.2696	14,957,516	504,612	7,123,001	18,757,501	79.7	79.5
6/30/2017	0.2713	17,320,371	224,585	8,268,414	18,314,032	94.6	75.9
6/30/2016	0.2798	22,720,673	303,457	10,635,840	18,084,491	125.6	68.9
6/30/2015	0.2815	14,713,171	-	7,089,686	17,424,718	84.4	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

**Schedule of Employer's PERA Contributions - General Employees Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	County's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2023	\$ 722,716	\$ 722,716	\$ -	\$ 9,636,213	7.50 %
12/31/2022	683,377	683,377	-	9,111,693	7.50
12/31/2021	675,937	675,937	-	9,012,493	7.50
12/31/2020	696,590	696,590	-	9,287,867	7.50
12/31/2019	1,470,004	1,470,004	-	19,600,053	7.50
12/31/2018	1,407,671	1,407,671	-	18,768,947	7.50
12/31/2017	1,303,246	1,303,246	-	17,376,613	7.50
12/31/2016	1,322,466	1,322,466	-	17,632,880	7.50
12/31/2015	1,321,402	1,321,402	-	17,618,693	7.50

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Renville County  
Olivia, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

**Notes to the Required Supplementary Information - General Employees Fund**

Changes in Actuarial Assumptions

2023 - The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2020 - 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, 2020 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, 2020 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2020 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, 2020 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-2020. 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.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.0 percent per year through 2044 and 2.5 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. 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 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Renville County  
Olivia, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

**Notes to the Required Supplementary Information - General Employees Fund (Continued)**

Changes in Plan Provisions

2023 - 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 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2021 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2021.

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2020, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2020. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2020. 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 - 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 2020 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2020 to 2031.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

**Renville County**  
**Olivia, Minnesota**  
**Required Supplementary Information (Continued)**  
**For the Year Ended December 31, 2023**

**Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund**

Fiscal Year Ending	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the County (b)	Total (a+b)	County's Covered Payroll (c)	County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2023	0.1043 %	\$ 1,801,125	\$ 72,550	\$ 1,873,675	\$ 1,369,527	131.5 %	86.5 %
6/30/2022	0.0991	4,312,441	188,520	4,500,961	1,204,177	358.1	70.5
6/30/2021	0.0940	725,580	32,611	758,191	1,110,381	65.3	93.7
6/30/2020	0.0904	1,191,569	28,093	1,219,662	1,020,626	116.7	87.2
6/30/2019	0.0903	961,335	12,190	973,525	952,313	100.9	89.3
6/30/2018	0.0834	888,958	7,506	896,464	916,659	97.0	88.8
6/30/2017	0.0840	1,134,100	7,560	1,141,660	866,382	130.9	85.4
6/30/2016	0.0830	3,330,934	7,470	3,338,404	781,170	426.4	63.9
6/30/2015	0.0840	954,437	-	954,437	765,488	124.7	86.6

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

**Schedule of Employer's PERA Contributions - Police and Fire Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	County's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2023	\$ 252,735	\$ 252,735	\$ -	\$ 1,427,883	17.70 %
12/31/2022	223,235	223,235	-	1,261,217	17.70
12/31/2021	205,433	205,433	-	1,160,638	17.70
12/31/2020	197,580	197,580	-	1,116,270	17.70
12/31/2019	168,589	168,589	-	994,626	16.95
12/31/2018	146,293	146,293	-	903,044	16.20
12/31/2017	140,261	140,261	-	865,947	16.20
12/31/2016	136,105	136,105	-	840,152	16.20
12/31/2015	129,124	129,124	-	797,059	16.20

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

Renville County  
Olivia, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

**Notes to the Required Supplementary Information - Police and Fire Fund**

Changes in Actuarial Assumptions

2023 – The investment return assumption was changed from 6.50 percent to 7.00 percent. The single discount rate changed from 5.40 percent to 7.00 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2020 to MN-2021. 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-2020) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2021). Assumed rates of salary increase were modified as recommended in the July 14, 2021 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, 2021 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 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2020.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

Renville County  
Olivia, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

**Notes to the Required Supplementary Information - Police and Fire Fund (Continued)**

Changes in Plan Provisions

2023 - 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 percent vesting after five years, increasing incrementally to 100% after 10 years. A one-time, non-compounding benefit increase of 3.00 percent 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 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2020 and 2021, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2020 and 11.80 percent of pay, effective January 1, 2021. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2020 and 17.70 percent of pay, effective January 1, 2021. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2020. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

Renville County  
Olivia, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

**Schedule of Employer's Share of PERA Net Pension Liability - Correctional Fund**

Fiscal Year Ending	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability (Asset) Associated with the County (b)	Total (a+b)	County's Covered Payroll (c)	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2023	0.4871%	\$ 220,194	\$ -	\$ 220,194	\$ 1,142,073	19.3 %	95.9 %
6/30/2022	0.4397%	1,461,563	-	1,461,563	966,020	151.3	74.6
6/30/2021	0.3885%	(63,823)	-	(63,823)	858,916	(7.4)	101.6
6/30/2020	0.4009%	108,780	-	108,780	872,260	12.5	96.7
6/30/2019	0.3761%	52,071	-	52,071	850,025	6.1	98.2
6/30/2018	0.4631%	76,166	-	76,166	926,101	8.2	97.6
6/30/2017	0.5000%	1,425,005	-	1,425,005	966,300	147.5	67.9
6/30/2016	0.4800%	1,753,507	-	1,753,507	882,134	198.8	58.2
6/30/2015	0.5000%	78,259	-	78,259	894,373	8.8	97.0

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

**Schedule of Employer's PERA Contributions - Correctional Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	County's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2023	\$ 100,456	\$ 100,456	\$ -	\$ 1,148,065	8.75 %
12/31/2022	92,013	92,013	-	1,051,572	8.75
12/31/2021	78,466	78,466	-	896,754	8.75
12/31/2020	77,804	77,804	-	889,184	8.75
12/31/2019	72,615	72,615	-	829,886	8.75
12/31/2018	75,910	75,910	-	867,550	8.75
12/31/2017	86,231	86,231	-	985,498	8.75
12/31/2016	79,983	79,983	-	914,092	8.75
12/31/2015	80,696	80,696	-	922,239	8.75

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Renville County  
Olivia, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

**Notes to the Required Supplementary Information - Correctional Fund**

Changes in Actuarial Assumptions

2023 - The investment return rate was changed from 6.50 percent to 7.00 percent. The single discount rate changed from 5.42 percent to 7.00 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.42 percent. The benefit increase assumption was changed from 2.0 percent per annum to 2.0 percent per annum through December 31, 2054 and 1.5 percent per annum thereafter.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2020 to MN-2021. 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-2020) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2021). Assumed rates of salary increase were modified as recommended in the July 10, 2021 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, 2021 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, 2021 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age). Assumed rates of disability lowered. Assumed percent married for active members was lowered from 85 percent to 75 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2020.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017. The assumed benefit increase was changed from 2.5 percent per year to 2.0 percent per year. The single discount rate was changed from 5.96 percent per year to 7.5 percent per year.

2017 - 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 disable annuitant mortality table (with future mortality improvement accordingly to MP-2016). The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 35 percent for vested members and 1 percent for non-vested members. The single discount rate was changed from 5.31 percent to 5.96 percent.

2016 - The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.31 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Renville County  
Olivia, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

**Notes to the Required Supplementary Information - Correctional Fund (Continued)**

Changes in Plan Provisions

2023 - 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 percent 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 percent. The maximum increase is 1.50 percent and the Plan's funding ratio improves to 85 percent for two consecutive years on a market value of assets basis.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

2018 - The assumed post-retirement benefit increase was changed from 2.5 percent per year with a provision to reduce to 1.0 percent if the funding status declines to a certain level, to 100 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 2.5 percent, beginning January 1, 2020. The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2020, resulting in actuarial equivalence after June 30, 2024. If the funding status declines to 85 percent for two consecutive years or 80 percent for one year, the maximum increase will be lowered to 1.5 percent. Deferred augmentation was changed to 0.00 percent, effective January 1, 2020. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - 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 percent for vested and non-vested, deferred members. The CSA has been changed to 35 percent for vested members and 1.0 percent for non-vested members. The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENT AND SCHEDULES

RENVILLE COUNTY  
GRANITE FALLS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

Renville County  
Olivia, Minnesota  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023

	Special Revenue			
	Public Health Nurse	Forfeited Tax Sale	Sales Tax Revenue	Lake Allie Sewer
<b>Assets</b>				
Cash and pooled investments	\$ 3,866,533	\$ 7,613	\$ 639,928	\$ 51,621
Receivables				
Delinquent taxes	6,988	-	-	-
Accounts	51,175	-	-	11,379
Intergovernmental	148,158	-	96,168	-
Prepaid items	751	-	-	-
<b>Total Assets</b>	<b><u>\$ 4,073,605</u></b>	<b><u>\$ 7,613</u></b>	<b><u>\$ 736,096</u></b>	<b><u>\$ 63,000</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 13,551	\$ -	\$ -	\$ 1,602
Salaries payable	21,183	-	-	-
Due to other governments	1,321	113	-	-
Unearned revenue	17,279	-	-	-
<b>Total Liabilities</b>	<b><u>53,334</u></b>	<b><u>113</u></b>	<b><u>-</u></b>	<b><u>1,602</u></b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue				
Intergovernmental	<u>25,040</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	751	-	-	-
Restricted	-	7,500	736,096	61,398
Committed	3,584,480	-	-	-
Assigned	410,000	-	-	-
<b>Total Fund Balances</b>	<b><u>3,995,231</u></b>	<b><u>7,500</u></b>	<b><u>736,096</u></b>	<b><u>61,398</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 4,073,605</u></b>	<b><u>\$ 7,613</u></b>	<b><u>\$ 736,096</u></b>	<b><u>\$ 63,000</u></b>

DNR Projects	Opioid Settlement	Capital Projects General Capital Projects	Total
\$ 166,360	\$ 49,449	\$ 3,435,455	\$ 8,216,959
-	-	2,169	9,157
-	-	-	62,554
-	-	-	244,326
-	-	-	751
<u>\$ 166,360</u>	<u>\$ 49,449</u>	<u>\$ 3,437,624</u>	<u>\$ 8,533,747</u>
\$ -	\$ 462	\$ -	\$ 15,615
-	-	-	21,183
-	-	-	1,434
-	-	-	17,279
<u>-</u>	<u>462</u>	<u>-</u>	<u>55,511</u>
-	-	2,169	27,209
-	-	-	751
166,360	48,987	-	1,020,341
-	-	3,435,455	7,019,935
-	-	-	410,000
<u>166,360</u>	<u>48,987</u>	<u>3,435,455</u>	<u>8,451,027</u>
<u>\$ 166,360</u>	<u>\$ 49,449</u>	<u>\$ 3,437,624</u>	<u>\$ 8,533,747</u>

**Renville County**  
 Olivia, Minnesota  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2023

	Special Revenue			
	Public Health Nurse	Forfeited Tax Sale	Sales Tax Revenue	Lake Allie Sewer
Revenues				
Taxes	\$ 529,370	\$ 3,663	\$ 726,149	\$ -
Special assessments	-	-	-	1,487
Licenses and permits	84,377	-	-	-
Intergovernmental	744,809	-	-	-
Charges for services	642,092	518	-	68,644
Investment earnings	134,152	-	9,947	2,044
Miscellaneous	15,111	-	-	-
Total Revenues	<u>2,149,911</u>	<u>4,181</u>	<u>736,096</u>	<u>72,175</u>
Expenditures				
Current				
General government	-	114	-	-
Sanitation	-	-	-	47,498
Health	1,871,841	-	-	-
Capital outlay				
Public safety	-	-	-	-
Sanitation	-	-	-	1,239,759
Debt service				
Principal	-	-	-	-
Total Expenditures	<u>1,871,841</u>	<u>114</u>	<u>-</u>	<u>1,287,257</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	278,070	4,067	736,096	(1,215,082)
Other Financing Sources (Uses)				
Loans issued	-	-	-	1,226,782
Net Change in Fund Balance	278,070	4,067	736,096	11,700
Fund Balance, January 1	<u>3,717,161</u>	<u>3,433</u>	<u>-</u>	<u>49,698</u>
Fund Balance, December 31	<u>\$ 3,995,231</u>	<u>\$ 7,500</u>	<u>\$ 736,096</u>	<u>\$ 61,398</u>

<u>DNR Projects</u>	<u>Opioid Settlement</u>	<u>Capital Projects General Capital Projects</u>	<u>Total</u>
\$ -	\$ -	\$ 138,317	\$ 1,397,499
-	-	-	1,487
-	-	-	84,377
-	-	4,912	749,721
-	-	-	711,254
-	2,739	128,548	277,430
-	29,173	-	44,284
<u>-</u>	<u>31,912</u>	<u>271,777</u>	<u>3,266,052</u>
-	462	110,580	111,156
-	-	-	47,498
-	-	-	1,871,841
-	100,000	-	100,000
-	-	-	1,239,759
<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
<u>-</u>	<u>100,462</u>	<u>210,580</u>	<u>3,470,254</u>
-	(68,550)	61,197	(204,202)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,226,782</u>
-	(68,550)	61,197	1,022,580
<u>166,360</u>	<u>117,537</u>	<u>3,374,258</u>	<u>7,428,447</u>
<u>\$ 166,360</u>	<u>\$ 48,987</u>	<u>\$ 3,435,455</u>	<u>\$ 8,451,027</u>

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**Renville County**  
 Olivia, Minnesota  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,872,622	\$ 1,872,622	\$ 1,869,380	\$ (3,242)
Special assessments	126,300	126,300	135,209	8,909
Intergovernmental	55,491	55,491	51,429	(4,062)
Investment earnings	-	-	86,583	86,583
Miscellaneous	1,027,434	1,027,434	1,027,435	1
Total Revenues	<u>3,081,847</u>	<u>3,081,847</u>	<u>3,170,036</u>	<u>88,189</u>
Expenditures				
Debt service				
Principal	2,170,248	2,170,248	2,170,129	(119)
Interest and other costs	1,101,599	1,101,599	1,102,866	1,267
Total Expenditures	<u>3,271,847</u>	<u>3,271,847</u>	<u>3,272,995</u>	<u>1,148</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(190,000)	(190,000)	(102,959)	87,041
Other Financing Sources (Uses)				
Transfers in	<u>190,000</u>	<u>190,000</u>	<u>183,316</u>	<u>(6,684)</u>
Net Change in Fund Balance	-	-	80,357	80,357
Fund Balance, January 1	<u>3,647,093</u>	<u>3,647,093</u>	<u>3,647,093</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 3,647,093</u>	<u>\$ 3,647,093</u>	<u>\$ 3,727,450</u>	<u>\$ 80,357</u>

Renville County  
Olivia, Minnesota  
Combining Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2023

	Taxes & Penalties	State Deed	Mortgage Registration	Redwood- Renville Regional Solid Waste Authority	Supporting Hands Nurse Family Partnership	Total
<b>Assets</b>						
Cash and pooled investments	\$ 473,834	\$ 49,233	\$ (157)	\$ 1,130,115	\$ 2,037,084	\$ 3,690,109
Receivables						
Special assessments	-	-	-	69,865	-	69,865
Accounts	-	-	-	120,179	47,074	167,253
Intergovernmental	-	-	-	87,936	192,617	280,553
Prepaid items	-	-	-	-	13,930	13,930
Total Assets	<u>473,834</u>	<u>49,233</u>	<u>(157)</u>	<u>1,408,095</u>	<u>2,290,705</u>	<u>4,221,710</u>
<b>Liabilities</b>						
Accounts payable	-	-	-	122,383	8,440	130,823
Accrued liabilities	-	-	-	2,428	57,533	59,961
Due to other governments	-	41,847	6,498	64,111	3,724	116,180
Unearned revenue	-	-	-	72,440	-	72,440
Total Liabilities	<u>-</u>	<u>41,847</u>	<u>6,498</u>	<u>261,362</u>	<u>69,697</u>	<u>379,404</u>
<b>Net Position</b>						
Restricted						
Individuals, organizations and other governments	473,834	7,386	-	1,146,733	2,221,008	3,848,961
Unrestricted	-	-	(6,655)	-	-	(6,655)
Total Net Position	<u>\$ 473,834</u>	<u>\$ 7,386</u>	<u>\$ (6,655)</u>	<u>\$ 1,146,733</u>	<u>\$ 2,221,008</u>	<u>\$ 3,842,306</u>

## CUSTODIAL FUNDS

Custodial funds account for assets held an agent for others and/or other funds.

**Taxes and Penalties** - this fund is used to account for the collection of taxes and penalties and their distribution to the various funds and governmental units.

**State Deed** - this fund is used to account for the collection and disbursement of the state's share of fees, fines, and mortgage registry and state deed taxes collected by the County.

**Mortgage Registration** - this fund is used to account for and report the collection and distribution to governments of mortgage registration tax.

**Redwood-Renville Regional Solid Waste** - this fund is used to account for and report receipts and disbursements of the joint powers board.

**Supporting Hands Nurse Family Partnership** - this fund is used to account for and report the receipts and disbursements of the eighteen County Supporting Hands Nurse Family Partnership. Renville County is the billing agent for this partnership.

Renville County  
Olivia, Minnesota  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended December 31, 2023

	Taxes & Penalties	State Deed	Mortgage Registration	Redwood- Renville Regional Solid Waste Authority	Supporting Hands Nurse Family Partnership	Total
<b>Additions</b>						
Tax and assessment collections for other governments	\$ 38,886,302	\$ -	\$ -	\$ -	\$ -	\$ 38,886,302
Special assessments	-	-	-	1,204,134	-	1,204,134
Intergovernmental	-	-	-	144,880	1,083,127	1,228,007
Charges for services	-	-	-	1,367,232	707,776	2,075,008
Fees collected for state	-	376,852	181,246	-	-	558,098
Miscellaneous	10,943	-	-	53,315	80,175	144,433
Total Additions	<u>38,897,245</u>	<u>376,852</u>	<u>181,246</u>	<u>2,769,561</u>	<u>1,871,078</u>	<u>44,095,982</u>
<b>Deductions</b>						
Payments of property tax to other governments	39,025,423	-	-	-	-	39,025,423
Payments to state	-	376,183	181,245	-	-	557,428
Recycling services	-	-	-	2,458,306	-	2,458,306
Nursing services	-	-	-	-	1,707,675	1,707,675
Total Deductions	<u>39,025,423</u>	<u>376,183</u>	<u>181,245</u>	<u>2,458,306</u>	<u>1,707,675</u>	<u>43,748,832</u>
Net Increase (Decrease) in Fiduciary Net Position	(128,178)	669	1	311,255	163,403	347,150
Net Position, January 1	<u>602,012</u>	<u>6,717</u>	<u>(6,656)</u>	<u>835,478</u>	<u>2,057,605</u>	<u>3,495,156</u>
Net Position, December 31	<u>\$ 473,834</u>	<u>\$ 7,386</u>	<u>\$ (6,655)</u>	<u>\$ 1,146,733</u>	<u>\$ 2,221,008</u>	<u>\$ 3,842,306</u>

Renville County  
Olivia, Minnesota  
Schedule of Intergovernmental Revenue  
For the Year Ended December 31, 2023

Shared Revenue	
State	
Highway users tax	\$ 13,489,048
Wheelage tax	184,438
County program aid	707,884
Homeless prevention aid	18,256
Housing aid	90,359
Disparity reduction aid	55,741
Performance aid	2,061
Police aid	176,046
Public safety aid	303,230
Market value credit	401,382
Aquatic invasive species aid	18,479
Riparian aid	<u>160,000</u>
Total Shared Revenue	<u>15,606,924</u>
Reimbursement for Services	
State	
Minnesota Department of Human Services	<u>574,229</u>
Payments	
Local	
Payments in lieu of taxes	88,416
Local contributions	<u>115,484</u>
Total Reimbursement for Services	<u>203,900</u>
Grants	
State	
Minnesota Department/Board/Office of	
Corrections	242,184
Human Resources	1,740,170
Natural Resources	112,039
Pollution Control	37,754
Public Safety	246,791
Revenue	5,373
Veterans Affairs	7,500
Peace Officer Standards and Training Board	17,173
Pollution Control Agency	<u>83,202</u>
Total State	<u>2,492,186</u>
Federal	
Department/Commission of	
Agriculture	282,718
Education	2,684
Transportation	201,050
Justice	79,607
Health and Human Services	\$1,404,610
Homeland Security	296,445
Treasury	<u>912,577</u>
Total Federal	<u>3,179,691</u>
Total Intergovernmental Revenue	<u>\$ 22,056,930</u>

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OTHER REQUIRED REPORTS  
RENVILLE COUNTY  
GRANITE FALLS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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**INDEPENDENT AUDITOR’S REPORT  
ON MINNESOTA LEGAL COMPLIANCE**

Board of County Commissioners  
Renville County  
Olivia, 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, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Renville 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 June 30, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the Minnesota Legal Compliance Audit Guide for Counties, promulgated by the State Auditor pursuant to *Minnesota statute* §6.65, except as described in the Schedule of Findings, Responses and Questioned Costs as items 2023-005, 2023-006 and 2023-007. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County’s noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The County’s responses to the findings in our audit is described in the accompanying Schedule of Findings, Responses and Questioned Costs. We did not audit the County’s responses and, accordingly, we express no opinion on them.

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



**Abdo**  
Minneapolis, Minnesota  
June 30, 2025

**INDEPENDENT AUDITOR'S 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  
Renville County  
Olivia, 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 Renville 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 June 30, 2025.

**Report on Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, Responses and Questioned Costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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 entity'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, Responses and Questioned Costs as items 2023-002 and 2023-004 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 deficiencies described in the accompanying Schedule of Findings, Responses and Questioned Costs as items 2023-001 and 2023-003 to be significant deficiencies.

## 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* as items 2023-005, 2023-006, 2023-007 and 2023-008.

## Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings, Responses and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## 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.



**Abdo**  
Minneapolis, Minnesota  
June 30, 2025



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FEDERAL FINANCIAL AWARD PROGRAMS

RENVILLE COUNTY  
OLIVIA, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE***

Board of County Commissioners  
Renville County  
Olivia, Minnesota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Renville County, Minnesota (the County) compliance with the types of compliance requirements described 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 auditor’s results section of the accompanying Schedule of Findings, Responses and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of 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; 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 Auditor’s 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 County’s federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 generally accepted auditing standards, *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 instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings, Responses and Questioned Costs as items 2023-008 and 2023-009. 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 findings identified in our audit described in the accompanying Schedule of Findings, Responses and Questioned Costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings, Responses and Questioned Costs as items 2023-002 to be a material weakness.



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

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

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



**Abdo**  
Minneapolis, Minnesota  
June 30, 2025



Renville County  
Olivia, Minnesota  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023

Federal Funding Source	Administering Department/Entity	Program Name	Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Federal Program Clusters	Total Federal Expenditures	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Medical Assistance Program	93.778	H55235048/H55235028	<u>\$ 678,549</u>		
		Total Medicaid Cluster				\$ 678,549	
U.S. Department of Agriculture	Minnesota Department of Human Services	State Administrative Matching Grants for the	10.561	H55230010	<u>176,071</u>		
		Total SNAP Cluster				176,071	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Temporary Assistance for Needy	93.558	H55224077	<u>144,399</u>		
		Total TANF Cluster				144,399	
U.S. Department of Transportation	Minnesota Department of Transportation	COVID-19 - CRRSAA Funds	20.205	N/A	<u>128,152</u>		
		Highway Planning and Construction Cluster				128,152	
U.S. Department of Transportation	Minnesota Department of Transportation	State and Community Highway Safety	20.600	P079223402	<u>48,856</u>		
		Highway Safety Cluster				48,856	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Refugee and Entrant Assistance State/Replacement	93.575	H55239358	<u>2,416</u>		
		CCDF Cluster				2,416	
U.S. Department of Agriculture	Minnesota Department of Human Services	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A		106,647	
U.S. Department of Transportation	Minnesota Department of Transportation	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	P079223AL164		24,042	
U.S. Department of Homeland Security	Minnesota Department of Public Safety	Homeland Security Grant Program	97.067	P072021HSGP		206,581	
U.S. Department of Education	Minnesota Department of Education	School Safety National Activities	84.184	N/A		2,684	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Public Health Emergency Preparedness	93.069	N/A		17,462	
U.S. Department of Homeland Security	Minnesota Department of Public Safety	Disaster Grants - Public Assistance	97.036	P07204658PA		89,864	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Immunization Cooperation Agreements	93.268	N/A		30,497	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Promoting Safe and Stable Families	93.556	H55220100		2,584	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Child Support Enforcement	93.563	H55234004/H55234005		297,638	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	H55235100		502	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Community-Based Child Abuse Prevention Grants	93.590	H55219100		2,948	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Stephanie Tubbs Jones Child Welfare Services Program	93.645	H55221400		4,608	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Elder Abuse Prevention Interventions Program	93.747	H5521APC5C		571	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Foster Care Title IV-E	93.658	H55231401		75,026	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Social Services Block Grant	93.667	H55236190		103,120	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Block Grants for Prevention and Treatment of Substance Abuse	93.959	H55226191		950	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	H55201420		19,455	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Maternal and Child Health Services Block Grant to the States	93.994	H55210420C		23,754	
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Children's Health Insurance Program	93.767	H55233002		131	
U.S. Department of Justice	Direct Award	Crime Victim Assistance	16.575	Direct Award		13,020	
U.S. Department of Justice	Direct Award	Children of Incarcerated Parents	16.831	Direct Award		66,587	
U.S. Department of Treasury	Direct Award	COVID-19 - Coronavirus State and Local Fiscal Recovery	21.027C	Direct Award		<u>912,577</u>	
	Total Federal Expenditures						<u>\$ 3,179,691</u>

Renville County  
Olivia, Minnesota  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Renville County, Minnesota (the County) under programs of the federal government for the year ended December 31, 2023. The County's reporting entity is defined in Note 1A to the County's financial statements. 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 operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

**2. Summary of Significant Accounting Policies for Expenditures**

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit-Organizations, or 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Pass-through Entity Identifying Numbers**

Pass-through entity identifying numbers are presented where available.

**4. Subrecipients**

There were no federal expenditures provided to subrecipients.

**5. Indirect Cost Rate**

During the year ended December 31, 2023, the County did not elect to use the 10 percent de minimis indirect cost rate.

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Renville County  
Olivia, Minnesota  
Schedule of Findings, Responses and Questioned Costs  
For the Year Ended December 31, 2023

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a) of the Uniform Guidance.	Yes

**Identification of Clusters/Major Programs**

	<b>ALN No.</b>
Coronavirus State and Local Fiscal Recovery Funds	21.027C
Medicaid Cluster	
Medical Assistance Program	93.778
Dollar threshold used to distinguish between Type A and Type B Programs	\$ 750,000
Auditee qualified as low-risk auditee?	No

**Section II - Financial Statement Findings**

Two significant deficiencies (2023-001 and 2023-003) and two material weaknesses (2023-002 and 2023-004) relating to the audit of the financial statements are reported in the Independent Auditor's 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*.

**Section III - Major Federal Award Findings and Questioned Costs**

One material weakness (2023-002) relating to major federal award findings and questioned costs is reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.

**Section IV - Corrective Action Plans**

Corrective Action Plans are attached as required to be reported under the Uniform Guidance.

**Section V - Schedule of Prior Year Audit Findings**

There were prior year findings that are attached.

Renville County  
Olivia, Minnesota  
Schedule of Findings, Responses and Questioned Costs (Continued)  
For the Year Ended December 31, 2023

<u>Finding</u>	<u>Description</u>
<b>2023-001</b>	<b>Preparation of Financial Statements</b>
<i>Condition:</i>	We were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Auditing standards require auditors to communicate this situation to the Board as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. However, based on auditing standards, it is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process.
<i>Criteria:</i>	Internal controls should be in place to ensure adequate internal control over the reliability of financial records and reporting.
<i>Cause:</i>	From a practical standpoint, we prepare the statements and determine the fairness of the presentation at the same time in connection with our audit. This is not unusual for us to do with organizations of your size.
<i>Effect:</i>	The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors. We have instructed management to review a draft of the auditor prepared financials in detail for accuracy; we have answered any questions that management might have, and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosures in your statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.
<i>Recommendation:</i>	Under these circumstances, the most effective controls lie in management's knowledge of the Organization's financial operations. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost and other considerations. Regarding the specific situations listed above, we would offer the following specific recommendation: 1) Utilize a disclosure checklist to ensure all required disclosures are present and agree to work papers, and 2) Agree your accounting information from your accounting software to the amounts reported in the financial statements.
<i>Management Response:</i>	County Management accepts the degree of risk associated with this condition and thoroughly reviews a draft of financial statements.
<i>Updated Progress Since Prior Year:</i>	No changes have been made to address this finding.

Renville County  
Olivia, Minnesota  
Schedule of Findings, Responses and Questioned Costs (Continued)  
For the Year Ended December 31, 2023

<u>Finding</u>	<u>Description</u>
<b>2023-002</b>	<b>Material Audit Adjustments</b>
<i>Condition:</i>	<p>During our audit, adjustments were needed to record a number of audit adjustments, including the following material entries:</p> <ul style="list-style-type: none"><li>• To adjust beginning fund balances.</li><li>• To adjust capital asset activity and related retainage.</li><li>• To adjust state and federal aid revenues and receivables.</li><li>• To adjust special assessment classifications.</li><li>• To adjust sales tax activity.</li><li>• To record additional receivable and payable accruals.</li><li>• To record accrued interest on investments.</li><li>• To record internal service fund activity.</li></ul>
<i>Criteria:</i>	<p>The financial statements are the responsibility of the County's management; therefore, the County must be able to prevent or detect a material misstatement in the financial statements including footnote disclosures.</p>
<i>Cause:</i>	<p>County staff has not prepared a year-end trial balance reflecting all necessary accounting entries.</p>
<i>Effect:</i>	<p>This indicates that it would be likely that a misstatement may occur and not be detected by the County's system of internal control. The audit firm cannot serve as a compensating control over this deficiency.</p>
<i>Recommendation:</i>	<p>We recommend that management review each journal entry, obtain an understanding of why the entry was necessary and modify procedures to ensure that future corrections are not needed.</p>
<i>Management Response:</i>	<p>Management will continue to review and gain an understanding of the audit adjustments in order to reduce the number of entries necessary for future audits. The County Finance Coordinator plans to remedy this finding in future years.</p>
<i>Updated Progress Since Prior Year:</i>	<p>No changes have been made to address this finding.</p>

Renville County  
Olivia, Minnesota  
Schedule of Findings, Responses and Questioned Costs (Continued)  
For the Year Ended December 31, 2023

<u>Finding</u>	<u>Description</u>
<b>2023-003</b>	<b>Internal Control over Bank Reconciliations</b>
<i>Condition:</i>	As a result of staff turnover, the Finance Coordinator performed bank reconciliations in place of the Auditor/Treasurers office.
<i>Criteria:</i>	Internal controls should be in place to ensure adequate internal control over safeguarding of assets and the reliability of financial records and reporting.
<i>Cause:</i>	Staff turnover appeared to be a significant contributor in the deficiency.
<i>Effect:</i>	The County did not follow established policies and procedures which resulted in overlap of in the control environment.
<i>Recommendation:</i>	We recommend current policies and procedures be followed as intended.

*Management Response:*

The County is aware of the situation and has accepted the risk to get bank reconciliations complete. Management has ensured to now have multiple people trained to complete this task, separate from the Finance Coordinator to ensure separation of duties in the event of future turnover.

<b>2023-004</b>	<b>Timely Bank Reconciliations</b>
<i>Condition:</i>	During our audit we noted bank reconciliations were not completed timely. The 2023 bank reconciliations were fully completed in December 2024.
<i>Criteria:</i>	Internal controls should be in place to ensure adequate internal control over safeguarding of assets and the reliability of financial records and reporting.
<i>Cause:</i>	Staff turnover appeared to be a significant contributor in the deficiency.
<i>Effect:</i>	Without bank and investment reconciliations completed timely, the accuracy of monthly financial information may not be accurate and allow for errors or incomplete information to go unnoticed longer.
<i>Recommendation:</i>	We recommend bank reconciliations be completed within 15 days of month end and the Board finance software be utilized for financial reporting. This will allow for more efficient process and more accurate financial information. We also recommend, upon completion of the reconciliations, that someone other than the finance coordinator review, initial and date.

*Management Response:*

The County is aware of the situation and plans to implement procedures to ensure that timely and accurate bank reconciliations are completed going forward.

Renville County  
Olivia, Minnesota  
Schedule of Findings, Responses and Questioned Costs (Continued)  
For the Year Ended December 31, 2023

<u>Finding</u>	<u>Description</u>
<b>2023-005</b>	<b>Time Period for Payment</b>
<i>Condition:</i>	Auditing for legal compliance requires a review of the County's payment of claims. Our study indicated instances of noncompliance that we believe are required to be remedied.
<i>Criteria:</i>	Minnesota statute section 471.425 requires that the County pay bills within 35 days from receipt. If the invoice is not paid within the 35 days, interest at 1.5 percent per month is to be added to amount due.
<i>Cause:</i>	Staff turnover appeared to be a significant contributor in noncompliance.
<i>Effect:</i>	At year end, the County was not in compliance with Minnesota statute section 471.425.
<i>Recommendation:</i>	We recommend that the County develop policies and procedures related to the accounts payable cycle. These policies and procedures should include payment terms that are outlined within State statutes. Implementing this recommendation will not result in any additional cost to the County.
<i>Management Response:</i>	
	Management has implemented multiple policies to address this statute including more rigorous date stamping when invoices are received and updating county policy to allow for faster payment of certain bills to ensure prompt payment.
<b>2023-006</b>	<b>Long Outstanding Checks</b>
<i>Condition:</i>	The County had 17 outstanding checks, dated prior to December 31, 2021. The total amount of these checks is \$62,006 and date back to 2018.
<i>Criteria:</i>	In accordance with Minnesota statute, section 345.41, if the political subdivision's records show unclaimed or uncashed checks or intangible property held for more than three years; the property must be reported and paid or delivered to the state Commissioner of Commerce.
<i>Cause:</i>	Staff turnover appeared to be a significant contributor in noncompliance.
<i>Effect:</i>	At year end, the County was not in compliance with Minnesota statute section 345.41.
<i>Recommendation:</i>	We recommend that the County review their list of outstanding checks each month for any being uncashed over the required time period. If a long outstanding check is found, have it delivered to the state Commissioner of Commerce.
<i>Management Response:</i>	
	Management will work with the auditors to correctly record and follow the statute.

Renville County  
Olivia, Minnesota  
Schedule of Findings, Responses and Questioned Costs (Continued)  
For the Year Ended December 31, 2023

<u>Finding</u>	<u>Description</u>
<b>2023-007</b>	<b>Publishing Claims Paid</b>
<i>Condition:</i>	Auditing for legal compliance requires a review of the publishing of claims and disbursements. Our study indicated an instance of noncompliance that we believe is required to be remedied.
<i>Criteria:</i>	Minnesota statute §375.12 requires that County Board minutes be published within 30 days of the meeting and shall include an individualized, itemized list of Board approved payments over \$2,000. For claims \$2,000 or less, the total number of claims and total amount shall be stated.
<i>Cause:</i>	The Board and management believe publishing a summary of bills paid by fund each month is adequate to inform the public of the substance of the proceedings. The Board does not wish to incur the additional cost of publication and continues to make the information physically available at the County Government Center.
<i>Effect:</i>	As a result, the County is out compliance with the statute.
<i>Recommendation:</i>	We recommend the County publish an individualized, itemized list of Board approved payments over \$2,000 and the total number of claims and total amount of payments under \$2,000.
<i>Management Response:</i>	
	The County acknowledges the finding.
<i>Updated Progress Since Prior Year:</i>	
	No changes have been made to address this finding.
<b>2023-008</b>	<b>Medical Assistance Eligibility</b>
<i>Condition:</i>	The Minnesota Department of Human Services (DHS) maintains the computer systems, MAXIS and METS, which are used by Renville County to support the eligibility determination process. In the case files reviewed for eligibility, there were several cases noted in which the Adjusted Gross Income (AGI) was not calculated correctly, and there was no supporting documentation provided for the differences.
<i>Criteria:</i>	Title 2 U.S. Code of Federal Regulations § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.
<i>Cause:</i>	Program personnel entering case data into MAXIS or clearing case data flagged by METS did not properly calculate or retain support for the AGI entered into the system.
<i>Effect:</i>	As a result, the Board is out compliance with the statute.
<i>Recommendation:</i>	We recommend Renville County define and implement procedures for calculating and supporting AGI used for eligibility determinations.
<i>Management Response:</i>	
	The County acknowledges the finding and has implemented procedures to ensure AGI is calculated correctly.

Renville County  
Olivia, Minnesota  
Schedule of Findings, Responses and Questioned Costs (Continued)  
For the Year Ended December 31, 2023

**2023-009                      Late Single Audit Submission**

*Condition:*                      The County submitted the required 2022 reporting package and data collection form to the Federal Audit Clearinghouse after the required deadline.

*Criteria:*                        2 CFR § 200.512(a) requires that the auditee submit the data collection form and the reporting package to the Federal Audit Clearinghouse (FAC) within the earlier of 30 calendar days after receipt of the auditor’s report(s), or nine months after the end of the audit period.

*Cause:*                         The County’s 2022 audit was completed in January 2024 after the reporting deadline.

*Effect:*                         As a result, the Board is out compliance with the statute.

*Recommendation:*        We recommend Renville County implement procedures to ensure timely submission of all future reporting packages to the FAC, including calendar reminders and assignment of submission responsibility to specific personnel.

*Management Response:*

The County acknowledges the finding.

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**2023-001                      Preparation of Financial Statements**

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding:

Management will continue to review and gain an understanding of the financial statements and related note disclosures. County Management accepts the degree of risk associated with this condition and thoroughly reviews a draft of financial statements.

3. Official Responsible for Ensuring CAP:

Lisa Herges, County Administrator, is the official responsible for ensuring corrective action of the significant deficiency.

4. Planned Completion Date for CAP:

December 31, 2025

5. Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

Sincerely,

Lisa Herges  
County Administrator



**2023-002 Material Audit Adjustments**

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding:

Management will continue to review and gain an understanding of the audit adjustments in order to reduce the number of entries necessary for future audits. The County Finance Coordinator plans to remedy this finding in future years.

3. Official Responsible for Ensuring CAP:

Lisa Herges, County Administrator, is the official responsible for ensuring corrective action of the material weakness.

4. Planned Completion Date for CAP:

December 31, 2025

5. Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

Sincerely,

Lisa Herges  
County Administrator



**2023-003 Internal Control over Bank Reconciliations**

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding:

The County is aware of the situation and has accepted the risk to get bank reconciliations complete. Management has ensured to now have multiple people trained to complete this task, separate from the Finance Coordinator to ensure separation of duties in the event of future turnover.

3. Official Responsible for Ensuring CAP:

Lisa Herges, County Administrator, is the official responsible for ensuring corrective action of the significant deficiency.

4. Planned Completion Date for CAP:

December 31, 2025

5. Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

Sincerely,

Lisa Herges  
County Administrator



**2023-004 Timely Bank Reconciliations**

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding:

The County is aware of the situation and plans to implement procedures to ensure that timely and accurate bank reconciliations are completed going forward.

3. Official Responsible for Ensuring CAP:

Lisa Herges, County Administrator, is the official responsible for ensuring corrective action of the material weakness.

4. Planned Completion Date for CAP:

December 31, 2025

5. Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

Sincerely,

Lisa Herges  
County Administrator



**2023-005 Time Period for Payment**

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding:

Management has implemented multiple policies to address this statute including more rigorous date stamping when invoices are received and updating county policy to allow for faster payment of certain bills to ensure prompt payment.

3. Official Responsible for Ensuring CAP:

Lisa Herges, County Administrator, is the official responsible for ensuring corrective action of the compliance finding.

4. Planned Completion Date for CAP:

December 31, 2025

5. Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

Sincerely,

Lisa Herges  
County Administrator



2023-006

**Long Outstanding Checks**

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding:

Management will work with the auditors to correctly record and follow the statute.

3. Official Responsible for Ensuring CAP:

Lisa Herges, County Administrator, is the official responsible for ensuring corrective action of the compliance finding.

4. Planned Completion Date for CAP:

December 31, 2025

5. Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

Sincerely,

Lisa Herges  
County Administrator



2023-007

**Publishing Claims Paid**

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding:

Management will work with the auditors to correctly record and follow the statute.

3. Official Responsible for Ensuring CAP:

Lisa Herges, County Administrator, is the official responsible for ensuring corrective action of the compliance finding.

4. Planned Completion Date for CAP:

December 31, 2025

5. Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

Sincerely,

Lisa Herges  
County Administrator



**2023-008 Medical Assistance Eligibility**

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding:

The County acknowledges the finding and has implemented procedures to ensure AGI is calculated correctly.

3. Official Responsible for Ensuring CAP:

Lisa Herges, County Administrator, is the official responsible for ensuring corrective action of the compliance finding.

4. Planned Completion Date for CAP:

December 31, 2025

5. Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

Sincerely,

Lisa Herges  
County Administrator



**2023-009**

**Late Single Audit Submission**

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding:

Management will work with the auditors to correctly record and follow the statute.

3. Official Responsible for Ensuring CAP:

Lisa Herges, County Administrator, is the official responsible for ensuring corrective action of the compliance finding.

4. Planned Completion Date for CAP:

December 31, 2025

5. Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

Sincerely,

Lisa Herges  
County Administrator

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Renville County  
Olivia, Minnesota  
Schedule of Prior Year Findings  
For the Year Ended December 31, 2023

<u>Finding</u>	<u>Description</u>
<b>2022-001</b>	<b>Internal Control Over Financial Reporting</b>
<i>Condition:</i>	There is a lack of controls over the year-end financial reporting process. We, as your auditors, prepared the County's financial statements. Also, material audit entries, a restatement of the fiduciary statements and changes to the schedule of expenditures of federal awards were identified and corrected during the 2022 audit.
<i>Criteria:</i>	A system of internal control should be in place that provides reasonable assurance that yearend financial statements, including the schedule of expenditures of federal awards, are complete and accurate.
<i>Cause:</i>	The County has chosen to have the auditors prepare its annual financial statements and certain year end entries.
<i>Effect:</i>	The County's financial records may be materially misstated before the annual audit is completed. In addition, the annual financial statements are not available to the County until they are completed by the auditors.
<i>Recommendation:</i>	The County should consider whether preparation of financial statements by County staff is cost effective. The 2022 audit entries and changes to the schedule of expenditures of federal awards should be reviewed to determine whether similar adjustments can be made by County staff prior to the audit in the future.
<i>Management Response:</i>	
	Renville County is aware of this, however at this time it is more cost effective to contract for the preparation of the financial statements. Renville County management thoroughly reviews a draft of the financial statements and will continue to work towards the preparation of its own financial statements.