

ANNUAL FINANCIAL REPORT

RENVILLE COUNTY
OLIVIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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Renville County
 Olivia, Minnesota
 Annual Financial Report
 Table of Contents
 For the Year Ended December 31, 2024

	Page No.
Introductory Section	
Organizational	9
Financial Section	
Independent Auditor's Report	13
Management's Discussion and Analysis	17
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	27
Statement of Activities	28
Fund Financial Statements	
Governmental Funds	
Balance Sheet	32
Reconciliation of the Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures and Changes in Fund Balance	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	38
Proprietary Funds	
Statement of Net Position	39
Statement of Revenues, Expenses and Changes in Net Position	40
Statement of Cash Flows	41
Fiduciary Funds	
Statement of Fiduciary Net Position	42
Statement of Changes in Fiduciary Net Position	43
Notes to the Financial Statements	45
Required Supplementary Information	
Notes to Budgetary Comparison Schedules	89
Budgetary Comparison Schedules	
General Fund	90
Road and Bridge Fund	92
Welfare Special Revenue Fund	93
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - General Employees Retirement Fund	94
Schedule of Employer's Public Employees Retirement Association Contributions - General Employees Retirement Fund	94
Notes to the Required Supplementary Information - General Employee Retirement Fund	95
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - Public Employees Police and Fire Fund	97
Schedule of Employer's Public Employees Retirement Association Contributions - Public Employees Police and Fire Fund	97
Notes to the Required Supplementary Information - Public Employees Police and Fire Fund	98
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - Public Employees Correctional Fund	100
Schedule of Employer's Public Employees Retirement Association Contributions - Public Employees Correctional Fund	100
Notes to the Required Supplementary Information - Public Employees Correctional Fund	101

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Renville County
 Olivia, Minnesota
 Annual Financial Report
 Table of Contents (Continued)
 For the Year Ended December 31, 2024

	Page No.
Combining and Individual Fund Financial Statement and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	106
Debt Service Fund	
Budgetary Comparison Schedule	108
Custodial Funds	
Combining Statement of Fiduciary Net Position	111
Combining Statement of Changes in Fiduciary Net Position	112
Schedule of Intergovernmental Revenue	113
 Other Required Reports	
Independent Auditor's Report on Minnesota Legal Compliance	117
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 <i>Government Auditing Standards</i>	118
 Federal Financial Award Programs	
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	123
Schedule of Expenditures of Federal Awards	126
Notes to the Schedule of Expenditures of Federal Awards	127
Schedule of Findings, Responses and Questioned Costs	128
Corrective Action Plans	135
Schedule of Prior Year Findings	142

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INTRODUCTORY SECTION

RENVILLE COUNTY
OLIVIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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Renville County
Olivia, Minnesota
Organizational
For the Year Ended December 31, 2024

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Elected Commissioners		
Greg Snow	Chair	December 2026
Randy Kramer	Chair	December 2024
Doug Erickson	Commissioner	December 2024
John A. Robinson	Commissioner	December 2026
David Hamre	Vice Chair	December 2028
Appointed Officials		
Lisa Herges	Administrator	

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FINANCIAL SECTION

RENVILLE COUNTY
OLIVIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of December 31, 2024, and the respective changes in financial position 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.

Change in Accounting Principle

As described in Note 6 to the financial statements, the County adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provision of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

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 92 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 December 29, 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
December 29, 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, 2024. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the County's basic financial statements that follow this section.

Financial Highlights

- Governmental activities' total net position is \$130,363,765, of which \$101,339,692 is net investment in capital assets, and \$10,510,434 is restricted to specific purposes. The \$18,513,639 remaining as unrestricted may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's net position increased by \$9,672,002 for the year ended December 31, 2024. Revenues increased by approximately \$3.49 million during the year and were greater than expenses mainly due to recognition of CARES Act funding and a decrease in estimated future pension liabilities.
- The net cost of governmental activities for the current fiscal year was \$15,177,645. The net cost was funded by general revenues and other items totaling \$24,572,466.
- The fund balances of the governmental funds increased by \$797,631 due to revenues such as grants and contributions not related to specific programs and replenishment of reserve balances of Ditch systems from maintenance assessments.
- For the year ended December 31, 2024, the unassigned fund balance of the General Fund was \$8,548,813, or 50.9 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 92 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 at the close of 2024. The largest portion of the net position 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 2023 is presented.

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 16 percent of the net position.

Renville County's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Current and Other Assets	\$ 62,738,415	\$ 68,825,630	\$ (6,087,215)	\$ 5,448,105	\$ 5,212,916	\$ 235,189
Capital Assets	142,284,528	132,250,397	10,034,131	233,281	240,555	(7,274)
Total Assets	<u>205,022,943</u>	<u>201,076,027</u>	<u>3,946,916</u>	<u>5,681,386</u>	<u>5,453,471</u>	<u>227,915</u>
Deferred Outflows of Resources	<u>3,524,032</u>	<u>5,263,977</u>	<u>(1,739,945)</u>	<u>7,996</u>	<u>7,771</u>	<u>225</u>
Long-term Liabilities Outstanding	50,564,945	57,231,128	(6,666,183)	1,662,147	1,691,757	(29,610)
Other Liabilities	3,598,205	5,329,291	(1,731,086)	6,715	48,054	(41,339)
Total Liabilities	<u>54,163,150</u>	<u>62,560,419</u>	<u>(8,397,269)</u>	<u>1,668,862</u>	<u>1,739,811</u>	<u>(70,949)</u>
Deferred Inflows of Resources	<u>24,020,060</u>	<u>22,810,641</u>	<u>1,209,419</u>	<u>32,215</u>	<u>10,307</u>	<u>21,908</u>
Net Position						
Net investment in capital assets	101,339,692	87,487,913	13,851,779	233,281	240,555	(7,274)
Restricted	10,510,434	12,181,525	(1,671,091)	838,266	731,794	106,472
Unrestricted	<u>18,513,639</u>	<u>21,299,506</u>	<u>(2,785,867)</u>	<u>2,916,758</u>	<u>2,738,775</u>	<u>177,983</u>
Total Net Position	<u>\$ 130,363,765</u>	<u>\$ 120,968,944</u>	<u>\$ 9,394,821</u>	<u>\$ 3,988,305</u>	<u>\$ 3,711,124</u>	<u>\$ 277,181</u>

The County's activities increased net position by 7.7 percent mainly due to recognition of CARES Act funding and a decrease in estimated future pension liabilities.

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 \$9,599,278. 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 57 percent of total General Fund expenditures. During 2024, the ending fund balance increased by \$2,518,869 mainly due to an increase in investment earnings and intergovernmental revenue.

The Road and Bridge Special Revenue Fund had a fund balance deficit of \$717,025 at fiscal year-end. Ending fund balance decreased by \$4,124,241 during 2024 which is attributable to spending on capital projects

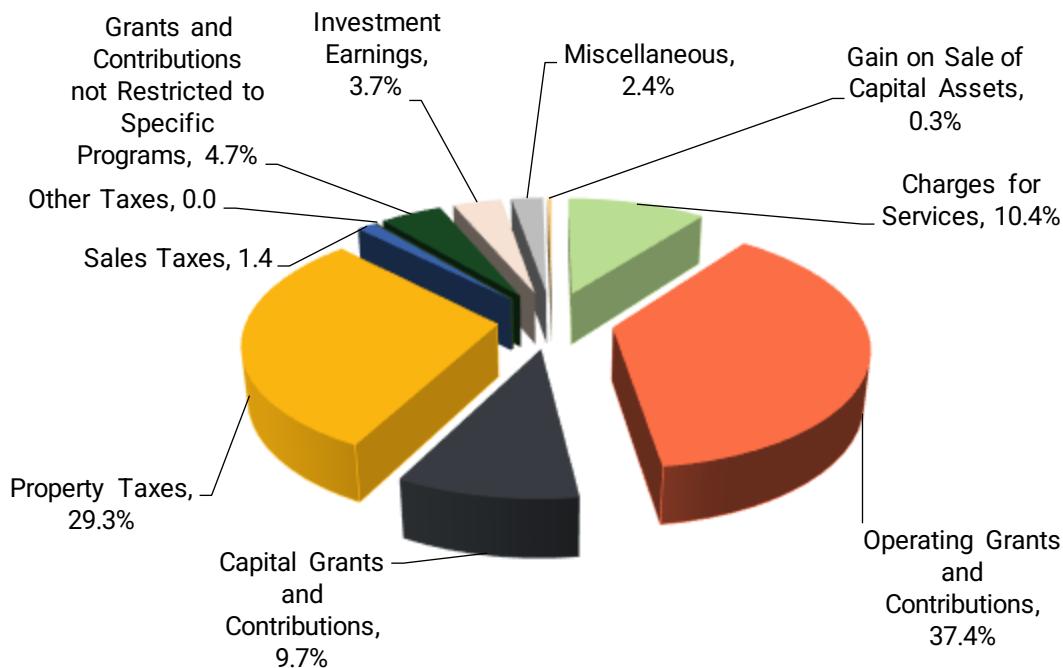
The Welfare Special Revenue Fund had an unrestricted fund balance of \$5,358,072 at fiscal year-end, representing 80.9 percent of its annual expenditures. The ending fund balance decreased \$155,652 during 2024 mainly due to budgeted expenditures exceeding budget.

The Ditch Special Revenue Fund had a fund balance deficit of \$2,355,084 at fiscal year-end. The ending fund balance increased \$760,307 during 2024 mainly due to revenue from special assessments.

The Debt Service Fund had no unrestricted fund balance at fiscal year-end, as the entire fund balance of \$3,761,205 is restricted. The ending fund balance increased \$33,755 during 2024 due to taxes and other revenues in excess of debt service payments.

Governmental Activities. The County's total revenues were \$57,890,209. The following graph presents the percent of total County revenues by source for the year ended December 31, 2024.

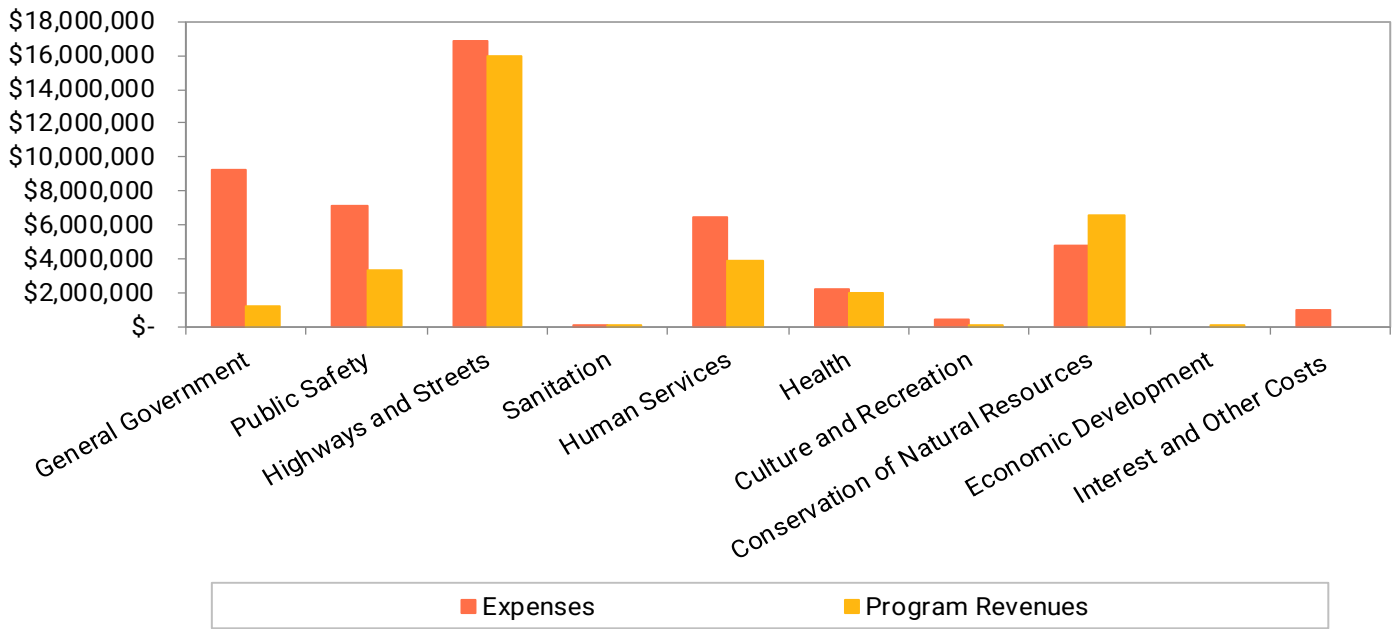
Revenues by Source - Governmental Activities



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 \$33,317,743, while total expenses were \$48,495,388.

Expenses and Program Revenues - Governmental Activities



The cost of all governmental activities this year was \$48,495,388. 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 \$17,247,295 because some of the costs were paid by those who directly benefited from the programs (\$6,037,487) or by other governments, organizations, and individuals that subsidized certain programs with grants and contributions (\$27,280,256). The County paid for the remaining “public benefit” portion of governmental activities with 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 2024	Net Cost of Services 2024
Highways and Streets	\$ 16,876,183	\$ 934,491
General Government	9,292,063	8,021,878
Public Safety	7,128,862	3,753,024
Human Services	6,470,560	2,611,861
Conservation of Natural Resources	4,828,694	(1,723,670)
All Others	3,899,026	1,580,061
Total	\$ 48,495,388	\$ 15,177,645

General Fund Budgetary Highlights

The County Board did not amend the General fund budgeted during 2024. During 2024, the County continued to draw down ARPA funding to offset spending increases due to the COVID pandemic. 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, 2024, totaled \$142,284,528 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and construction in progress. The investment in capital assets increased \$10,034,131, or 7.6 percent, from the previous year. The major capital asset events were:

- Projects were completed and capitalized for a total cost of \$8,564,847
- Construction in progress mainly related to highway projects totaling \$16,401,984
- Various machinery and equipment purchases amounted to \$1,865,809

Renville County's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Land	\$ 1,749,768	\$ 1,753,785	\$ (4,017)	\$ 87,000	\$ 87,000	\$ -
Construction in Progress	16,401,984	9,535,827	6,866,157	-	-	-
Intangible Assets (Nondepreciable)	4,736,368	4,752,887	(16,519)	-	-	-
Buildings	20,527,777	21,800,902	(1,273,125)	85,458	88,572	(3,114)
Land Improvements	2,057,932	757,257	1,300,675	50,094	60,076	(9,982)
Machinery and Equipment	5,781,128	5,081,187	699,941	10,729	4,907	5,822
Infrastructure	76,852,523	74,763,142	2,089,381	-	-	-
Bridges	14,153,173	13,766,269	386,904	-	-	-
Intangible Assets (Depreciable)	23,875	39,141	(15,266)	-	-	-
Total	\$ 142,284,528	\$ 132,250,397	\$ 10,034,131	\$ 233,281	\$ 240,555	\$ (7,274)

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 as presented below which was backed by the full faith and credit of the government.

Renville County's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
G.O. Drainage Bonds	\$ 1,110,000	\$ 1,210,000	\$ (100,000)	\$ -	\$ -	\$ -
G.O. Capital Improvement Bonds	14,660,000	15,595,000	(935,000)	-	-	-
G.O. Refunding Bonds	4,330,000	5,215,000	(885,000)	-	-	-
Taxable Revenue Bonds	16,503,993	16,855,069	(351,076)	-	-	-
Notes Payable	4,387,871	5,561,601	(1,173,730)	-	-	-
Loans Payable	1,008,557	1,380,842	(372,285)	-	-	-
Landfill Liability	-	-	-	1,661,242	1,661,242	-
Total	\$ 42,000,421	\$ 45,817,512	\$ (3,817,091)	\$ 1,661,242	\$ 1,661,242	\$ -

The County's debt related to general obligation bonds decreased by \$1,920,000 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 2024, 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 62 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 2025 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 2025 gross property tax levy for the County increased 4.79 percent from 2024.
- 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, 2024

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Renville County
Olivia, Minnesota
Statement of Net Position
December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Renville County HRA and EDA
Assets				
Cash and pooled investments	\$ 32,864,894	\$ (100,820)	\$ 32,764,074	\$ 694,545
Receivables				
Delinquent taxes	178,989	-	178,989	-
Special assessments	5,933,035	-	5,933,035	-
Accounts, net of allowance	367,434	274	367,708	3,792
Intergovernmental	4,019,970	2,170	4,022,140	13,115
Loans	1,003,600	-	1,003,600	-
Notes	-	-	-	904,139
Accrued interest	75,416	-	75,416	-
Lease	17,668,873	-	17,668,873	-
Internal balances	(19,077)	19,077	-	-
Prepaid items	76,217	4,210	80,427	15,365
Inventories	569,064	-	569,064	-
Restricted cash and investments	-	2,499,508	2,499,508	201,396
Investment in joint venture	-	3,023,686	3,023,686	-
Capital assets				
Nondepreciable	22,888,120	87,000	22,975,120	62,530
Depreciable, net of accumulated depreciation	119,396,408	146,281	119,542,689	132,150
Total Assets	<u>205,022,943</u>	<u>5,681,386</u>	<u>210,704,329</u>	<u>2,027,032</u>
Deferred Outflows of Resources				
Deferred pension resources	<u>3,524,032</u>	<u>7,996</u>	<u>3,532,028</u>	<u>-</u>
Liabilities				
Accounts payable	1,830,175	4,035	1,834,210	2,342
Salaries payable	357,449	1,760	359,209	2,125
Deposits payable	445,646	-	445,646	6,765
Due to other governments	544,040	920	544,960	4,198
Accrued liabilities	20,067	-	20,067	3,715
Accrued interest payable	223,043	-	223,043	-
Unearned revenue	177,785	-	177,785	1,412
Noncurrent liabilities				
Due within one year				
Long-term liabilities	3,667,113	-	3,667,113	13,016
Due in more than one year				
Long-term liabilities	40,906,804	1,661,242	42,568,046	129,723
Net pension liability	5,991,028	905	5,991,933	-
Total Liabilities	<u>54,163,150</u>	<u>1,668,862</u>	<u>55,832,012</u>	<u>163,296</u>
Deferred Inflows of Resources				
Deferred lease resources	17,645,884	-	17,645,884	-
Deferred pension resources	6,374,176	32,215	6,406,391	-
Total Deferred Inflows of Resources	<u>24,020,060</u>	<u>32,215</u>	<u>24,052,275</u>	<u>-</u>
Net Position				
Net investment in capital assets	101,339,692	233,281	101,572,973	71,044
Restricted				
Highways and streets	1,928,398	-	1,928,398	-
Public safety	823,424	-	823,424	-
Debt service	4,285,850	-	4,285,850	-
Sales tax	1,597,593	-	1,597,593	-
Opioid settlement	232,152	-	232,152	-
Other purposes	1,643,017	-	1,643,017	-
Landfill	-	838,266	838,266	-
Housing vouchers	-	-	-	622
Revolving loans	-	-	-	498,541
Unrestricted	<u>18,513,639</u>	<u>2,916,758</u>	<u>21,430,397</u>	<u>1,293,529</u>
Total Net Position	<u>\$ 130,363,765</u>	<u>3,988,305</u>	<u>\$ 134,352,070</u>	<u>1,863,736</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, 2024

Functions/Programs	Expenses	Program Revenues		
		Fees, Charges for Services and Other	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 9,292,063	\$ 727,210	\$ 542,975	\$ -
Public safety	7,128,862	2,554,658	821,180	-
Highways and streets	16,876,183	597,321	9,740,569	5,603,802
Sanitation	118,165	160,406	-	-
Human services	6,470,560	1,011,502	2,847,197	-
Health	2,229,019	878,325	1,082,847	-
Culture and recreation	498,681	107,028	-	-
Conservation of natural resources	4,828,694	1,037	6,551,327	-
Economic development	-	-	90,359	-
Interest and other costs	1,053,161	-	-	-
Total Governmental Activities	48,495,388	6,037,487	21,676,454	5,603,802
Business-type Activities				
Solid Waste	793,168	618,260	36,220	-
Total	\$ 49,288,556	\$ 6,655,747	\$ 21,712,674	\$ 5,603,802
Component Units				
Renville County HRA and EDA	\$ 1,100,693	\$ 99,457	\$ 675,948	\$ 20,348

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
Primary Government			Unit
Governmental Activities	Business-type Activities	Total	Renville County HRA and EDA
\$ (8,021,878)	\$ -	\$ (8,021,878)	\$ -
(3,753,024)	-	(3,753,024)	-
(934,491)	-	(934,491)	-
42,241	-	42,241	-
(2,611,861)	-	(2,611,861)	-
(267,847)	-	(267,847)	-
(391,653)	-	(391,653)	-
1,723,670	-	1,723,670	-
90,359	-	90,359	-
(1,053,161)	-	(1,053,161)	-
<u>(15,177,645)</u>	<u>-</u>	<u>(15,177,645)</u>	<u>-</u>
-	(138,688)	(138,688)	-
<u>(15,177,645)</u>	<u>(138,688)</u>	<u>(15,316,333)</u>	
			<u>\$ (304,940)</u>
17,247,295	-	17,247,295	294,841
814,002	-	814,002	-
20,235	-	20,235	-
2,747,427	-	2,747,427	-
2,153,667	125,630	2,279,297	14,651
1,392,304	290,239	1,682,543	-
197,536	-	197,536	-
<u>24,572,466</u>	<u>415,869</u>	<u>24,988,335</u>	<u>309,492</u>
9,394,821	277,181	9,672,002	4,552
<u>120,968,944</u>	<u>3,711,124</u>	<u>124,680,068</u>	<u>1,859,184</u>
<u>\$ 130,363,765</u>	<u>\$ 3,988,305</u>	<u>134,352,070</u>	<u>\$ 1,863,736</u>

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, 2024

Renville County
Olivia, Minnesota
Balance Sheet
Governmental Funds
December 31, 2024

	General	Road and Bridge	Welfare	Ditch
Assets				
Cash and pooled investments	\$ 11,899,080	\$ (436,500)	\$ 5,023,289	\$ 1,845,435
Receivables				
Delinquent taxes	94,280	32,552	24,774	-
Special assessments	2,030,213	-	-	3,184,647
Accounts	33,376	17,104	248,397	-
Accrued interest	71,759	-	-	-
Intergovernmental	716,743	2,340,951	502,159	144,860
Lease	178,641	-	-	-
Loans receivable	1,003,600	-	-	-
Advance to other funds	3,500,000	-	-	-
Prepaid items	33,369	15,051	61	-
Inventories	-	569,064	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 19,561,061</u>	<u>\$ 2,538,222</u>	<u>\$ 5,798,680</u>	<u>\$ 5,174,942</u>
Liabilities				
Accounts payable	\$ 289,734	\$ 1,023,702	\$ 116,847	\$ 373,855
Salaries payable	185,346	55,422	72,668	6,193
Deposits payable	81,650	-	14,296	349,700
Due to other governments	139,807	169,540	120,388	111,454
Advance from other funds	-	-	-	3,500,000
Unearned revenue	34,300	45,633	-	-
Total Liabilities	<u>730,837</u>	<u>1,294,297</u>	<u>324,199</u>	<u>4,341,202</u>
Deferred Inflows of Resources				
Deferred lease resources	172,031	-	-	-
Unavailable revenue	2,518,133	1,960,950	116,348	3,188,824
Total Deferred Inflows of Resources	<u>2,690,164</u>	<u>1,960,950</u>	<u>116,348</u>	<u>3,188,824</u>
Fund Balances				
Nonspendable	4,536,969	569,064	61	-
Restricted	2,003,813	-	-	-
Committed	679,429	-	5,358,072	-
Assigned	371,036	-	-	-
Unassigned	8,548,813	(1,286,089)	-	(2,355,084)
Total Fund Balances	<u>16,140,060</u>	<u>(717,025)</u>	<u>5,358,133</u>	<u>(2,355,084)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,561,061</u>	<u>\$ 2,538,222</u>	<u>\$ 5,798,680</u>	<u>\$ 5,174,942</u>

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

Debt Service	Nonmajor Governmental Funds	Total
\$ 3,816,530	\$ 9,777,243	\$ 31,925,077
20,012	7,371	178,989
718,175	-	5,933,035
-	68,557	367,434
3,657	-	75,416
-	315,257	4,019,970
17,490,232	-	17,668,873
-	-	1,003,600
-	-	3,500,000
-	27,736	76,217
-	-	569,064
<u>\$ 22,048,606</u>	<u>\$ 10,196,164</u>	<u>\$ 65,317,675</u>
\$ -	\$ 20,516	\$ 1,824,654
-	37,820	357,449
-	-	445,646
-	651	541,840
-	-	3,500,000
75,360	21,759	177,052
<u>75,360</u>	<u>80,746</u>	<u>6,846,641</u>
17,473,853	-	17,645,884
738,188	36,231	8,558,674
<u>18,212,041</u>	<u>36,231</u>	<u>26,204,558</u>
-	27,736	5,133,830
3,761,205	2,292,372	8,057,390
-	7,759,079	13,796,580
-	-	371,036
-	-	4,907,640
<u>3,761,205</u>	<u>10,079,187</u>	<u>32,266,476</u>
<u>\$ 22,048,606</u>	<u>\$ 10,196,164</u>	<u>\$ 65,317,675</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, 2024

Total Fund Balances - Governmental Funds	\$ 32,266,476
<p>Amounts reported for governmental activities in the statement of net position are different because</p>	
<p>Net capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.</p>	142,284,528
<p>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.</p>	8,558,674
<p>Governmental funds do not report a liability for accrued interest until due and payable.</p>	(223,043)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.</p>	
<p>Long-term liabilities at year-end consist of</p>	
Compensated absences payable	(1,510,522)
Bonds payable	(36,603,993)
Notes payable	(4,387,871)
Loans payable	(1,008,557)
Bond premiums, net of accumulated amortization	(1,062,974)
Net pension liability	(5,991,028)
<p>Governmental funds do not report long-term amounts related to pensions</p>	
Deferred pension outflows	3,524,032
Deferred pension inflows	(6,374,176)
<p>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.</p>	<u>892,219</u>
Total Net Position - Governmental Activities	<u><u>\$ 130,363,765</u></u>

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, 2024

	General	Road and Bridge	Welfare	Ditch
Revenues				
Taxes	\$ 9,510,975	\$ 3,255,050	\$ 2,052,129	\$ -
Special assessments	452,070	-	-	7,058,901
Licenses and permits	30,000	-	-	-
Intergovernmental	3,897,692	20,319,414	3,111,008	7,813
Charges for services	3,050,135	388,879	27,731	-
Investment earnings	1,187,603	164,488	211,143	63,300
Miscellaneous	413,619	21,126	995,961	8,517
Total Revenues	<u>18,542,094</u>	<u>24,148,957</u>	<u>6,397,972</u>	<u>7,138,531</u>
Expenditures				
Current				
General government	6,829,430	-	-	-
Public safety	7,205,184	-	-	-
Highways and streets	-	6,643,501	-	-
Sanitation	-	-	-	-
Human services	-	-	6,561,238	-
Health	-	-	-	-
Culture and recreation	582,275	-	-	-
Conservation of natural resources	831,705	-	-	4,199,228
Capital outlay				
General government	528,081	-	-	-
Public safety	264,815	-	-	-
Highways and streets	-	21,388,363	-	-
Sanitation	-	-	-	-
Human services	-	-	65,107	-
Culture and recreation	10,725	-	-	-
Conservation of natural resources	112,876	-	-	-
Debt service				
Principal	394,361	-	-	2,007,496
Interest and other costs	10,265	-	-	171,500
Total Expenditures	<u>16,769,717</u>	<u>28,031,864</u>	<u>6,626,345</u>	<u>6,378,224</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,772,377</u>	<u>(3,882,907)</u>	<u>(228,373)</u>	<u>760,307</u>
Other Financing Sources (Uses)				
Sale of capital assets	237,707	70,483	-	-
Loans issued	533,806	-	-	-
Transfers in	28,900	11,100	72,721	-
Transfers out	(53,921)	(186,484)	-	-
Total Other Financing Sources (Uses)	<u>746,492</u>	<u>(104,901)</u>	<u>72,721</u>	<u>-</u>
Net Change in Fund Balance	2,518,869	(3,987,808)	(155,652)	760,307
Fund Balance, January 1	13,621,191	3,407,216	5,513,785	(3,115,391)
Increase (Decrease) in Inventories	-	(136,433)	-	-
Fund Balance, December 31	<u>\$ 16,140,060</u>	<u>\$ (717,025)</u>	<u>\$ 5,358,133</u>	<u>\$ (2,355,084)</u>

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

Debt Service	Nonmajor Governmental Funds	Total
\$ 1,863,634	\$ 1,407,243	\$ 18,089,031
125,637	91,407	7,728,015
-	84,079	114,079
48,690	868,585	28,253,202
-	774,384	4,241,129
145,935	381,198	2,153,667
1,002,055	336,266	2,777,544
<u>3,185,951</u>	<u>3,943,162</u>	<u>63,356,667</u>
-	288	6,829,718
-	-	7,205,184
-	-	6,643,501
-	67,963	67,963
-	-	6,561,238
-	2,227,755	2,227,755
-	-	582,275
-	-	5,030,933
-	-	528,081
-	46	264,861
-	-	21,388,363
-	350,386	350,386
-	-	65,107
-	-	10,725
-	-	112,876
2,271,076	100,000	4,772,933
1,067,604	-	1,249,369
<u>3,338,680</u>	<u>2,746,438</u>	<u>63,891,268</u>
<u>(152,729)</u>	<u>1,196,724</u>	<u>(534,601)</u>
-	-	308,190
-	422,036	955,842
186,484	9,400	308,605
-	-	(240,405)
<u>186,484</u>	<u>431,436</u>	<u>1,332,232</u>
33,755	1,628,160	797,631
3,727,450	8,451,027	31,605,278
-	-	(136,433)
<u>\$ 3,761,205</u>	<u>\$ 10,079,187</u>	<u>\$ 32,266,476</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, 2024

Net Change in Fund Balance - Governmental Funds	\$ 797,631
<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	17,053,679
Depreciation expense	(6,908,894)
<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	(110,654)
<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	4,772,933
Loans and notes issued	(955,842)
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>	
	27,173
<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	(14,284,311)
Unavailable revenue - December 31	8,558,674
<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	(93,041)
Change in inventories	(136,433)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Change in pension expense	552,906
Direct aid contributions	61,643
<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>	
	<u>(109,678)</u>
Change in Net Position - Governmental Activities	<u>\$ 9,394,821</u>

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

Renville County
Olivia, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-type Activities - Solid Waste	Governmental Activities - Internal Service Fund - Health Insurance
Assets		
Current Assets		
Cash and investments	\$ (100,820)	\$ 939,817
Receivables		
Accounts, net of allowance	274	-
Intergovernmental	2,170	-
Prepaid items	4,210	-
Total Current Assets	(94,166)	939,817
Noncurrent Assets		
Restricted Cash	2,499,508	-
Investment in joint venture	3,023,686	-
Capital assets		
Land	87,000	-
Infrastructure	2,275,890	-
Less accumulated depreciation	(2,129,609)	-
Total capital assets	233,281	-
Total Noncurrent Assets	5,756,475	-
Total Assets	5,662,309	939,817
Deferred Outflows of Resources		
Deferred pension resources	7,996	-
Liabilities		
Current Liabilities		
Accounts payable	4,035	5,521
Due to other governments	920	2,200
Accrued liabilities	1,760	20,067
Unearned revenue	-	733
Total Current Liabilities	6,715	28,521
Noncurrent Liabilities		
Landfill liability	1,661,242	-
Net pension liability	905	-
Total Noncurrent Liabilities	1,662,147	-
Total Liabilities	1,668,862	28,521
Deferred Inflows of Resources		
Deferred pension resources	32,215	-
Net Position		
Investment in capital assets	233,281	-
Restricted		
Landfill	838,266	-
Unrestricted	2,897,681	911,296
Total Net Position	\$ 3,969,228	\$ 911,296
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	19,077	
Net Position of Business-type Activities	\$ 3,988,305	

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, 2024

	Business-type Activities - Solid Waste	Governmental Activities - Internal Service Fund - Health Insurance
Operating Revenues		
Intergovernmental	\$ 37,118	\$ -
Special assessments	500,846	-
Charges for services	115,796	1,991,076
Miscellaneous	720	-
Total Operating Revenues	654,480	1,991,076
Operating Expenses		
Personal services	58,275	-
Other services and charges	714,751	-
Utilities	6,559	-
Depreciation	13,502	-
Claims/insurance expense	-	2,032,635
Total Operating Expenses	793,087	2,032,635
Operating Income (Loss)	(138,607)	(41,559)
Nonoperating Revenues (Expenses)		
Investment earnings	125,630	-
Income (loss) from joint venture	290,239	-
Total Nonoperating Revenues (Expenses)	415,869	-
Income (Loss) Before Contributions and Transfers	277,262	(41,559)
Transfers Out	-	(68,200)
Change in Net Position	277,262	(109,759)
Net Position, January 1	3,691,966	1,021,055
Net Position, December 31	\$ 3,969,228	\$ 911,296
Changes in Net Position as Shown Above	\$ 277,262	\$ -
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	(81)	-
Changes in Net Position of Business-type Activities	\$ 277,181	\$ -

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, 2024

	Business-type Activities - Solid Waste	Governmental Activities - Internal Service Fund - Health Insurance
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 663,765	\$ 1,991,809
Payments to vendors and suppliers	(730,759)	(1,840,882)
Payments to and on behalf of employees	(64,442)	(12,577)
	<u>(131,436)</u>	<u>138,350</u>
Cash Flows from Noncapital Financing Activities		
Transfers to other funds	-	(68,200)
	<u>-</u>	<u>(68,200)</u>
Cash Flows From Capital and Related Financing Activities		
Payments for acquisition and construction of capital assets	(6,228)	-
	<u>(6,228)</u>	<u>-</u>
Cash Flows from Investing Activities		
Interest receipts (payments)	125,630	-
	<u>125,630</u>	<u>-</u>
Net Increase (Decrease) in Cash And Cash Equivalents	(12,034)	70,150
Cash and Cash Equivalents, January 1	2,410,722	869,667
	<u>2,410,722</u>	<u>869,667</u>
Cash and Cash Equivalents, December 31	\$ 2,398,688	\$ 939,817
	<u>\$ 2,398,688</u>	<u>\$ 939,817</u>
Cash and Cash Equivalents, Reported on Statement of Net Position		
Unrestricted cash and investments	\$ (100,820)	\$ 939,817
Restricted cash and investments	2,499,508	-
	<u>\$ 2,398,688</u>	<u>\$ 939,817</u>
Total Cash and Cash Equivalents	<u>\$ 2,398,688</u>	<u>\$ 939,817</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ (138,607)	\$ (41,559)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	13,502	-
(Increase) decrease in assets		
Special assessments	44,108	-
Accounts receivable	1,605	-
Due from other governments	(208)	-
Prepaid items	(2,570)	185,505
(Increase) decrease in deferred outflows of resources		
Deferred pension resources	(225)	-
Increase (decrease) in liabilities		
Accounts payable	(6,728)	5,048
Due to other governments	(151)	1,200
Accrued liabilities	1,760	(12,577)
Net pension liability	(29,610)	-
Unearned revenue	(36,220)	733
Increase (decrease) in deferred inflows of resources		
Deferred pension resources	21,908	-
	<u>21,908</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (131,436)</u>	<u>\$ 138,350</u>

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, 2024

	<u>Custodial Funds</u>
Assets	
Cash and pooled investments	\$ 4,233,414
Receivables	
Special assessments	100,699
Accounts	207,206
Intergovernmental	308,890
Prepaid items	<u>27,263</u>
Total Assets	<u>4,877,472</u>
Liabilities	
Accounts payable	87,467
Accrued liabilities	6,206
Due to other governments	460,309
Unearned revenue	<u>128,974</u>
Total Liabilities	<u>682,956</u>
Net Position	
Restricted	
Individuals, organizations and other governments	4,201,171
Unrestricted	<u>(6,655)</u>
Total Net Position	<u>\$ 4,194,516</u>

Renville County
 Olivia, Minnesota
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended December 31, 2024

	<u>Custodial Funds</u>
Additions	
Property tax collections for other governments	\$ 43,954,938
Special assessments	1,239,192
Intergovernmental	1,228,362
Charges for services	2,163,768
Fees collected for state	647,056
Investment earnings	139,159
Miscellaneous	47,948
Total Additions	<u>49,420,423</u>
Deductions	
Payments of property tax to other governments	44,207,200
Payments to state	647,056
Recycling services	2,398,618
Nursing services	1,802,320
Total Deductions	<u>49,055,194</u>
Net Increase (Decrease) in Fiduciary Net Position	365,229
Net Position, January 1	<u>3,829,287</u>
Net Position, December 31	<u><u>\$ 4,194,516</u></u>

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Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

A. Financial Reporting Entity

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, 2024

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 proprietary 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, 2024

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, 2024

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, 2024. 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 2024 were \$2,279,297.

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.

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 2023 and deferred special assessments payable in 2024 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.

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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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:

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

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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 based on estimated use under GASB 101, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees are estimated to use the balances. 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.

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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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	\$ 307,874	\$ 324,366	\$ 137,627	\$ 8,090	\$ 777,957
Proportionate Share of State's Contribution	3,125	6,079	-	-	9,204
Total	\$ 310,999	\$ 330,445	\$ 137,627	\$ 8,090	\$ 787,161

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.

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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2024, 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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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, 2024:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 15,702,261	\$ 16,769,717	\$ 1,067,456
Special Revenue			
Road and Bridge	22,080,872	28,031,864	5,950,992
Debt Service	3,273,270	3,338,680	65,410

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, 2024:

Fund	Amount
Special revenue	
Road and Bridge	\$ 717,025
Ditch	2,355,084
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.

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	\$ 32,864,894
Business-type activities	
Cash and pooled investments	(100,820)
Restricted cash and investments	2,499,508
Discretely presented component unit	
Cash and pooled investments	694,545
Restricted cash and investments	201,396
Statement of Fiduciary Net Position	
Cash and pooled investments	4,233,414
Total	<u>\$ 40,392,937</u>

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

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, 2024, 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;
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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

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, 2024, 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, 2024.

Checking	\$ 1,480,679
Brokered Cash	1,470,542
Non-negotiable Certificates of Deposits	1,524,847
MAGIC Fund	24,581,085
Fixed Income Securities	<u>11,335,784</u>
 Total	 <u>\$ 40,392,937</u>

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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

As of December 31, 2024, 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
Pooled Investments at Amortized Costs						
Brokered Cash	N/A	less than 1 year	\$ 1,470,542			
Minnesota Association of Governments Investing for Counties (MAGIC) fund	N/A	less than 1 year	24,581,085			
Non-pooled Investments at Fair Value						
U.S. Treasury Bills	A-1+/P-1	less than 1 year	1,870,939	\$ -	\$ 1,870,939	\$ -
U.S. Treasury Notes	AA+/Aaa	1 to 5 years	4,871,192	-	4,871,192	-
Federal Agency Commercial Mortgage Backed Securities	AA+/Aaa	1 to 5 years	69,508	-	69,508	-
Federal Agency Bonds and Notes	AA+/Aaa	1 to 5 years	857,730	-	857,730	-
Federal Agency Mortgage Backed Securities	AA+/Aaa	more than 5 years	1,206,535	-	1,206,535	-
Federal Agency Commercial Mortgage Backed Securities	AA+/Aaa	more than 5 years	1,784,923	-	1,784,923	-
Federal Agency Collateralized Mortgage Obligations	AA+/Aaa	more than 5 years	674,958	-	674,958	-
Total Investments			\$ 37,387,411	\$ -	\$ 11,335,784	\$ -

(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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

B. Receivables

Receivables as of December 31, 2024 for the County's governmental activities are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Delinquent taxes	\$ 178,989	\$ 108,300
Special assessments	5,933,035	3,902,822
Accounts	367,434	-
Intergovernmental	4,019,970	-
Notes	1,003,600	1,000,000
Accrued interest	75,416	-
Lease	17,668,873	16,198,552
Total	\$ 29,247,317	\$ 21,209,674

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, 2024 is \$904,139.

Lease Receivable

The County leases the hospital building equal to the payments on mortgage revenue debt. Also, the County leases a building to the City of Olivia. Long-term lease activity for the year ended December 31, 2024 was as follows:

Description	Total Lease	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	\$ 16,503,993
Healthpartners Rent	1,064,481	4.45	01/01/24	135 Monthly	10,000	986,239
City of Olivia	220,040	4.32	01/01/24	12 Semi-Annually	Variable	178,641
Total						\$ 17,668,873

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

Primary Government

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

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental Activities					
Capital Assets not Depreciated					
Land	\$ 1,753,785	\$ -	\$ (4,017)	\$ -	\$ 1,749,768
Construction in progress	9,535,827	17,424,804	(10,558,647)	-	16,401,984
Intangible assets	4,752,887	-	-	(16,519)	4,736,368
Total Capital Assets not Depreciated	<u>16,042,499</u>	<u>17,424,804</u>	<u>(10,562,664)</u>	<u>(16,519)</u>	<u>22,888,120</u>
Capital Assets Depreciated					
Buildings	40,073,649	-	-	352,939	40,426,588
Land improvements	1,901,906	1,656,060	-	(445,422)	3,112,544
Machinery and equipment	14,509,547	1,865,809	(475,589)	(201,185)	15,698,582
Roads	135,802,657	6,137,907	-	-	141,940,564
Bridges	19,925,477	785,830	(22,500)	(11,664)	20,677,143
Intangible assets	301,770	-	-	-	301,770
Total Capital Assets Depreciated	<u>212,515,006</u>	<u>10,445,606</u>	<u>(498,089)</u>	<u>(305,332)</u>	<u>222,157,191</u>
Less Accumulated Depreciation for					
Buildings	(18,272,747)	(1,505,775)	-	(120,289)	(19,898,811)
Land improvements	(1,144,649)	(140,074)	-	230,111	(1,054,612)
Machinery and equipment	(9,428,360)	(800,327)	368,952	(57,719)	(9,917,454)
Roads	(61,039,515)	(4,048,526)	-	-	(65,088,041)
Bridges	(6,159,208)	(398,926)	22,500	11,664	(6,523,970)
Intangible assets	(262,629)	(15,266)	-	-	(277,895)
Total Accumulated Depreciation	<u>(96,307,108)</u>	<u>(6,908,894)</u>	<u>391,452</u>	<u>63,767</u>	<u>(102,760,783)</u>
Total Capital Assets Depreciated, Net	<u>116,207,898</u>	<u>3,536,712</u>	<u>(106,637)</u>	<u>(241,565)</u>	<u>119,396,408</u>
Governmental Activities Capital Assets, Net	<u>\$ 132,250,397</u>	<u>\$ 20,961,516</u>	<u>\$ (10,669,301)</u>	<u>\$ (258,084)</u>	<u>\$ 142,284,528</u>

Construction in progress primarily consists of various highway projects.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
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	6,228	-	248,235
Total Capital Assets Depreciated	<u>2,269,662</u>	<u>6,228</u>	<u>-</u>	<u>2,275,890</u>
Less Accumulated Depreciation for				
Buildings	(84,397)	(3,114)	-	(87,511)
Land improvements	(1,794,610)	(9,982)	-	(1,804,592)
Machinery and equipment	(237,100)	(406)	-	(237,506)
Total Accumulated Depreciation	<u>(2,116,107)</u>	<u>(13,502)</u>	<u>-</u>	<u>(2,129,609)</u>
Total Capital Assets Depreciated, Net	<u>153,555</u>	<u>(7,274)</u>	<u>-</u>	<u>146,281</u>
Business-Type Activities Capital Assets, Net	<u>\$ 240,555</u>	<u>\$ (7,274)</u>	<u>\$ -</u>	<u>\$ 233,281</u>

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

Governmental Activities		
General government		\$ 2,166,380
Public safety		153,832
Highways and streets, including depreciation of infrastructure assets		4,461,218
Sanitation		68,380
Human services		21,511
Culture and recreation		18,006
Conservation		<u>19,567</u>
Total Depreciation Expense		<u>\$ 6,908,894</u>
Business-Type Activities		
Solid Waste		<u>\$ 13,502</u>

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Discretely Presented Component Unit

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

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit Activities				
Capital Assets not Depreciated				
Land	\$ 62,530	\$ -	\$ -	\$ 62,530
Capital Assets Depreciated				
Buildings	1,505,017	17,289	-	1,522,306
Property and equipment	76,026	-	(2,807)	73,219
Total Capital Assets Depreciated	<u>1,581,043</u>	<u>17,289</u>	<u>(2,807)</u>	<u>1,595,525</u>
Less Accumulated Depreciation for				
Buildings	(1,367,900)	(27,027)	-	(1,394,927)
Property and equipment	(69,438)	(1,817)	2,807	(68,448)
Total Accumulated Depreciation	<u>(1,437,338)</u>	<u>(28,844)</u>	<u>2,807</u>	<u>(1,463,375)</u>
Total Capital Assets Depreciated, Net	<u>143,705</u>	<u>(11,555)</u>	<u>-</u>	<u>132,150</u>
HRA/EDA Component Unit Capital Assets, Net	<u>\$ 206,235</u>	<u>\$ (11,555)</u>	<u>\$ -</u>	<u>\$ 194,680</u>

Depreciation expense charged to the HRA/EDA functions/programs of the discretely presented component unit was \$28,844.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Construction Commitments

The County has active construction projects as of December 31, 2024. At year end, the County's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Lake Allie Park Upgrade	\$ 66,576	\$ 390,474
Street Projects		
SAP 65-090-003	341,553	17,977
SAP 34-607-028	421,572	22,188
SAP 65-606-017	2,864,568	150,767
SAP 34-601-043	102,314	5,385
SAP 65-621-023	1,837,998	96,737
SAP 65-598-024	208,474	2,106
SAP 65-598-025	232,132	2,345
SAP 65-598-026	258,876	3,165
SAP 65-598-027	213,372	2,980
SAP 65-598-028	670,112	60,500
SAP 65-599-090	646,607	6,531
SAP 65-602-025	2,149,146	113,113
SAP 65-611-049	3,366,451	34,005
SAP 65-612-020	1,109,562	58,398
SAP 65-614-005	54,977	214
SAP 65-614-006	-	146,279
SAP 65-618-004	1,795,622	94,506
SAP 65-619-010	786,024	41,370
Total	<u>\$ 17,125,936</u>	<u>\$ 1,249,040</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2024 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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Interfund Transfers

Transfers Out	Transfers in					Total
	General Fund	Road and Bridge Fund	Welfare Fund	Debt Service Fund	Public Health Nurse Fund	
General fund	\$ -	\$ -	\$ 53,921	\$ -	\$ -	\$ 53,921
Road and Bridge	-	-	-	186,484	-	186,484
Health insurance internal service fund	28,900	11,100	18,800	-	9,400	68,200
Total Transfers Out	\$ 28,900	\$ 11,100	\$ 72,721	\$ 186,484	\$ 9,400	\$ 308,605

The following transfers were made during 2024:

- To transfer wheelage taxes.
- To transfer for the 2024 Renville County Wellness Program
- To transfer for 2024 ARPA Reimbursement

E. Liabilities and Deferred Inflows of Resources

Payables

Payables at December 31, 2024 were as follows:

Governmental Activities

Accounts Payable	\$ 1,830,175
Salaries Payable	357,449
Deposits Payable	445,646
Due to Other Governments	544,040
Accrued Liabilities	<u>20,067</u>
Total	<u>\$ 3,197,377</u>

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 - 2.38 %	2/16/2016	2/1/2031	\$ 1,840,000
2019A G.O. Drainage Bonds	1,510,000	2.00 - 2.20	11/14/2019	2/1/2035	1,110,000
2020A G.O. Capital Improvement Bonds	14,065,000	2.00	11/5/2020	2/1/2041	12,820,000
2020B G.O. Refunding Bonds	6,810,000	5.00	11/20/2020	2/1/2029	<u>4,330,000</u>
Total General Obligation Bonds					<u>\$ 20,100,000</u>

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

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, 2024 were as follows:

Year Ending	General Obligation Bonds		
	Governmental Activities		
December 31	Principal	Interest	Total
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	1,725,000	241,100	1,966,100
2030 - 2034	4,640,000	815,575	5,455,575
2035 - 2039	4,165,000	381,650	4,546,650
2040 - 2041	1,740,000	35,000	1,775,000
Total	<u>\$ 20,100,000</u>	<u>\$ 3,060,825</u>	<u>\$ 23,160,825</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>\$ 16,503,993</u>

Debt payments on the mortgage revenue bonds payable are made from the Debt Service fund. Total debt service requirements at December 31, 2024 were as follows:

Year Ending	Taxable Mortgage Revenue Bonds		
	Governmental Activities		
December 31	Principal	Interest	Total
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	371,838	412,482	784,320
2030 - 2034	2,020,709	1,900,891	3,921,600
2035 - 2039	2,318,758	1,602,842	3,921,600
2040 - 2044	2,660,769	1,260,831	3,921,600
2045 - 2049	3,053,225	868,375	3,921,600
2050 - 2054	3,503,568	418,032	3,921,600
2055 - 2056	1,185,993	28,056	1,214,049
Total	<u>\$ 16,503,993</u>	<u>\$ 8,239,656</u>	<u>\$ 24,743,649</u>

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

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
MPCA Notes					
Crow River Watershed (BMP)	\$ 101,258	2.00 %	5/4/2012	12/15/2026	\$ 21,897
Hawk Creed Watershed	318,806	2.00	5/14/2013	12/15/2026	68,935
Middle Minnesota Watershed (SSTS)	112,229	2.00	10/2/2014	6/15/2029	53,274
Hawk Creed Watershed (SSTS)	387,442	2.00	8/2/2016	12/15/2029	203,351
Crow River Watershed (SSTS)	126,985	2.00	2/1/2017	12/15/2029	66,649
Renville County SSTS	1,239,823	0.00	4/10/2020	6/15/2034	1,177,832
Renville County Buffer Implementation	2,191,904	0.00	7/6/2020	12/15/2028	340,034
Lake Allie ESSD Wastewater Collection	1,226,782	0.00	11/19/2020	6/15/2032	1,648,818
Renville County SSTS Loan Program 2024	750,000	1.50	3/14/2024	6/15/2034	282,081
USDA Notes					
Rural Electrification Act	1,000,000	0.00	7/1/2020	6/1/2030	<u>525,000</u>
Total Notes Payable					<u><u>\$ 4,387,871</u></u>

Total debt service requirements at December 31, 2024 were as follows:

Year Ending December 31	Notes Payable		
	Governmental Activities		
	Principal	Interest	Total
2025	\$ 503,047	\$ 7,743	\$ 510,790
2026	945,846	5,567	951,413
2027	561,243	3,580	564,823
2028	562,567	2,256	564,823
2029	557,698	906	558,604
2030 - 2034	<u>1,257,470</u>	-	<u>1,257,470</u>
Total	<u><u>\$ 4,387,871</u></u>	<u><u>\$ 20,052</u></u>	<u><u>\$ 4,407,923</u></u>

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

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
AgBMP					
CD 10A loan	\$ 132,129	N/A %	13,213	2025	\$ 13,211
CD 17A loan	436,105	N/A	43,610	2025	43,610
CD 24A loan	14,408	N/A	1,441	2025	1,441
CD 28A loan	59,183	N/A	5,918	2025	5,918
CD 30A loan	100,557	N/A	10,056	2025	10,556
CD 31 loan	256,687	N/A	25,669	2025	25,669
CD 125A loan	273,126	N/A	27,313	2025	27,313
Septic loan	1,097,349	N/A	Variable	2035	880,839
					<u>\$ 1,008,557</u>
Total Loans Payable					<u>\$ 1,008,557</u>

Debt payments on the loans payable are made from the Ditch fund. Debt service requirements at December 31, 2024 were as follows:

Year Ending December 31	Loans Payable		
	Governmental Activities		
	Principal	Interest	Total
2025	\$ 83,879	\$ -	\$ 83,879
2026	165,476	-	165,476
2027	164,023	-	164,023
2028	149,418	-	149,418
2029	135,297	-	135,297
2030 - 2034	292,547	-	292,547
2035	17,917	-	17,917
Total	<u>\$ 1,008,557</u>	<u>\$ -</u>	<u>\$ 1,008,557</u>

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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation bonds					
Drainage	\$ 1,210,000	\$ -	\$ (100,000)	\$ 1,110,000	\$ 100,000
Capital improvement	15,595,000	-	(935,000)	14,660,000	955,000
Refunding	5,215,000	-	(885,000)	4,330,000	935,000
Revenue bonds	16,855,069	-	(351,076)	16,503,993	333,083
Unamortized premium	1,232,009	-	(169,035)	1,062,974	-
Total Bonds Payable	<u>40,107,078</u>	<u>-</u>	<u>(2,440,111)</u>	<u>37,666,967</u>	<u>2,323,083</u>
Notes Payable	5,561,601	753,309	(1,927,039)	4,387,871	503,048
Loans Payable	1,380,842	202,533	(574,818)	1,008,557	313,860
Compensated Absences Payable *	<u>1,417,481</u>	<u>93,041</u>	<u>-</u>	<u>1,510,522</u>	<u>527,122</u>
Governmental Activities Long-term Liabilities	<u>\$ 48,467,002</u>	<u>\$ 1,048,883</u>	<u>\$ (4,941,968)</u>	<u>\$ 44,573,917</u>	<u>\$ 3,667,113</u>
Business-type Activities					
Landfill Liability	<u>\$ 1,661,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,661,242</u>	<u>\$ -</u>
Component Unit Activities					
Loans Payable	\$ 123,636	\$ -	\$ -	\$ 123,636	\$ -
Compensated Absences Payable *	<u>14,836</u>	<u>4,267</u>	<u>-</u>	<u>19,103</u>	<u>13,016</u>
Component Unit Activities Long-term Liabilities	<u>\$ 138,472</u>	<u>\$ 4,267</u>	<u>\$ -</u>	<u>\$ 142,739</u>	<u>\$ 13,016</u>

* Compensated absences payable shown as a net change.

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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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, 2024, are summarized below by fund:

	Taxes	Special Assessments	Grants	Leases	Other	Total
Major Governmental Funds						
General	\$ 94,280	\$ 2,030,213	\$ 287,786	\$ 172,031	\$ 140,154	\$ 2,724,464
Road and Bridge	32,552	-	1,960,950	-	13,081	2,006,583
Welfare	24,774	-	91,574	-	-	116,348
Ditch	-	3,184,647	4,177	-	-	3,188,824
Debt Service	20,012	718,175	-	17,473,853	75,361	18,287,401
Nonmajor Governmental Funds	7,371	-	50,619	-	-	57,990
Total	<u>\$ 178,989</u>	<u>\$ 5,933,035</u>	<u>\$ 2,395,106</u>	<u>\$ 17,645,884</u>	<u>\$ 228,596</u>	<u>\$ 26,381,610</u>
Liabilities						
Unearned revenue	\$ -	\$ -	\$ 155,293	\$ -	\$ 21,759	\$ 177,052
Deferred Inflows of Resources						
Deferred lease inflows	-	-	-	17,645,884	-	17,645,884
Unavailable revenue	178,989	5,933,035	2,239,813	-	206,837	8,558,674
Total	<u>\$ 178,989</u>	<u>\$ 5,933,035</u>	<u>\$ 2,395,106</u>	<u>\$ 17,645,884</u>	<u>\$ 228,596</u>	<u>\$ 26,381,610</u>

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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
Nonspendable							
Prepaid items	\$ 33,369	\$ -	\$ 61	\$ -	\$ -	\$ 27,736	\$ 61,166
Advances to other funds	3,500,000	-	-	-	-	-	3,500,000
Loans receivable	1,003,600	-	-	-	-	-	1,003,600
Inventories	-	569,064	-	-	-	-	569,064
Total Nonspendable	\$ 4,536,969	\$ 569,064	\$ 61	\$ -	\$ -	\$ 27,736	\$ 5,133,830
Restricted							
Law library	\$ 76,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,411
Enhanced 911	407,357	-	-	-	-	-	407,357
Sheriff's activities	4,006	-	-	-	-	-	4,006
Sheriff's forfeited property	70,869	-	-	-	-	-	70,869
Jail canteen	216,604	-	-	-	-	-	216,604
Attorney's forfeited property	14,109	-	-	-	-	-	14,109
Gun permit fees	64,374	-	-	-	-	-	64,374
Loan programs	560,538	-	-	-	-	-	560,538
Riparian aid	188,338	-	-	-	-	-	188,338
Unspent grant monies	105,560	-	-	-	-	-	105,560
Land aggregates	69,631	-	-	-	-	-	69,631
Public housing aid	180,718	-	-	-	-	-	180,718
Missing heirs	45,298	-	-	-	-	-	45,298
Tax forfeiture	-	-	-	-	-	7,601	7,601
Sales tax	-	-	-	-	-	1,597,593	1,597,593
Lake Allie sewer	-	-	-	-	-	228,826	228,826
DNR projects	-	-	-	-	-	166,360	166,360
Opioid settlement	-	-	-	-	-	232,152	232,152
Housing	-	-	-	-	-	59,840	59,840
Debt service	-	-	-	-	3,761,205	-	3,761,205
Total Restricted	\$ 2,003,813	\$ -	\$ -	\$ -	\$ 3,761,205	\$ 2,292,372	\$ 8,057,390
Committed							
Compensated absences	\$ 679,429	\$ -	\$ 205,333	\$ -	\$ -	\$ 198,883	\$ 1,083,645
Streets and highways	-	-	-	-	-	-	-
Human services	-	-	5,152,739	-	-	-	5,152,739
Public health	-	-	-	-	-	3,969,554	3,969,554
Capital projects	-	-	-	-	-	3,590,642	3,590,642
Total Committed	\$ 679,429	\$ -	\$ 5,358,072	\$ -	\$ -	\$ 7,759,079	\$ 13,796,580
Assigned							
2024 budget drawdown	\$ 371,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 371,036
Unassigned							
	\$ 8,548,813	\$ (1,286,089)	\$ -	\$ (2,355,084)	\$ -	\$ -	\$ 4,907,640

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

General Employees Retirement Plan (General Plan)

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

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

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

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

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

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

General Employee Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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

Police and Fire Plan Benefits

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

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

Correctional Plan Benefits

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

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

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

C. Contributions

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

General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the County was required to contribute 7.50 percent for Coordinated Plan members. The County's contributions to the General Employees Fund for the years ending December 31, 2024, 2023 and 2022, were \$803,844, \$722,716 and \$683,377, respectively. The County's contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2024 and the County was required to contribute 17.70 percent for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the years ending December 31, 2024, 2023 and, 2022 were \$261,509, \$252,735 and \$223,235, 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 and the County was required to contribute 8.75 percent of pay of plan members. The County's contributions to the Correctional Fund for the years ending December 2024, 2023, and 2022, were \$108,922, \$100,456, and \$92,013, 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, 2024, the County reported a liability of \$4,422,461 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 \$112,568.

County's Proportionate Share of the Net Pension Liability	\$	4,422,461
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the County		112,568
Total	\$	4,535,029

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1219 percent at the end of the measurement period and 0.1235 percent for the beginning of the period.

For the year ended December 31, 2024, the County recognized pension expense of \$307,874 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$3,125 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$207,419 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 417,675	\$ -
Changes in Actuarial Assumptions	21,992	1,689,418
Net Difference Between Projected and Actual Investment Earnings	-	1,317,037
Changes in Proportion	-	56,253
Contributions Paid to PERA Subsequent to the Measurement Date	413,256	-
Total	\$ 852,923	\$ 3,062,708

The \$413,256 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (1,485,384)
2026	(255,003)
2027	(543,700)
2028	(338,954)

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

Police and Fire Fund Pension Costs

At December 31, 2024, the County reported a liability of \$1,425,720 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1084 percent at the end of the measurement period and 0.1043 percent for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$54,348.

County's Proportionate Share of the Net Pension Liability	\$	1,425,720
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the County		54,348
Total	\$	1,480,068

For the year ended December 31, 2024, the County recognized pension expense of \$324,366 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the County recognized an additional \$6,079 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 \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$30,774 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 530,918	\$ -
Changes in Actuarial Assumptions	1,410,036	2,019,997
Net Difference Between Projected and Actual Investment Earnings	-	452,974
Changes in Proportion	181,307	-
Contributions Paid to PERA Subsequent to the Measurement Date	132,455	-
Total	\$ 2,254,716	\$ 2,472,971

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

The \$132,455 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$	(24,061)
2026		344,625
2027		(179,349)
2028		(524,779)
2029		32,854

Correctional Plan Pension Costs

At December 31, 2024, the County reported a liability of \$143,752 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.4717 percent at the end of the measurement period and 0.4871 percent for the beginning of the period.

For the year ended December 31, 2024, the County recognized pension expense of \$137,627 for its proportionate share of the Correctional Plan's pension expense.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$5.3 million to the Correctional Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the Correctional Plan pension allocation schedules for the \$5.3 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$24,790 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Correctional Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 117,378	\$ 8,836
Changes in Actuarial Assumptions	215,035	669,701
Net Difference Between Projected and Actual Investment Earnings	-	189,073
Changes in Proportion	35,013	3,102
Contributions Paid to PERA Subsequent to the Measurement Date	56,963	-
Total	\$ 424,389	\$ 870,712

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

The \$56,963 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025		\$	(145,468)
2026			(247,402)
2027			(56,686)
2028			(53,730)

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 Return on Investment
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 %	

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

F. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan, Police and Fire Plan, and the Correctional Plan.

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

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

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

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

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

General Employees Fund

Changes in Actuarial Assumptions

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

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

Changes in Plan Provisions

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

Police and Fire Fund

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions since the previous valuation.

Changes in Plan Provisions

- The State contribution of \$9 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year.
- The additional \$9 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

Correctional Fund

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions since the previous valuation.

Changes in Plan Provisions

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

G. Discount Rate

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

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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:

	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	\$ 9,846,659	\$ 4,422,461	\$ 116,851
Police and Fire Fund	3,369,255	1,425,720	(170,329)
Correctional Fund	1,168,160	143,752	(672,348)

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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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 2023 and in 2024. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

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, 2024, the County is under the legal debt margin.

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, 2024. 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, 2024, the County has a remaining contract commitment of approximately \$500,000 for closure costs.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

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, 2024, investments of \$2,499,508 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 2024.

Current financial statements can be obtained from the Transit Director at: 1320 22nd 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.

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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

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 2024, the County paid \$67,120 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 \$10,180 to the Supporting Hands Nurse Family Partnership in 2024. 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 among 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.

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
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

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. The County records its investment in joint venture on the statement of net position. 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 2024, Renville County contributed \$2,618 to the Joint Powers Board.

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 \$119,661 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.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

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 \$30,971 in payments to the organization in 2024.

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

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 \$149,489 in payments to the organization in 2024.

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

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

Minnesota Internet Crimes Against Children (ICAC) Task Force

Renville County participates in a Joint Powers Agreement with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension, for the Internet Crimes Against Children (ICAC) Task Force. The agreement, authorized under Minnesota Statutes § 471.59, facilitates collaborative investigation and prosecution of internet crimes against children and provides for reimbursement of qualified expenses, including equipment, training, travel, and overtime.

For the fiscal year ended June 30, 2025, the County received \$75 in reimbursements under the agreement. The County does not have an equity interest in the joint venture; financial activity is limited to reimbursement of eligible costs. Governance of the Task Force is shared, with each party retaining responsibility for its own operations and liabilities. The County's records related to the agreement are subject to audit by the State Auditor or Legislative Auditor for a minimum of six years following the end of the agreement. No separate financial statements for the joint venture are issued.

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 \$1,500 to the Hawk Creek Watershed Project in 2024 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.

South Fork Crow River Watershed Collaborative

Renville County participates in the South Fork Crow River Watershed Collaborative, a joint powers entity formed in 2024 under Minnesota Statutes §471.59 with McLeod, Meeker, Kandiyohi, Sibley, and Wright Counties; their Soil and Water Conservation Districts; Carver SWCD; and the Buffalo Creek Watershed District.

Renville County
Olivia, Minnesota
Notes to the Financial Statements
December 31, 2024

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

The Collaborative was established to implement the Comprehensive Watershed Management Plan (One Watershed, One Plan – Planning Area 13). Governance is provided through a Management Committee with one representative from each party. The Renville County Soil and Water Conservation District serves as Plan Coordinator and Fiscal Agent.

The Collaborative has no taxing authority and relies on grants and contributions to fund activities. Each member retains ownership of its assets and is responsible for its own obligations. Renville County does not report an equity interest in the Collaborative, and its financial involvement is limited to contributions and project participation as outlined in biennial work plans.

Note 6: Change in Accounting Principle

During fiscal year 2024, the County adopted the provision of Governmental Accounting Standard Board (GASB) Statement Statements No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provision of these statement results in significant change to the classifications of the components of the financial statements. There were no adjustments or restatements of beginning balances needed for the adoption of these statements.

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REQUIRED SUPPLEMENTARY INFORMATION

RENVILLE COUNTY
OLIVIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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Renville County
Olivia, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2024

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 2024 to reflect changes in social service activities.

Excess of Expenditures Over Appropriations

For the year ended December 31, 2024, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
General	\$ 15,702,261	\$ 16,769,717	\$ 1,067,456
Special Revenue			
Road and Bridge	22,080,872	28,031,864	5,950,992
Debt Service	3,273,270	3,338,680	65,410

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 9,497,181	\$ 9,497,181	\$ 9,510,975	\$ 13,794
Special assessments	-	-	452,070	452,070
Licenses and permits	30,900	30,900	30,000	(900)
Intergovernmental	2,445,960	2,445,960	3,897,692	1,451,732
Charges for services	2,276,653	2,276,653	3,050,135	773,482
Investment earnings	400,000	400,000	1,187,603	787,603
Miscellaneous	624,831	624,831	413,619	(211,212)
Total Revenues	15,275,525	15,275,525	18,542,094	3,266,569
Expenditures				
Current				
General government				
Commissioners	292,442	292,442	299,187	6,745
County administrator	924,980	924,980	963,135	38,155
Motor vehicle	218,546	218,546	231,770	13,224
County assessor	537,416	537,416	493,958	(43,458)
Elections	81,147	81,147	77,727	(3,420)
County attorney	847,400	847,400	786,535	(60,865)
Recorder	332,055	332,055	335,470	3,415
Environment and community development	455,816	455,816	479,637	23,821
Water planning	31,161	31,161	27,607	(3,554)
Facility maintenance	502,377	502,377	539,714	37,337
Veterans service	201,689	201,689	207,911	6,222
County auditor	397,233	397,233	362,163	(35,070)
MIS	951,717	951,717	1,059,449	107,732
Appropriations	235,600	235,600	238,089	2,489
Other	575,049	575,049	684,912	109,863
Emergency relief funding	310,679	310,679	42,166	(268,513)
Total general government	6,895,307	6,895,307	6,829,430	(65,877)
Public safety				
Sheriff	3,289,763	3,289,763	3,774,781	485,018
Jail	2,239,808	2,239,808	2,577,242	337,434
E-911	176,190	176,190	183,046	6,856
D.A.R.E	1,500	1,500	4,441	2,941
Coroner	26,000	26,000	24,915	(1,085)
Criminal investigation	-	-	433	433
Probation	337,494	337,494	318,052	(19,442)
Correctional facilities	130,995	130,995	117,620	(13,375)
Flood control	-	-	551	551
Emergency management	251,280	251,280	204,103	(47,177)
Total public safety	6,453,030	6,453,030	7,205,184	752,154
Culture and recreation				
Parks	375,153	375,153	445,847	70,694
Regional library	119,661	119,661	119,661	-
Law library	28,000	28,000	16,767	(11,233)
Total culture and recreation	522,814	522,814	582,275	59,461

Renville County
Olivia, Minnesota
General Fund
Budgetary Comparison Schedule (Continued)
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (Continued)				
Current (Continued)				
Conservation of natural resources				
County extension	\$ 134,572	\$ 134,572	\$ 133,787	\$ (785)
Ag inspector	178,707	178,707	161,710	(16,997)
DNR shoreland grant	1,500	1,500	2,402	902
ISTS administration grant	-	-	533,806	533,806
Total conservation of natural resources	<u>314,779</u>	<u>314,779</u>	<u>831,705</u>	<u>516,926</u>
Total current	<u>14,185,930</u>	<u>14,185,930</u>	<u>15,448,594</u>	<u>1,262,664</u>
Capital outlay				
General government	274,801	274,801	528,081	253,280
Public safety	531,230	531,230	264,815	(266,415)
Culture and recreation	710,000	710,000	10,725	(699,275)
Conservation of natural resources	300	300	112,876	112,576
Total capital outlay	<u>1,516,331</u>	<u>1,516,331</u>	<u>916,497</u>	<u>(599,834)</u>
Debt service				
Principal	-	-	394,361	394,361
Interest and other costs	-	-	10,265	10,265
Total debt service	<u>-</u>	<u>-</u>	<u>404,626</u>	<u>404,626</u>
Total Expenditures	<u>15,702,261</u>	<u>15,702,261</u>	<u>16,769,717</u>	<u>1,067,456</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(426,736)</u>	<u>(426,736)</u>	<u>1,772,377</u>	<u>2,199,113</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	-	237,707	237,707
Loans issued	-	-	533,806	533,806
Transfers in	56,055	56,055	28,900	(27,155)
Transfers out	-	-	(53,921)	(53,921)
Total Other Financing Sources (Uses)	<u>56,055</u>	<u>56,055</u>	<u>746,492</u>	<u>690,437</u>
Net Change in Fund Balance	(370,681)	(370,681)	2,518,869	2,889,550
Fund Balance, January 1	<u>13,621,191</u>	<u>13,621,191</u>	<u>13,621,191</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 13,250,510</u>	<u>\$ 13,250,510</u>	<u>\$ 16,140,060</u>	<u>\$ 2,889,550</u>

Renville County
 Olivia, Minnesota
 Road and Bridge Special Revenue Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,251,152	\$ 3,251,152	\$ 3,255,050	\$ 3,898
Intergovernmental	18,641,020	18,641,020	20,319,414	1,678,394
Charges for services	260,500	260,500	388,879	128,379
Investment earnings	50,000	50,000	164,488	114,488
Miscellaneous	18,200	18,200	21,126	2,926
Total Revenues	<u>22,220,872</u>	<u>22,220,872</u>	<u>24,148,957</u>	<u>1,928,085</u>
Expenditures				
Current				
Highways and streets				
Administration	1,051,450	1,051,450	1,166,520	115,070
Engineering	696,124	696,124	1,863,753	1,167,629
Maintenance	1,865,054	1,865,054	2,125,549	260,495
Equipment and maintenance shops	1,047,026	1,047,026	1,160,501	113,475
Other	163,218	163,218	327,178	163,960
Total current	<u>4,822,872</u>	<u>4,822,872</u>	<u>6,643,501</u>	<u>1,820,629</u>
Capital outlay				
Highways and streets	17,258,000	17,258,000	21,388,363	4,130,363
Total Expenditures	<u>22,080,872</u>	<u>22,080,872</u>	<u>28,031,864</u>	<u>5,950,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>140,000</u>	<u>140,000</u>	<u>(3,882,907)</u>	<u>(4,022,907)</u>
Other Financing Sources (Uses)				
Sale of capital assets	50,000	50,000	70,483	20,483
Transfers in	-	-	11,100	11,100
Transfers out	(190,000)	(190,000)	(186,484)	3,516
Total Other Financing Sources (Uses)	<u>(140,000)</u>	<u>(140,000)</u>	<u>(104,901)</u>	<u>35,099</u>
Net Change in Fund Balance	-	-	(3,987,808)	(3,987,808)
Fund Balance, January 1	3,407,216	3,407,216	3,407,216	-
Increase (Decrease) in Inventories	-	-	(136,433)	(136,433)
Fund Balance, December 31	<u>\$ 3,407,216</u>	<u>\$ 3,407,216</u>	<u>\$ (717,025)</u>	<u>\$ (4,124,241)</u>

Renville County
 Olivia, Minnesota
 Welfare Special Revenue Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,045,806	\$ 2,045,806	\$ 2,052,129	\$ 6,323
Intergovernmental	3,345,482	3,345,482	3,111,008	(234,474)
Charges for services	31,645	31,645	27,731	(3,914)
Investment earnings (loss)	157,630	157,630	211,143	53,513
Miscellaneous	963,674	963,674	995,961	32,287
Total Revenues	<u>6,544,237</u>	<u>6,544,237</u>	<u>6,397,972</u>	<u>(146,265)</u>
Expenditures				
Current				
Human Services				
Income maintenance	2,052,742	2,052,742	2,029,909	(22,833)
Social services	5,047,292	5,047,292	4,531,329	(515,963)
Total current	<u>7,100,034</u>	<u>7,100,034</u>	<u>6,561,238</u>	<u>(538,796)</u>
Capital outlay				
Human Services				
Income maintenance	11,200	11,200	21,485	10,285
Social services	23,000	23,000	43,622	20,622
Total capital outlay	<u>34,200</u>	<u>34,200</u>	<u>65,107</u>	<u>30,907</u>
Total Expenditures	<u>7,134,234</u>	<u>7,134,234</u>	<u>6,626,345</u>	<u>(507,889)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(589,997)	(589,997)	(228,373)	361,624
Other Financing Sources (Uses)				
Transfers in	-	-	72,721	72,721
Net Change in Fund Balance	(589,997)	(589,997)	(155,652)	434,345
Fund Balance, January 1	<u>5,513,785</u>	<u>5,513,785</u>	<u>5,513,785</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 4,923,788</u>	<u>\$ 4,923,788</u>	<u>\$ 5,358,133</u>	<u>\$ 434,345</u>

Renville County
Olivia, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2024

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
6/30/2024	0.1196 %	\$ 4,422,461	\$ 112,568	\$ 4,535,029	\$ 10,117,110	43.7 %	86.7 %
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	15,506,508	19,415,420	77.4	80.2
6/30/2018	0.2696	14,957,516	504,612	15,462,128	18,757,501	79.7	79.5
6/30/2017	0.2713	17,320,371	224,585	17,544,956	18,314,032	94.6	75.9
6/30/2016	0.2798	22,720,673	303,457	23,024,130	18,084,491	125.6	68.9
6/30/2015	0.2815	14,713,171	-	14,713,171	17,424,718	84.4	78.2

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)
12/31/2024	\$ 803,844	\$ 803,844	\$ -	\$ 10,717,921	7.50 %
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

Renville County
Olivia, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 - The investment return and single discount rates were changed from 6.5 percent to 7.0 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-2019 to Scale MP-2020.

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, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. 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 1.00 percent per year through 2044 and 2.50 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, 2024

Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)

Changes in Plan Provisions

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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 2.5 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, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

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, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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

2016 - 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, 2024

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
6/30/2024	0.1084 %	\$ 1,425,720	\$ 54,348	\$ 1,480,068	\$ 1,503,176	94.8 %	87.0 %
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

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)
12/31/2024	\$ 261,509	\$ 261,509	\$ -	\$ 1,477,454	17.70 %
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

Renville County
Olivia, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

2024 - There were no changes in actuarial assumptions since the previous valuation.

2023 - 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.

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 7.5 percent to 6.5 percent, for financial reporting purposes. The inflation assumption was changed from 2.5 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.0 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60.0 percent to 70.0 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

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 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 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 2.5 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, 2024

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

Changes in Plan Provisions

2024 - The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year. The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 - 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 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 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.8 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017- 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 30.0 percent for vested and non-vested, deferred members. The CSA has been changed to 33.0 percent for vested members and 2.0 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 65.0 percent to 60.0 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 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent per annum to 7.5 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, 2024

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 (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
6/30/2024	0.4717 %	\$ 143,752	\$ -	\$ 143,752	\$ 1,191,690	12.1 %	97.5 %
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	65.9
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

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)
12/31/2024	\$ 108,922	\$ 108,922	\$ -	\$ 1,244,824	8.75 %
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

Renville County
Olivia, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - Correctional Fund

Changes in Actuarial Assumptions

2024 - Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025. Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025. The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

2023 - 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 disabled 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.

2015 - There were no changes in actuarial assumptions since the previous valuation.

Renville County
Olivia, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

Changes in Plan Provisions

2024 - There were no changes in plan provisions since the previous valuation.

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.

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

INDIVIDUAL FUND FINANCIAL STATEMENT AND SCHEDULES

RENVILLE COUNTY
OLIVIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

Renville County
Olivia, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue			
	Public Health Nurse	Forfeited Tax Sale	Lake Allie Sewer	DNR Projects
Assets				
Cash and pooled investments	\$ 3,982,151	\$ 7,601	\$ 220,417	\$ 166,360
Receivables				
Delinquent taxes	5,996	-	-	-
Accounts	57,356	-	11,201	-
Intergovernmental	235,744	-	-	-
Prepaid items	27,736	-	-	-
Total Assets	<u>\$ 4,308,983</u>	<u>\$ 7,601</u>	<u>\$ 231,618</u>	<u>\$ 166,360</u>
Liabilities				
Accounts payable	\$ 17,724	\$ -	\$ 2,792	\$ -
Salaries payable	37,820	-	-	-
Due to other governments	651	-	-	-
Unearned revenue	21,759	-	-	-
Total Liabilities	<u>77,954</u>	<u>-</u>	<u>2,792</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue				
Intergovernmental	34,856	-	-	-
Total Deferred Inflows of Resources	<u>34,856</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	27,736	-	-	-
Restricted	-	7,601	228,826	166,360
Committed	4,168,437	-	-	-
Total Fund Balances	<u>4,196,173</u>	<u>7,601</u>	<u>228,826</u>	<u>166,360</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,308,983</u>	<u>\$ 7,601</u>	<u>\$ 231,618</u>	<u>\$ 166,360</u>

Special Revenue			Capital Projects	
Opioid Settlement	L.O.S.T.	Local Housing	General Capital Projects	Total
\$ 232,152	\$ 1,518,330	\$ 59,590	\$ 3,590,642	\$ 9,777,243
-	-	-	1,375	7,371
-	-	-	-	68,557
-	79,263	250	-	315,257
-	-	-	-	27,736
<u>\$ 232,152</u>	<u>\$ 1,597,593</u>	<u>\$ 59,840</u>	<u>\$ 3,592,017</u>	<u>\$ 10,196,164</u>
\$ -	\$ -	\$ -	\$ -	\$ 20,516
-	-	-	-	37,820
-	-	-	-	651
-	-	-	-	21,759
-	-	-	-	80,746
-	-	-	1,375	36,231
-	-	-	1,375	36,231
-	-	-	-	27,736
232,152	1,597,593	59,840	-	2,292,372
-	-	-	3,590,642	7,759,079
<u>232,152</u>	<u>1,597,593</u>	<u>59,840</u>	<u>3,590,642</u>	<u>10,079,187</u>
<u>\$ 232,152</u>	<u>\$ 1,597,593</u>	<u>\$ 59,840</u>	<u>\$ 3,592,017</u>	<u>\$ 10,196,164</u>

Renville County
 Olivia, Minnesota
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2024

	Special Revenue			
	Public Health Nurse	Forfeited Tax Sale	Lake Allie Sewer	DNR Projects
Revenues				
Taxes	\$ 494,899	\$ 101	\$ -	\$ -
Special assessments	-	-	91,407	-
Licenses and permits	84,079	-	-	-
Intergovernmental	865,860	-	-	-
Charges for services	705,385	-	68,999	-
Investment earnings	170,228	-	3,335	-
Miscellaneous	73,436	-	-	-
Total Revenues	<u>2,393,887</u>	<u>101</u>	<u>163,741</u>	<u>-</u>
Expenditures				
Current				
General government	-	-	-	-
Sanitation	-	-	67,963	-
Health	2,202,345	-	-	-
Capital outlay				
Public safety	-	-	-	-
Sanitation	-	-	350,386	-
Debt service				
Principal	-	-	-	-
Total Expenditures	<u>2,202,345</u>	<u>-</u>	<u>418,349</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>191,542</u>	<u>101</u>	<u>(254,608)</u>	<u>-</u>
Other Financing Sources (Uses)				
Loans issued	-	-	422,036	-
Transfers in	9,400	-	-	-
Total Other Financing Sources (Uses)	<u>9,400</u>	<u>-</u>	<u>422,036</u>	<u>-</u>
Net Change in Fund Balance	200,942	101	167,428	-
Fund Balance, January 1	<u>3,995,231</u>	<u>7,500</u>	<u>61,398</u>	<u>166,360</u>
Fund Balance, December 31	<u>\$ 4,196,173</u>	<u>\$ 7,601</u>	<u>\$ 228,826</u>	<u>\$ 166,360</u>

Opioid Settlement	Special Revenue		Capital Projects	Total
	L.O.S.T.	Local Housing	General Capital Projects	
\$ -	\$ 814,002	\$ -	\$ 98,241	\$ 1,407,243
-	-	-	-	91,407
-	-	-	-	84,079
-	-	-	2,725	868,585
-	-	-	-	774,384
5,919	47,495	-	154,221	381,198
177,580	-	85,250	-	336,266
<u>183,499</u>	<u>861,497</u>	<u>85,250</u>	<u>255,187</u>	<u>3,943,162</u>
288	-	-	-	288
-	-	-	-	67,963
-	-	25,410	-	2,227,755
46	-	-	-	46
-	-	-	-	350,386
-	-	-	100,000	100,000
<u>334</u>	<u>-</u>	<u>25,410</u>	<u>100,000</u>	<u>2,746,438</u>
<u>183,165</u>	<u>861,497</u>	<u>59,840</u>	<u>155,187</u>	<u>1,196,724</u>
-	-	-	-	422,036
-	-	-	-	9,400
-	-	-	-	431,436
183,165	861,497	59,840	155,187	1,628,160
48,987	736,096	-	3,435,455	8,451,027
<u>\$ 232,152</u>	<u>\$ 1,597,593</u>	<u>\$ 59,840</u>	<u>\$ 3,590,642</u>	<u>\$ 10,079,187</u>

Renville County
 Olivia, Minnesota
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,463,124	\$ 2,463,124	\$ 1,863,634	\$ (599,490)
Special assessments	112,766	112,766	125,637	12,871
Intergovernmental	46,320	46,320	48,690	2,370
Investment earnings	57,626	57,626	145,935	88,309
Miscellaneous	1,027,434	1,027,434	1,002,055	(25,379)
Total Revenues	<u>3,707,270</u>	<u>3,707,270</u>	<u>3,185,951</u>	<u>(521,319)</u>
Expenditures				
Debt service				
Principal	2,244,043	2,244,043	2,271,076	27,033
Interest and other costs	1,029,227	1,029,227	1,067,604	38,377
Total Expenditures	<u>3,273,270</u>	<u>3,273,270</u>	<u>3,338,680</u>	<u>65,410</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	434,000	434,000	(152,729)	(586,729)
Other Financing Sources (Uses)				
Transfers in	190,000	190,000	186,484	(3,516)
Net Change in Fund Balance	624,000	624,000	33,755	(590,245)
Fund Balance, January 1	<u>3,727,450</u>	<u>3,727,450</u>	<u>3,727,450</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 4,351,450</u>	<u>\$ 4,351,450</u>	<u>\$ 3,761,205</u>	<u>\$ (590,245)</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.

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Renville County
Olivia, Minnesota
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	Taxes & Penalties	State Deed	Mortgage Registration	Redwood- Renville Regional Solid Waste Authority	Supporting Hands Nurse Family Partnership	Total
Assets						
Cash and pooled investments	\$ 558,950	\$ 55,984	\$ 3,022	\$ 1,537,327	\$ 2,078,131	\$ 4,233,414
Receivables						
Special assessments	-	-	-	100,699	-	100,699
Accounts	-	-	-	130,484	76,722	207,206
Intergovernmental	-	-	-	97,824	211,066	308,890
Prepaid items	-	-	-	4,043	23,220	27,263
Total Assets	<u>558,950</u>	<u>55,984</u>	<u>3,022</u>	<u>1,870,377</u>	<u>2,389,139</u>	<u>4,877,472</u>
Liabilities						
Accounts payable	-	-	-	78,509	8,958	87,467
Due to other governments	325,569	48,598	9,677	65,060	11,405	460,309
Accrued liabilities	-	-	-	6,206	-	6,206
Unearned revenue	-	-	-	100,897	28,077	128,974
Total Liabilities	<u>325,569</u>	<u>48,598</u>	<u>9,677</u>	<u>250,672</u>	<u>48,440</u>	<u>682,956</u>
Net Position						
Restricted						
Individuals, organizations and other governments	233,381	7,386	-	1,619,705	2,340,699	4,201,171
Unrestricted	-	-	(6,655)	-	-	(6,655)
Total Net Position	<u>\$ 233,381</u>	<u>\$ 7,386</u>	<u>\$ (6,655)</u>	<u>\$ 1,619,705</u>	<u>\$ 2,340,699</u>	<u>\$ 4,194,516</u>

Renville County
Olivia, Minnesota
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2024

	Taxes & Penalties	State Deed	Mortgage Registration	Redwood- Renville Regional Solid Waste Authority	Supporting Hands Nurse Family Partnership	Total
Additions						
Tax and assessment collections for other governments	\$ 43,954,938	\$ -	\$ -	\$ -	\$ -	\$ 43,954,938
Special assessments	-	-	-	1,239,192	-	1,239,192
Intergovernmental	-	-	-	144,880	1,083,482	1,228,362
Charges for services	-	-	-	1,409,658	754,110	2,163,768
Fees collected for state	-	408,182	238,874	-	-	647,056
Investment Income	-	-	-	48,176	90,983	139,159
Miscellaneous	11,809	-	-	29,684	6,455	47,948
Total Additions	<u>43,966,747</u>	<u>408,182</u>	<u>238,874</u>	<u>2,871,590</u>	<u>1,935,030</u>	<u>49,420,423</u>
Deductions						
Payments of property tax to other governments	44,207,200	-	-	-	-	44,207,200
Payments to state	-	408,182	238,874	-	-	647,056
Recycling services	-	-	-	2,398,618	-	2,398,618
Nursing services	-	-	-	-	1,802,320	1,802,320
Total Deductions	<u>44,207,200</u>	<u>408,182</u>	<u>238,874</u>	<u>2,398,618</u>	<u>1,802,320</u>	<u>49,055,194</u>
Net Increase (Decrease) in Fiduciary Net Position	(240,453)	-	-	472,972	132,710	365,229
Net Position, January 1	<u>473,834</u>	<u>7,386</u>	<u>(6,655)</u>	<u>1,146,733</u>	<u>2,207,989</u>	<u>3,829,287</u>
Net Position, December 31	<u>\$ 233,381</u>	<u>\$ 7,386</u>	<u>\$ (6,655)</u>	<u>\$ 1,619,705</u>	<u>\$ 2,340,699</u>	<u>\$ 4,194,516</u>

Renville County
Olivia, Minnesota
Schedule of Intergovernmental Revenue
For the Year Ended December 31, 2024

Shared Revenue

State

Highway users tax	\$ 14,578,567
Wheelage tax	187,316
County program aid	927,884
Homeless prevention aid	15,284
Disparity reduction aid	77,444
Performance aid	2,009
Police aid	217,554
Market value credit	355,848
Riparian aid	160,000
Cannabis aid	2,114
Pension	206,540
Out of home placement aid	7,408
Total Shared Revenue	16,737,968

Reimbursement for Services

State

Minnesota Department of Human Services	479,901
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Payments

Local

Payments in lieu of taxes	86,055
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Grants

State

Minnesota Department/Board/Office of	
Corrections	118,296
Human Resources	1,536,754
Natural Resources	88,474
Pollution Control	54,169
Public Safety	207,917
Secretary of State	59,276
Agriculture	63,434
Water and Soil Resources	69,590
Administration	5,047
Historical Society	91,126
Transportation	977,619
Total State	3,271,702

Federal

Department/Commission of

Agriculture	290,021
Transportation	4,184,369
Justice	110,876
Health and Human Services	1,577,146
Homeland Security	168,627
Treasury	1,383,655
Total Federal	7,714,694

Total Intergovernmental Revenue	\$ 28,290,320
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OTHER REQUIRED REPORTS

RENVILLE COUNTY
OLIVIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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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, 2024, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 29, 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 2024-005 and 2024-006. 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
December 29, 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, 2024 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 29, 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 2024-002 and 2024-004 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 2024-001 and 2024-003 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 2024-005, 2024-006 and 2024-007.

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
December 29, 2025



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FEDERAL FINANCIAL AWARD PROGRAMS

RENVILLE COUNTY
OLIVIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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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, 2024. 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, 2024.

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 one instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses and Questioned Costs as item 2024-007. Our opinion on each major federal program is not modified with respect to this matter.

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.

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
December 29, 2025



Renville County
Olivia, Minnesota
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Funding Source	Administering Department/Entity	Program Name	Assistance Listing 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	H55245048	<u>\$ 713,056</u>	
		Total Medicaid Cluster				\$ 713,056
U.S. Department of Agriculture	Minnesota Department of Human Services	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	H55240010	<u>201,437</u>	
		Total SNAP Cluster				201,437
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Temporary Assistance for Needy Families	93.558	H55234077	<u>223,491</u>	
		Total TANF Cluster				223,491
U.S. Department of Transportation	Minnesota Department of Transportation	Highway Planning and Construction	20.205	N/A	<u>4,106,423</u>	
		Highway Planning and Construction				4,106,423
U.S. Department of Transportation	Minnesota Department of Transportation	State and Community Highway Safety	20.600	P079224402	<u>77,946</u>	
		Highway Safety Cluster				77,946
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Child Care and Development Block Grant	93.575	H55239358	<u>2,571</u>	
		CCDF Cluster				2,571
U.S. Department of Agriculture	Minnesota Department of Human Services	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A		88,584
U.S. Department of Homeland Security	Minnesota Department of Public Safety	Emergency Management Performance Grants	97.042	P072022EMPG		24,275
U.S. Department of Homeland Security	Minnesota Department of Public Safety	Homeland Security Grant Program	97.067	P072022HSGP		99,416
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Public Health Emergency Preparedness	93.069	N/A		34,158
U.S. Department of Homeland Security	Minnesota Department of Public Safety	Disaster Grants - Public Assistance	97.036	P07204722PA		44,936
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Immunization Cooperation Agreements	93.268	N/A		66,431
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Promoting Safe and Stable Families	93.556	H55230100		5,127
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Child Support Enforcement	93.563	H55244004		276,740
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Foster Care Title IV-E	93.658	H55241401		74,362
U.S. Department of Health and Human Services	Minnesota Department of Human Services	Social Services Block Grant	93.667	H55256190		100,441
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	N/A		56,772
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	N/A		23,997
U.S. Department of Justice	Direct Award	Crime Victim Assistance	16.575	Direct Award		46,875
U.S. Department of Justice	Direct Award	Children of Incarcerated Parents	16.831	Direct Award		64,001
U.S. Department of Treasury	Direct Award	COVID-19 - Coronavirus State and Local Fiscal Recovery	21.027C	Direct Award		<u>1,383,655</u>
		Total Federal Expenditures				<u>\$ 7,714,694</u>

Renville County
Olivia, Minnesota
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

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, 2024. 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 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, 2024, the County did not elect to use the 10 percent de minimis indirect cost rate nor the 15 percent de minimis indirect cost rate, as applicable, allowed under the Uniform Guidance..

Renville County
Olivia, Minnesota
Schedule of Findings, Responses and Questioned Costs
For the Year Ended December 31, 2024

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?	None reported
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

	ALN No.
Coronavirus State and Local Fiscal Recovery Funds	21.027C
Highway Planning and Construction	20.205
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 (2024-001 and 2024-003) and two material weaknesses (2024-002 and 2024-004) 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

There are no significant deficiencies, material weaknesses or instances of noncompliance 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, 2024

<u>Finding</u>	<u>Description</u>
2024-001	Preparation of Financial Statements
<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, 2024

<u>Finding</u>	<u>Description</u>
2024-002	Material Audit Adjustments
<i>Condition:</i>	During our audit, adjustments were needed to record a number of audit adjustments, including the following material entries: <ul style="list-style-type: none">• To adjust beginning fund balances.• To adjust capital asset activity• To adjust state revenues, deferred inflows and receivables.• To adjust due from other governments• To record internal service fund activity.
<i>Criteria:</i>	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.
<i>Cause:</i>	County staff has not prepared a year-end trial balance reflecting all necessary accounting entries.
<i>Effect:</i>	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.
<i>Recommendation:</i>	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.
<i>Management Response:</i>	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.
<i>Updated Progress Since Prior Year:</i>	Some entries were done by the County, but audit entries remain.

Renville County
Olivia, Minnesota
Schedule of Findings, Responses and Questioned Costs (Continued)
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2024-003	Internal Control over Bank Reconciliations
<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.

Updated Progress Since Prior Year:

The County is current on bank reconciliations with internal controls implemented as of the date of this report.

2024-004	Timely Bank Reconciliations
<i>Condition:</i>	During our audit we noted bank reconciliations were not completed timely. The 2023 bank reconciliations were fully completed in December 2024 with the 2024 bank reconciliations completed in 2025.
<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.

Updated Progress Since Prior Year:

The County is current on bank reconciliations with internal controls implemented as of the date of this report.

Renville County
Olivia, Minnesota
Schedule of Findings, Responses and Questioned Costs (Continued)
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2024-005	Long Outstanding Checks
<i>Condition:</i>	The County had multiple outstanding checks, dated prior to December 31, 2021. The total amount of these checks is \$12,005 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.

Management Response:

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

Updated Progress Since Prior Year:

Progress was made on this finding by reducing the amount.

2024-006 Publishing Claims Paid

<i>Condition:</i>	Auditing for legal compliance requires a review of the publishing of claims and disbursements. Our audit 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.

Management Response:

The County acknowledges the finding.

Updated Progress Since Prior Year:

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, 2024

<u>Finding</u>	<u>Description</u>
2024-007	Late Single Audit Submission
<i>Condition:</i>	The County submitted the required 2023 reporting package and data collection form to the Federal Audit Clearinghouse after the required deadline.
<i>Criteria:</i>	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.
<i>Cause:</i>	The County's 2023 audit was completed in July 2025 after the reporting deadline.
<i>Effect:</i>	As a result, the Board is out compliance with the statute.
<i>Recommendation:</i>	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.
<i>Management Response:</i>	
The County acknowledges the finding.	
<i>Updated Progress Since Prior Year:</i>	
The 2024 submission will be completed earlier than 2023.	

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2024-001 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



2024-002 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



2024-003 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



2024-004 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



2024-005

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



2024-006

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



2024-007 **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



Renville County
Olivia, Minnesota
Schedule of Prior Year Findings, Responses and Questioned Costs
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2023-001	Preparation of Financial Statements
<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.
<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 that 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 Prior Year Findings, Responses and Questioned Costs (Continued)
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2023-002	Material Audit Adjustments
<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">• To adjust beginning fund balances.• To adjust capital asset activity and related retainage.• To adjust state and federal aid revenues and receivables• To adjust special assessment classifications.• To adjust sales tax activity.• To record additional receivable and payable accruals• To record accrued interest on investments.• To record internal service fund activity.
<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>Some entries were done by the County, but audit entries remain.</p>



Renville County
Olivia, Minnesota
Schedule of Prior Year Findings, Responses and Questioned Costs (Continued)
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2023-003	Internal Control over Bank Reconciliations
<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.
<i>Management Response:</i>	
	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.
<i>Updated Progress Since Prior Year:</i>	
	The County is current on bank reconciliations with internal controls implemented as of the date of this report



Renville County
Olivia, Minnesota
Schedule of Prior Year Findings, Responses and Questioned Costs (Continued)
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2023-004	Timely Bank Reconciliations
<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.
<i>Management Response:</i>	
	The County is aware of the situation and plans to implement procedures to ensure that timely and accurate bank reconciliations are completed going forward.
<i>Updated Progress Since Prior Year:</i>	
	The County is current on bank reconciliations with internal controls implemented as of the date of this report



Renville County
Olivia, Minnesota
Schedule of Prior Year Findings, Responses and Questioned Costs (Continued)
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2023-005	Time Period for Payment
<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.
<i>Updated Progress Since Prior Year:</i>	
	No current year finding



Renville County
Olivia, Minnesota
Schedule of Prior Year Findings, Responses and Questioned Costs (Continued)
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2023-006	Long Outstanding Checks
<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.
<i>Updated Progress Since Prior Year:</i>	
	Progress was made on this finding by reducing the amount.



Renville County
Olivia, Minnesota
Schedule of Prior Year Findings, Responses and Questioned Costs (Continued)
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2023-007	Publishing Claims Paid
<i>Condition:</i>	Auditing for legal compliance requires a review of the publishing of claims and disbursements. Our audit 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.



Renville County
Olivia, Minnesota
Schedule of Prior Year Findings, Responses and Questioned Costs (Continued)
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2023-008	Medical Assistance Eligibility
<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.
<i>Updated Progress Since Prior Year:</i>	No current year finding.



Renville County
Olivia, Minnesota
Schedule of Prior Year Findings, Responses and Questioned Costs (Continued)
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
2023-009	Late Single Audit Submission
<i>Condition:</i>	The County submitted the required 2022 reporting package and data collection form to the Federal Audit Clearinghouse after the required deadline.
<i>Criteria:</i>	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.
<i>Cause:</i>	The County's 2022 audit was completed in January 2023 after the reporting deadline.
<i>Effect:</i>	As a result, the Board is out compliance with the statute.
<i>Recommendation:</i>	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.
<i>Management Response:</i>	
	The County acknowledges the finding.
<i>Updated Progress Since Prior Year:</i>	
	The 2024 submission will be completed earlier than 2023.