

**SWIFT COUNTY
BENSON, MINNESOTA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024



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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Swift County
Benson, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Swift County (the County), as of and for the year ended December 31, 2024, (except for the Swift County Housing and Redevelopment Authority (HRA) which is as of and for the year ended June 30, 2024), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2024, (except for the Swift County Housing and Redevelopment Authority which is as of and for the year ended June 30, 2024) and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Swift County-Benson Hospital (the Hospital) which represents 85%, 26%, and 39% of the assets, net position and revenues of the aggregate discretely presented component units as of December 31, 2024, respectively, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Hospital, are based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

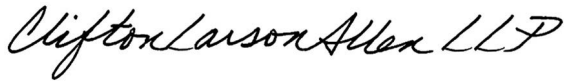
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The description of funds, combining statement of fiduciary net position – fiduciary funds – custodial funds, combining statement of changes in net position – fiduciary funds – custodial funds, schedule of intergovernmental revenue, schedule of deposits and investments, schedule of loans receivable – revolving loan fund, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the description of funds, combining statement of fiduciary net position – fiduciary funds – custodial funds, combining statement of changes in net position – fiduciary funds – custodial funds, schedule of intergovernmental revenue, schedule of deposits and investments, schedule of loans receivable – revolving loan fund, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of County Commissioners
Swift County

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Brainerd, Minnesota
September 10, 2025

REQUIRED SUPPLEMENTARY INFORMATION

**SWIFT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Swift County's (the County) management's discussion and analysis (MD&A) provides an overview of the County's financial activities for the 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 financial statements (beginning on page 19).

Financial Highlights

Key financial highlights for 2024 include the following:

- Governmental activities' total net position is \$102,695,556, of which \$77,440,760 is net investment in capital assets, and \$6,787,236 is restricted for specific purposes.
- Swift County's governmental activities net position increased by \$3,715,160 for the year ended December 31, 2024. Net position of the County's discretely presented component units for 2024 increased by \$499,300.
- The net cost of governmental activities was \$11,398,057 for the current fiscal year. The net cost was funded by general revenues and other items totaling \$15,113,217.
- Governmental funds' fund balances decreased by \$724,172.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the basic financial statements. Swift County's basic financial statements consist of three parts: Government-wide financial statements, fund financial statements, and notes to the financial statements. The MD&A (this section) is required to accompany the basic financial statements and, therefore, is included as required supplementary information.

There are two government-wide statements. The statement of net position and the statement of activities (pages 19-22) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 23. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operation in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the government.

Government-Wide Financial Statements – The Statement of Net Position and the Statement of Activities

Our analysis of the County as a whole begins on page 9. The statement of net position and the statement of activities report information about the County as a whole and about its activities in a way that helps the reader to determine whether the County's financial condition has improved or declined as a result of the year's activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current-year's revenues and expenses are taken into account regardless of when cash is received or paid.

**SWIFT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements – The Statement of Net Position and the Statement of Activities (Continued)

These two financial statements report the County's net position and changes in them. You can think of the County's net position (the difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources) as one way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County roads, to assess the overall health of the County.

In the statement of net position and the statement of activities, the finances of the County are reported in two kinds of activities:

- **Governmental Activities** – The County's 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.
- **Component Units** – The County includes two legally separate entities in its report, Swift County Housing and Redevelopment Authority and Swift County-Benson Hospital. These entities are presented in a separate column. Although legally separate, these "component units" are important because the County is financially accountable for them. In addition, these component units have separately issued financial statements.

Fund Financial Statements

Our analysis of the County's major funds begins on page 13. The fund financial statements provide detailed information about the significant funds, not the County as a whole. Some funds are required to be established by state law and 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. The County has three kinds of funds.

- **Governmental Funds** – The County's basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or difference) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciling statement following each governmental fund financial statement.
- **Internal Service Fund** – The County uses this fund to manage the self-insurance activities.

**SWIFT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Overview of the Financial Statements (Continued)

Fund Financial Statements (Continued)

- **Fiduciary Funds** – The County is the trustee, or fiduciary, over assets which can be used only for the trust beneficiaries based on the trust arrangement. All of the County's fiduciary activities are reported in a Combining Statement of Fiduciary Net Position – Fiduciary Funds – Custodial Funds and a Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds – Custodial Funds (pages 122-126). We excluded these activities from the County's other financial statement because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Financial Analysis of the County as a Whole

Net Position. The County's net position was \$102,695,556 on December 31, 2024 (see Table A-1).

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

	Governmental Activities		%
	2024	2023	
Current and Other Assets	\$ 36,224,180	\$ 34,466,737	5.1 %
Capital and Noncurrent Assets	88,646,698	85,828,352	3.3
Total Assets	<u>124,870,878</u>	<u>120,295,089</u>	3.8
Deferred Outflows of Resources	2,740,830	3,661,138	(25.1)
Current Liabilities	3,977,546	3,334,020	19.3
Long-Term Liabilities	15,122,725	17,473,633	(13.5)
Total Liabilities	<u>19,100,271</u>	<u>20,807,653</u>	(8.2)
Deferred Inflows of Resources	5,815,881	4,168,178	39.5
Net Position:			
Net Investment in Capital Assets	77,440,760	74,979,114	3.3
Restricted	6,787,236	5,459,901	24.3
Unrestricted	<u>18,467,560</u>	<u>18,541,381</u>	(0.4)
Total Net Position	<u>\$ 102,695,556</u>	<u>\$ 98,980,396</u>	3.8

**SWIFT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Financial Analysis of the County as a Whole (Continued)

Changes in Net Position

The County-wide total revenues were \$28,768,756 for the year ended December 31, 2024. Property taxes and intergovernmental revenues accounted for 83% of total revenues for the year (see Table A-2).

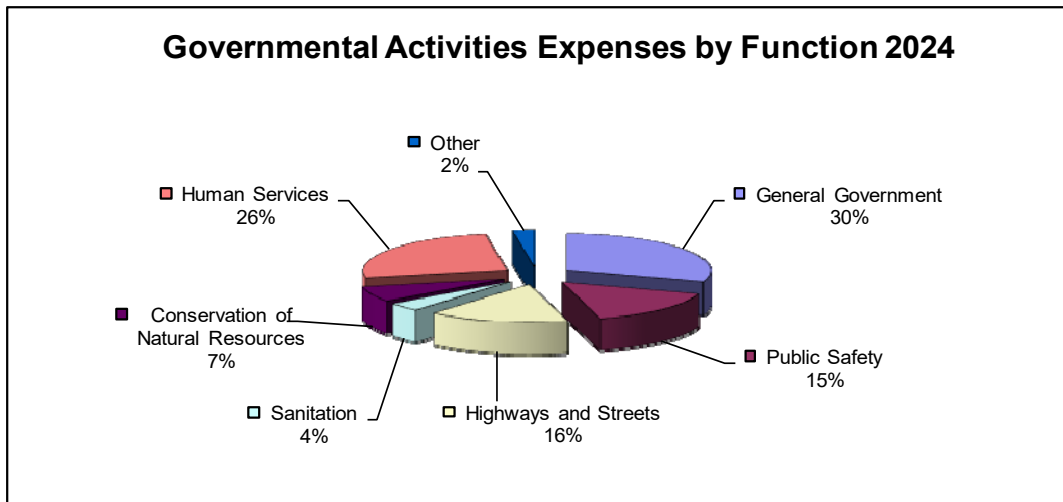
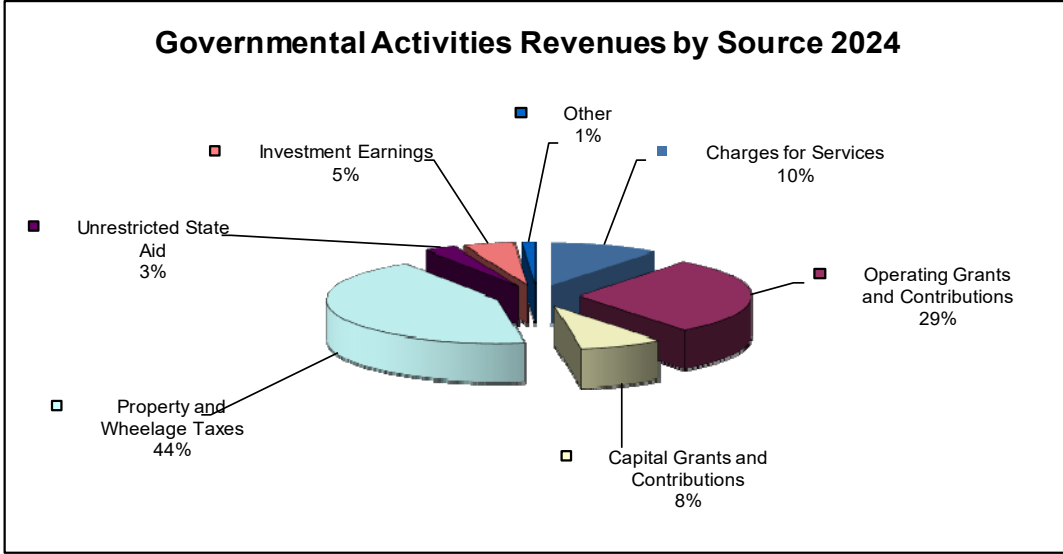
**Table A-2
Change in Net Position**

	Governmental Activities		Total % Change
	2024	2023	
REVENUES			
Program Revenues:			
Fees, Charges, Fines, and Other	\$ 2,953,119	\$ 3,315,468	(10.9)%
Operating Grants and Contributions	8,452,564	8,632,538	(2.1)
Capital Grants and Contributions	2,249,856	3,446,515	(34.7)
General Revenues:			
Property Taxes	12,391,495	12,038,963	2.9
Unrestricted State Aid	856,279	860,704	(0.5)
Investment Earnings	1,361,531	1,428,831	(4.7)
Other	503,912	1,184,205	(57.4)
Total Revenues	<u>28,768,756</u>	<u>30,907,224</u>	(6.9)
EXPENSES			
General Government	7,537,206	5,296,106	42.3
Public Safety	3,907,038	4,131,316	(5.4)
Highways and Streets	3,914,223	5,225,577	(25.1)
Sanitation	917,642	1,472,870	(37.7)
Human Services	6,472,171	5,989,061	8.1
Health	226,526	314,268	(27.9)
Culture and Recreation	141,680	117,341	20.7
Conservation of Natural Resources	1,675,241	1,475,555	13.5
Economic Development	20,975	9,025	132.4
Interest	240,894	235,301	2.4
Total Expenses	<u>25,053,596</u>	<u>24,266,420</u>	3.2
CHANGE IN NET POSITION	3,715,160	6,640,804	(44.1)
Net Position - Beginning of Year	<u>98,980,396</u>	<u>92,339,592</u>	7.2
NET POSITION - END OF YEAR	<u><u>\$ 102,695,556</u></u>	<u><u>\$ 98,980,396</u></u>	3.8

**SWIFT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Financial Analysis of the County as a Whole (Continued)

Changes in Net Position (Continued)



**SWIFT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Financial Analysis of the County as a Whole (Continued)

Changes in Net Position (Continued)

The County-wide cost of all governmental activities this year was \$25,053,596.

- Some of the cost was paid by the users of the County's Programs (\$2,953,119).
- The federal and state governments subsidized certain programs with grants and contributions (\$10,702,420).
- The remainder of the County's costs, (\$11,398,057), however, was paid for by County taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with the \$12,514,165 of taxes, \$856,279 of state aid, and with \$1,742,773 of investment earnings and other general revenues.

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

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

	Total Cost of Services		Percentage Change	Net Revenue (Cost) of Services		Percentage Change
	2024	2023		2024	2023	
GOVERNMENTAL ACTIVITIES						
General Government	\$ 7,537,206	\$ 5,296,106	42.3 %	\$ (6,285,857)	\$ (3,345,003)	(87.9)%
Public Safety	3,907,038	4,131,316	(5.4)	(3,408,792)	(3,649,482)	6.6
Highways and Streets	3,914,223	5,225,577	(25.1)	2,052,802	2,292,113	(10.4)
Sanitation	917,642	1,472,870	(37.7)	406,529	(112,876)	460.2
Human Services	6,472,171	5,989,061	8.1	(3,414,914)	(2,855,725)	(19.6)
Health	226,526	314,268	(27.9)	(143,926)	(312,181)	53.9
Culture and Recreation	141,680	117,341	20.7	(46,850)	(1,028)	(4,457.4)
Conservation of Natural Resources	1,675,241	1,475,555	13.5	(301,805)	(650,276)	53.6
Economic Development	20,975	9,025	132.4	(14,350)	(2,140)	(570.6)
Interest and Fiscal Charges on Long-Term Liabilities	240,894	235,301	2.4	(240,894)	(235,301)	(2.4)
Total	\$ 25,053,596	\$ 24,266,420	3.2	\$ (11,398,057)	\$ (8,871,899)	(28.5)

**SWIFT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Financial Analysis of the County at the Fund Level

The financial performance of the County as a whole is reflected in its governmental funds as well. As the County completed the year, its governmental funds reported a combined fund balance of \$32,091,806. Revenues for the County's governmental funds were \$28,300,637, while total expenditures were \$29,758,846. During 2024, the County also sold capital assets, received insurance proceeds and issued new loans of which the proceeds are included in other financing sources and uses.

The General Fund includes the primary operations of the County in providing services to citizens and some capital outlay projects. Fund balance decreased by \$2,698,768 during 2024. This decrease was primarily due to a decrease in intergovernmental funds.

The Road and Bridge Fund had a total fund balance of \$13,684,379. This fund balance total is a \$2,038,560 increase from the prior year.

The Welfare Fund's fund had a total fund balance of \$5,630,996, This fund balance decreased by \$247,835 from the prior year.

The Revolving Loan Fund's fund balance increased by \$52,799 due to repayments received in the current year and minimal expenditures.

The Solid Waste Fund's fund balance increased by \$563,993, primarily due to an increase in proceeds from insurance.

The Ditch Fund's fund balance decreased by \$31,125, due to a decrease in assessments for future ditch projects.

The Opioid Settlement Fund's fund balance remained at \$0.

The Debt Service Fund's fund balance decreased by \$401,796 due to current year scheduled payments.

General Fund

The General Fund includes the primary operations of the County in providing services to citizens and some capital outlay projects.

**SWIFT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

General Fund (Continued)

Table A-4 presents a summary of General Fund revenues.

**Table A-4
General Fund Revenues**

	Year Ended		Change	
	December 31, 2024	December 31, 2023	Increase (Decrease)	Percent
Taxes	\$ 6,953,550	\$ 6,548,282	\$ 405,268	6.2 %
Licenses and Permits	4,270	4,505	(235)	(5.2)
Intergovernmental	1,562,051	2,165,323	(603,272)	(27.9)
Charges for Services	740,754	666,416	74,338	11.2
Investment Earnings	1,361,531	1,356,870	4,661	0.3
Miscellaneous and Other	488,921	728,943	(240,022)	(32.9)
Total General Fund Revenues	<u>\$ 11,111,077</u>	<u>\$ 11,470,339</u>	<u>\$ (359,262)</u>	<u>(3.1)</u>

The following schedule presents a summary of General Fund Expenditures:

**Table A-5
General Fund Expenditures**

	Year Ended		Change	
	December 31, 2024	December 31, 2023	Increase (Decrease)	Percent
General Government	\$ 5,375,099	\$ 4,829,704	\$ 545,395	11.3 %
Public Safety	3,702,064	3,715,371	(13,307)	(0.4)
Health	138,344	241,416	(103,072)	(42.7)
Culture and Recreation	117,892	117,480	412	0.4
Conservation of Natural Resources	1,292,323	1,121,546	170,777	15.2
Capital Outlay	2,460,873	595,206.00	1,865,667	313.4
Total Expenditures	<u>\$ 13,086,595</u>	<u>\$ 10,620,723</u>	<u>\$ 2,465,872</u>	<u>23.2</u>

General Fund Budgetary Highlights

- Actual revenues were approximately \$5,873,000 less than expected and actual expenditures were approximately \$4,327,000 less than budget. This is primarily due less progress on the construction of Highway and Health and Human Services Building than originally planned for.

**SWIFT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Capital Assets and Debt Administration

Capital Assets

By the end of 2024, the County had invested approximately \$127,000,000 in a broad range of capital assets, including land, buildings, machinery, vehicles, furniture, equipment, and infrastructure (see Table A-6). The majority of current-year capital asset activity was a result of road projects. (More detailed information about capital assets can be found in Note 3.A.4 to the financial statements.) Total depreciation expense for the year was \$2,984,045.

**Table A-6
The County's Capital Assets**

	Governmental Activities		Percent Change
	2024	2023	
Land	\$ 2,825,781	\$ 2,771,394	2.0 %
Construction-in-Progress	2,353,176	1,478,590	59.2
Buildings	14,710,732	14,701,662	0.1
Machinery, Equipment, and Vehicles	10,948,457	10,077,367	8.6
Infrastructure	96,408,759	92,724,502	4.0
Less: Accumulated Depreciation	(45,072,256)	(42,355,520)	6.4
Total	<u>\$ 82,174,649</u>	<u>\$ 79,397,995</u>	3.5

Debt Administration

At year-end, the County's outstanding debt was \$10,333,083, which had a decrease of \$501,366 as shown in Table A-7. This decrease is due to current year repayments offset by new Clean Water Partnership loans. The HRA decrease in debt is a result of the repayment of long-term debt. The Hospital's decrease in debt is a result of current year repayments.

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

	2024	2023	Percent Change
GOVERNMENTAL ACTIVITIES			
General Obligation Capital Improvement Plan Bonds	\$ 3,925,000	\$ 4,150,000	(5.4)
General Obligation Taxable Crossover Refunding Bonds	5,715,000	6,115,000	(6.5)
Clean Water Partnership Loans	693,083	569,449	21.7
Total	<u>\$ 10,333,083</u>	<u>\$ 10,834,449</u>	(4.6)
DISCRETE COMPONENT UNITS			
Swift County Housing and Redevelopment Authority	\$ 1,600,751	\$ 1,513,193	5.8
Swift County-Benson Hospital	13,437,330	14,422,065	(6.8)
Total	<u>\$ 15,038,081</u>	<u>\$ 15,935,258</u>	(5.6)

**SWIFT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Economic Factors and Next Year's Budgets and Rates

The County is dependent on the state of Minnesota for a significant portion of its revenue. Recent experience demonstrates that the legislature may decrease revenues once more. The county has not experienced lasting detrimental effects subsequent to year end.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor/Treasurer, Swift County Courthouse, P.O. Box 207, Benson, Minnesota 56215 or (320) 843-4069. Separate financial statements of the Swift County HRA can be obtained at P.O. Box 286, Benson, Minnesota 56215 and separate financial statements of the Swift County-Benson Hospital can be obtained at 1815 Wisconsin Avenue, Benson, Minnesota 56215.

BASIC FINANCIAL STATEMENTS

**SWIFT COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Primary Government	Discretely Presented Component Units	Total Reporting Entity
ASSETS			
Cash and Pooled Investments	\$ 28,306,308	\$ 988,655	\$ 29,294,963
Petty Cash and Change Funds	1,675	-	1,675
Taxes Receivable - Delinquent	148,515	-	148,515
Special Assessments Receivable - Delinquent	19,718	-	19,718
Special Assessments Receivable - Noncurrent	1,673,528	-	1,673,528
Accounts Receivable - Net	525,291	104,855	630,146
Loans Receivable - Current	5,000	10,037	15,037
Lease Receivable - Current	-	847,629	847,629
Due from Component Unit	1,420,488	-	1,420,488
Accrued Interest Receivable	106,543	-	106,543
Due from Other Governments	3,294,111	-	3,294,111
Advances to Other Governments	-	-	-
Prepaid Items	35,141	-	35,141
Supplies	687,862	-	687,862
Restricted Assets:			
Cash and Investments	600,000	1,385,691	1,985,691
Loans Receivable - Noncurrent	5,872,049	31,888	5,903,937
Lease Receivable - Noncurrent	-	10,927,520	10,927,520
Capital Assets - Nondepreciable:			
Land	2,825,781	905,894	3,731,675
Construction-in-Progress	2,353,176	592,525	2,945,701
Depreciable Capital Assets - Net of Depreciation:			
Buildings	9,449,655	14,908,362	24,358,017
Improvements Other than Buildings	-	125,292	125,292
Machinery, Vehicles, Furniture, and Equipment	3,675,404	-	3,675,404
Infrastructure	63,870,633	-	63,870,633
Total Assets	<u>124,870,878</u>	<u>30,828,348</u>	<u>155,699,226</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	2,706,006	-	2,706,006
Loss on Refunding	-	204,115	204,115
Other Postemployment Benefits Payable Related	34,824	-	34,824
Total Deferred Outflows of Resources	<u>2,740,830</u>	<u>204,115</u>	<u>2,944,945</u>

See accompanying Notes to Basic Financial Statements.

SWIFT COUNTY
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2024

	Primary Government	Discretely Presented Component Units	Total Reporting Entity
LIABILITIES			
Accounts Payable	\$ 836,739	\$ 272,578	\$ 1,109,317
Salaries Payable	464,611	-	464,611
Accrued Payroll Taxes	68,904	-	68,904
Contracts Payable	744,014	-	744,014
Due to Other Governments	101,985	16,185	118,170
Accrued Interest Payable	89,490	133,739	223,229
Unearned Revenue	21,200	-	21,200
Customer Deposits - Current	-	31,765	31,765
Custodial Deposits	600,000	-	600,000
Compensated Absences Payable - Due Within One Year	348,847	-	348,847
General Obligation Bonds Payable - Due Within One Year	635,000	740,000	1,375,000
Due to Primary Government - Due Within One Year	-	112,979	112,979
Loans Payable - Due Within One Year	31,932	243,658	275,590
Mortgage Payable - Due Within One Year	-	746	746
Total Other Postemployment Benefits Payable - Due Within One Year	34,824	-	34,824
Compensated Absences Payable - Due in More than One Year	1,046,543	-	1,046,543
General Obligation Bonds Payable - Due in More than One Year	9,069,875	11,095,392	20,165,267
Due to Primary Government - Due in More than One Year	-	1,296,992	1,296,992
Loans Payable - Due in More than One Year	661,151	2,662,144	3,323,295
Mortgage payable - Due in More than One Year	-	31,511	31,511
Total Other Postemployment Benefits Payable - Due in More than One Year	185,425	-	185,425
Net Pension Liability - Due in More than One Year	4,159,731	-	4,159,731
Total Liabilities	<u>19,100,271</u>	<u>16,637,689</u>	<u>35,737,960</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related	4,513,679	11,775,149	16,288,828
Special Assessment Collected in Advance	1,240,740	-	1,240,740
Property Taxes Collected in Advance	16,783	-	16,783
Other Postemployment Benefits Payable Related	44,679	-	44,679
Lease Revenue	-	11,775,149	11,775,149
Total Deferred Inflows of Resources	<u>5,815,881</u>	<u>11,775,149</u>	<u>17,591,030</u>
NET POSITION			
Net Investment in Capital Assets	77,440,760	338,033	77,778,793
Restricted for:			
Debt Service	713,224	-	713,224
Recorder Equipment	86,839	-	86,839
E-911 Program	417,833	-	417,833
Transportation	2,398,914	-	2,398,914
Human Services	47,147	-	47,147
Economic Development Loans	1,113,588	-	1,113,588
Ditches	1,808,505	-	1,808,505
Opioid Remediation	201,186	-	201,186
Hospice	-	1,353,926	1,353,926
Unrestricted	<u>18,467,560</u>	<u>927,666</u>	<u>19,395,226</u>
Total Net Position	<u>\$ 102,695,556</u>	<u>\$ 2,619,625</u>	<u>\$ 105,315,181</u>

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Program Revenues			
	Expenses	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
General Government	\$ 7,537,206	\$ 852,746	\$ 398,603	\$ -
Public Safety	3,907,038	108,046	386,237	3,963
Highways and Streets	3,914,223	94,251	4,900,703	972,071
Sanitation	917,642	1,237,418	86,753	-
Human Services	6,472,171	494,250	2,563,007	-
Health	226,526	-	82,600	-
Culture and Recreation	141,680	46,065	-	48,765
Conservation of Natural Resources	1,675,241	113,718	34,661	1,225,057
Economic Development	20,975	6,625	-	-
Interest	240,894	-	-	-
Total Governmental Activities	<u>25,053,596</u>	<u>2,953,119</u>	<u>8,452,564</u>	<u>2,249,856</u>
DISCRETE COMPONENT UNITS				
Swift County - Housing and Redevelopment Authority	1,611,706	786,696	1,276,168	-
Swift County - Benson Hospital	1,320,674	1,317,044	-	-
Total Discretely Presented Component Units	<u>2,932,380</u>	<u>2,103,740</u>	<u>1,276,168</u>	<u>-</u>
Total Reporting Entity	<u>\$ 27,985,976</u>	<u>\$ 5,056,859</u>	<u>\$ 9,728,732</u>	<u>\$ 2,249,856</u>

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Discretely Presented Component Units	Total
FUNCTIONS/PROGRAMS			
PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES			
General Government	\$ (6,285,857)	\$ -	\$ (6,285,857)
Public Safety	(3,408,792)	-	(3,408,792)
Highways and Streets	2,052,802	-	2,052,802
Sanitation	406,529	-	406,529
Human Services	(3,414,914)	-	(3,414,914)
Health	(143,926)	-	(143,926)
Culture and Recreation	(46,850)	-	(46,850)
Conservation of Natural Resources	(301,805)	-	(301,805)
Economic Development	(14,350)	-	(14,350)
Interest	(240,894)	-	(240,894)
Total Governmental Activities	<u>(11,398,057)</u>	<u>-</u>	<u>(11,398,057)</u>
DISCRETE COMPONENT UNITS			
Swift County - Housing and Redevelopment Authority	-	451,158	451,158
Swift County - Benson Hospital	-	(3,630)	(3,630)
Total Discretely Presented Component Units	<u>-</u>	<u>447,528</u>	<u>447,528</u>
Total Reporting Entity	(11,398,057)	447,528	(10,950,529)
GENERAL REVENUES			
Property Taxes	12,391,495	-	12,391,495
Wheelage Tax	113,069	-	113,069
Mortgage and Registry Deed Taxes	9,601	-	9,601
Payments in Lieu of Tax	119,275	-	119,275
Rent	89,735	-	89,735
Insurance Dividends	12,782	-	12,782
Grants and Contributions Not Restricted for a Particular Purpose	856,279	-	856,279
Investment Earnings	1,361,531	28,292	1,389,823
Miscellaneous	159,450	23,480	182,930
Total General Revenues	<u>15,113,217</u>	<u>51,772</u>	<u>15,164,989</u>
CHANGE IN NET POSITION	3,715,160	499,300	4,214,460
Net Position - Beginning of Year	<u>98,980,396</u>	<u>2,120,325</u>	<u>101,100,721</u>
NET POSITION - END OF YEAR	<u>\$ 102,695,556</u>	<u>\$ 2,619,625</u>	<u>\$ 105,315,181</u>

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

ASSETS	General	Road and Bridge	Welfare	Revolving Loan	Solid Waste
Cash and Pooled Investments	\$ 4,089,466	\$ 13,147,835	\$ 5,415,531	\$ 707,514	\$ 1,552,383
Petty Cash and Change Funds	1,600	-	25	-	50
Restricted Cash	-	-	-	-	-
Taxes Receivable - Delinquent	81,530	22,306	36,924	-	3,636
Special Assessments Receivable:					
Delinquent	-	-	-	-	16,939
Noncurrent	-	-	-	-	518,528
Accounts Receivable - Net	87,230	-	360,420	-	50,110
Accrued Interest Receivable	106,543	-	-	-	-
Loans Receivable	5,000	-	-	427,049	-
Due from Component Unit	1,420,488	-	-	-	-
Due from Other Funds	4,773	-	-	-	-
Due from Other Governments	27,425	2,831,493	234,007	-	-
Advances to Other Funds	1,099,875	-	-	-	-
Prepaid Items	10,231	-	24,910	-	-
Supplies	-	687,862	-	-	-
Total Assets	\$ 6,934,161	\$ 16,689,496	\$ 6,071,817	\$ 1,134,563	\$ 2,141,646
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 274,801	\$ 107,819	\$ 175,807	\$ 20,975	\$ 82,176
Salaries Payable	231,869	64,216	147,424	-	21,102
Accrued Payroll Taxes	34,637	9,551	21,677	-	3,039
Contracts Payable	594,471	149,543	-	-	-
Due to Other Funds	-	-	4,773	-	-
Due to Other Governments	99,217	-	2,768	-	-
Advances from Other Funds	-	-	-	-	-
Custodial Deposits	-	-	-	-	-
Unearned Revenue	21,200	-	-	-	-
Total Liabilities	1,256,195	331,129	352,449	20,975	106,317
DEFERRED INFLOWS OF RESOURCES					
Unavailable Taxes	81,530	22,307	36,924	-	20,575
Unavailable Special Assessments	-	-	-	-	518,528
Unavailable Grants	-	2,649,092	47,147	-	-
Unavailable Loans Receivable	-	-	-	117,836	-
Property Taxes Collected in Advance	8,957	2,589	4,301	-	474
Special Assessments Collected in Advance	-	-	-	-	-
Total Deferred Inflows of Resources	90,487	2,673,988	88,372	117,836	539,577
FUND BALANCES					
Nonspendable:					
Prepaid Items	10,231	-	24,910	-	-
Supplies	-	687,862	-	-	-
Loans Receivable	1,420,488	-	-	-	-
Restricted:					
Recorder Equipment	86,839	-	-	-	-
E-911	417,833	-	-	-	-
Future Loans	-	-	-	995,752	-
Ditches	-	-	-	-	-
Debt Service	-	-	-	-	-
Committed:					
Road and Bridge	-	12,996,473	-	-	-
Welfare Programs	-	-	5,606,086	-	-
Solid Waste	-	-	-	-	1,495,752
Budgeted Spend Down	35,003	44	-	-	-
Unassigned	3,617,085	-	-	-	-
Total Fund Balances	5,587,479	13,684,379	5,630,996	995,752	1,495,752
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,934,161	\$ 16,689,496	\$ 6,071,817	\$ 1,134,563	\$ 2,141,646

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

ASSETS	Ditch	Opioid Settlement	Debt Service	Total Governmental Funds
Cash and Pooled Investments	\$ 547,875	\$ -	\$ 1,073,176	\$ 26,533,780
Petty Cash and Change Funds	-	-	-	1,675
Restricted Cash	-	-	600,000	600,000
Taxes Receivable - Delinquent	-	-	4,119	148,515
Special Assessments Receivable:				
Delinquent	2,779	-	-	19,718
Noncurrent	1,155,000	-	-	1,673,528
Accounts Receivable - Net	-	-	-	497,760
Accrued Interest Receivable	-	-	-	106,543
Loans Receivable	-	-	5,445,000	5,877,049
Due from Component Unit	-	-	-	1,420,488
Due from Other Funds	-	-	-	4,773
Due from Other Governments	-	201,186	-	3,294,111
Advances to Other Funds	-	-	-	1,099,875
Prepaid Items	-	-	-	35,141
Supplies	-	-	-	687,862
Total Assets	\$ 1,705,654	\$ 201,186	\$ 7,122,295	\$ 42,000,818
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 27,526	\$ -	\$ -	\$ 689,104
Salaries Payable	-	-	-	464,611
Accrued Payroll Taxes	-	-	-	68,904
Contracts Payable	-	-	-	744,014
Due to Other Funds	-	-	-	4,773
Due to Other Governments	-	-	-	101,985
Advances from Other Funds	1,099,875	-	-	1,099,875
Custodial Deposits	-	-	600,000	600,000
Unearned Revenue	-	-	-	21,200
Total Liabilities	1,127,401	-	600,000	3,794,466
DEFERRED INFLOWS OF RESOURCES				
Unavailable Taxes	2,779	-	4,119	168,234
Unavailable Special Assessments	1,155,000	-	-	1,673,528
Unavailable Grants	-	201,186	-	2,897,425
Unavailable Loans Receivable	-	-	-	117,836
Property Taxes Collected in Advance	-	-	462	16,783
Special Assessments Collected in Advance	1,240,740	-	-	1,240,740
Total Deferred Inflows of Resources	2,398,519	201,186	4,581	6,114,546
FUND BALANCES				
Nonspendable:				
Prepaid Items	-	-	-	35,141
Supplies	-	-	-	687,862
Loans Receivable	-	-	-	1,420,488
Restricted:				
Recorder Equipment	-	-	-	86,839
E-911	-	-	-	417,833
Future Loans	-	-	-	995,752
Ditches	653,505	-	-	653,505
Debt Service	-	-	6,517,714	6,517,714
Committed:				
Road and Bridge	-	-	-	12,996,473
Welfare Programs	-	-	-	5,606,086
Solid Waste	-	-	-	1,495,752
Budgeted Spend Down	-	-	-	35,047
Unassigned	(2,473,771)	-	-	1,143,314
Total Fund Balances	(1,820,266)	-	6,517,714	32,091,806
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,705,654	\$ 201,186	\$ 7,122,295	\$ 42,000,818

See accompanying Notes to Basic Financial Statements.

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

Total Fund Balance - Governmental Funds (Governmental Funds Balance Sheet)		\$ 32,091,806
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		82,174,649
The County's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:		
Net Pension Liability	\$ (4,159,731)	
Deferred Inflows of Resources - Pension Related	(4,513,679)	
Deferred Outflows of Resources - Pension Related	<u>2,706,006</u>	(5,967,404)
The County's total other postemployment benefit liability and related deferred outflows and inflows are recorded only on the statement of net position. Balances at year-end are:		
Total Other Postemployment Benefits Liability	(220,249)	
Deferred Inflows of Resources - OPEB Related	(44,679)	
Deferred Outflows of Resources - OPEB Related	<u>34,824</u>	(230,104)
Other long-term assets (deferred inflows of resources) are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property Taxes	168,234	
Special Assessments	1,673,528	
Loans Receivable	117,836	
Grant Related	<u>2,897,425</u>	4,857,023
Internal service funds are used by management to account for the management of self-insurance to individual funds. The assets and liabilities that are included in governmental activities in the statement of net position are:		
		1,652,424
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General Obligation Bonds	(9,640,000)	
Premium on General Obligation Bonds	(64,875)	
Loans Payable	(693,083)	
Compensated Absences	(1,395,390)	
Accrued Interest Payable	<u>(89,490)</u>	<u>(11,882,838)</u>
Net Position of Governmental Activities (Statement of Net Position)		<u>\$ 102,695,556</u>

See accompanying Notes to Basic Financial Statements.

SWIFT COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Road and Bridge	Welfare	Revolving Loan	Solid Waste
REVENUES					
Taxes	\$ 6,953,550	\$ 1,907,811	\$ 2,943,934	\$ -	\$ 328,661
Special Assessments	-	-	-	-	347,574
Licenses and Permits	4,270	-	-	-	-
Intergovernmental	1,562,051	6,300,403	2,807,188	-	114,384
Charges for Services	740,754	53,855	482,756	-	693,723
Fines and Forfeits	1,217	-	-	-	-
Gifts and Contributions	-	-	6,500	-	-
Interest on Investments	1,361,531	-	-	6,625	-
Miscellaneous	487,704	40,522	38,366	61,317	142,361
Total Revenues	<u>11,111,077</u>	<u>8,302,591</u>	<u>6,278,744</u>	<u>67,942</u>	<u>1,626,703</u>
EXPENDITURES					
Current:					
General Government	5,375,099	-	-	-	-
Public Safety	3,702,064	-	-	-	-
Highways and Streets	-	3,151,240	-	-	-
Sanitation	-	-	-	-	1,576,779
Human Services	-	-	6,764,841	-	-
Health	138,344	-	-	-	-
Culture and Recreation	117,892	-	-	-	-
Conservation of Natural Resources	1,292,323	-	-	-	-
Economic Development	-	-	-	20,975	-
Debt Service:					
Principal	-	-	-	-	31,932
Interest	-	-	-	-	-
Administrative (Fiscal) Charges	-	-	-	-	-
Capital Outlay:					
General Government	2,171,014	-	-	-	-
Public Safety	149,970	-	-	-	-
Highways and Streets	-	3,632,843	-	-	-
Solid Waste	-	-	-	-	115,340
Conservation of Natural Resources	139,889	-	-	-	-
Total Expenditures	<u>13,086,595</u>	<u>6,784,083</u>	<u>6,764,841</u>	<u>20,975</u>	<u>1,724,051</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,975,518)	1,518,508	(486,097)	46,967	(97,348)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	447,356	238,262	5,832	-
Transfers Out	(723,250)	-	-	-	-
Issuance of Loans	-	-	-	-	155,566
Insurance Proceeds	-	-	-	-	505,775
Proceeds from Sale of Assets	-	72,696	-	-	-
Total Other Financing Sources (Uses)	<u>(723,250)</u>	<u>520,052</u>	<u>238,262</u>	<u>5,832</u>	<u>661,341</u>
NET CHANGE IN FUND BALANCE	(2,698,768)	2,038,560	(247,835)	52,799	563,993
Fund Balance - Beginning of Year	<u>8,286,247</u>	<u>11,645,819</u>	<u>5,878,831</u>	<u>942,953</u>	<u>931,759</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,587,479</u>	<u>\$ 13,684,379</u>	<u>\$ 5,630,996</u>	<u>\$ 995,752</u>	<u>\$ 1,495,752</u>

See accompanying Notes to Basic Financial Statements.

SWIFT COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Ditch	Opioid Settlement	Debt Service	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 321,259	\$ 12,455,215
Special Assessments	379,562	-	-	727,136
Licenses and Permits	-	-	-	4,270
Intergovernmental	-	-	26,925	10,810,951
Charges for Services	-	-	-	1,971,088
Fines and Forfeits	-	-	-	1,217
Gifts and Contributions	-	-	-	6,500
Interest on Investments	-	-	-	1,368,156
Miscellaneous	-	88,182	97,652	956,104
Total Revenues	<u>379,562</u>	<u>88,182</u>	<u>445,836</u>	<u>28,300,637</u>
EXPENDITURES				
Current:				
General Government	-	-	-	5,375,099
Public Safety	-	-	-	3,702,064
Highways and Streets	-	-	-	3,151,240
Sanitation	-	-	-	1,576,779
Human Services	-	-	-	6,764,841
Health	-	88,182	-	226,526
Culture and Recreation	-	-	-	117,892
Conservation of Natural Resources	410,687	-	-	1,703,010
Economic Development	-	-	-	20,975
Debt Service:				
Principal	-	-	625,000	656,932
Interest	-	-	222,124	222,124
Administrative (Fiscal) Charges	-	-	32,308	32,308
Capital Outlay:				
General Government	-	-	-	2,171,014
Public Safety	-	-	-	149,970
Highways and Streets	-	-	-	3,632,843
Solid Waste	-	-	-	115,340
Conservation of Natural Resources	-	-	-	139,889
Total Expenditures	<u>410,687</u>	<u>88,182</u>	<u>879,432</u>	<u>29,758,846</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(31,125)	-	(433,596)	(1,458,209)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	31,800	723,250
Transfers Out	-	-	-	(723,250)
Issuance of Loans	-	-	-	155,566
Insurance Proceeds	-	-	-	505,775
Proceeds from Sale of Assets	-	-	-	72,696
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>31,800</u>	<u>734,037</u>
NET CHANGE IN FUND BALANCE	(31,125)	-	(401,796)	(724,172)
Fund Balance - Beginning of Year	<u>(1,789,141)</u>	<u>-</u>	<u>6,919,510</u>	<u>32,815,978</u>
FUND BALANCE - END OF YEAR	<u>\$ (1,820,266)</u>	<u>\$ -</u>	<u>\$ 6,517,714</u>	<u>\$ 32,091,806</u>

See accompanying Notes to Basic Financial Statements.

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

Net Changes in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ (724,172)

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

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 639,015

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, in the statement of activities, only the gain or loss on the disposal of capital assets is reported; whereas in the governmental funds, the proceeds from the disposal increase financial resources. Therefore, the change in net position differs from the change in fund balance by the net book value of the assets.

Expenditures for General Capital Assets and Infrastructure	\$ 5,841,707	
Net Book Value of Assets Disposed of	(81,008)	
Current Year Depreciation	<u>(2,984,045)</u>	2,776,654

Loan proceeds provide current financial resources to government funds, but issuing debt increases long-term liabilities in the statement of net assets. (155,566)

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

Change in Net Pension Liability	1,655,690	
Change in Net Pension Liability - Deferred Outflows	(431,372)	
Change in Net Pension Liability - Deferred Inflows	<u>(913,732)</u>	310,586

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal Payment on Loans Payable	31,932	
Principal Payment on Bonds	<u>625,000</u>	656,932

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal internal service funds is reported with governmental activities. (62,918)

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

Change in Accrued Interest Payable	3,696	
Amortization of Discounts and Premiums	8,844	
Change in Compensated Absences	255,212	
Change in Total Other Postemployment Benefits	(9,824)	
Change in Total Other Postemployment Benefits - Deferred Outflows	(6,576)	
Change in Total Other Postemployment Benefits - Deferred Inflows	<u>23,277</u>	<u>274,629</u>

Change in Net Position of Governmental Activities (Statement of Activities) \$ 3,715,160

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
STATEMENT OF NET POSITION – INTERNAL SERVICE FUND
DECEMBER 31, 2024**

	<u>Self-Insurance</u>
ASSETS	
Cash and Pooled Investments	\$ 1,772,528
Accounts Receivable	27,531
Total Assets	1,800,059
LIABILITIES	
Accounts Payable	96,842
Incurred but Not Reported Payable	50,793
Total Liabilities	147,635
NET POSITION	
Unrestricted	\$ 1,652,424

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION – INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>Self-Insurance</u>
OPERATING REVENUES	
Premiums	\$ 1,711,024
OPERATING EXPENSES	
Administrative and Fiscal Services	522,665
Other Services and Charges	1,251,277
Total Operating Expenses	1,773,942
CHANGE IN NET POSITION	(62,918)
Net Position - Beginning of Year	1,715,342
NET POSITION - END OF YEAR	\$ 1,652,424

See accompanying Notes to Basic Financial Statements.

SWIFT COUNTY
STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2024

	<u>Self-Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Internal Services Provided	\$ 1,683,990
Payments to Suppliers	(522,665)
Payments for Claims	(1,241,171)
Net Cash Used by Operating Activities	(79,846)
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(79,846)
 Cash and Cash Equivalents - Beginning of Year	1,852,374
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,772,528
 RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (62,918)
Adjustments to Reconcile Operating Gain to Net Cash Provided by Operating Activities:	
Decrease in Accounts Receivable	(27,034)
Increase in Accounts Payable	10,106
Net Cash Used by Operating Activities	\$ (79,846)

See accompanying Notes to Basic Financial Statements.

SWIFT COUNTY
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2024

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and Pooled Investments	\$ 28,974	\$ 845,471
Taxes For Other Governments	-	313,297
Total Assets	28,974	1,158,768
LIABILITIES		
Due to Others	-	583,135
Due to Other Governments	-	220,615
Total Liabilities	-	803,750
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Collected for Subsequent Period	-	11,970
NET POSITION		
Restricted for:		
Individuals, Organizations, and Other Governments	\$ 28,974	\$ 343,048

See accompanying Notes to Basic Financial Statements.

SWIFT COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Contributions - Individuals	\$ 181,274	\$ 8,320
Intergovernmental	-	43,337
Fines and Forfeits	-	9,836
Property Tax Collections for Other Governments	-	12,771,083
License and Fees Collected for State	-	339,274
Miscellaneous	-	18,906
Total Additions	181,274	13,190,756
DEDUCTIONS		
Beneficiary Payments to Individuals	190,222	8,518
Payments of Property Tax to Other Governments	-	12,683,761
Payments to State	-	331,876
Payments to Other Entities	-	152,899
Total Deductions	190,222	13,177,054
CHANGE IN FIDUCIARY NET POSITION	(8,948)	13,702
Fiduciary Net Position - Beginning of Year	37,922	329,346
FIDUCIARY NET POSITION - END OF YEAR	\$ 28,974	\$ 343,048

See accompanying Notes to Basic Financial Statements.

SWIFT COUNTY
STATEMENT OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2024

	Swift County Housing and Redevelopment Authority	Swift County-Benson Hospital	Total
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 975,718	\$ 12,937	\$ 988,655
Accounts Receivable - Net	93,719	11,136	104,855
Lease Receivable	-	847,629	847,629
Loans Receivable - Current	10,037	-	10,037
Total Current Assets	<u>1,079,474</u>	<u>871,702</u>	<u>1,951,176</u>
RESTRICTED ASSETS			
Cash and Investments	728,824	656,867	1,385,691
NONCURRENT ASSETS			
Capital Assets:			
Land	25,000	880,894	905,894
Construction-in-Progress	592,525	-	592,525
Buildings (Net of Depreciation)	1,964,803	12,943,559	14,908,362
Land Improvements (Net of Depreciation)	-	125,292	125,292
Loans Receivable - Noncurrent	31,888	-	31,888
Lease Receivable - Noncurrent	-	10,927,520	10,927,520
Total Noncurrent Assets	<u>2,614,216</u>	<u>24,877,265</u>	<u>27,491,481</u>
Total Assets	4,422,514	26,405,834	30,828,348
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	-	204,115	204,115
CURRENT LIABILITIES			
Accounts Payable	272,578	-	272,578
Due to Other Governments	16,185	-	16,185
Accrued Interest	13,123	120,616	133,739
Revenue Bonds Payable - Current	140,000	600,000	740,000
Due to Primary Government - Current	8,551	104,428	112,979
Loans Payable - Current	-	243,658	243,658
Mortgage Payable - Current	746	-	746
Customer Deposits	31,765	-	31,765
Total Current Liabilities	<u>482,948</u>	<u>1,068,702</u>	<u>1,551,650</u>
NONCURRENT LIABILITIES			
Revenue Bonds Payable - Long Term	1,227,417	9,867,975	11,095,392
Due to Primary Government - Long Term	504,533	792,459	1,296,992
Loans Payable - Long Term	233,334	2,428,810	2,662,144
Mortgage Payable - Long Term	31,511	-	31,511
Total Noncurrent Liabilities	<u>1,996,795</u>	<u>13,089,244</u>	<u>15,086,039</u>
Total Liabilities	2,479,743	14,157,946	16,637,689
DEFERRED INFLOWS OF RESOURCES			
Leases	-	11,775,149	11,775,149
NET POSITION			
Net Investment in Capital Assets	221,503	116,530	338,033
Restricted	697,059	656,867	1,353,926
Unrestricted	1,024,209	(96,543)	927,666
Total Net Position	<u>\$ 1,942,771</u>	<u>\$ 676,854</u>	<u>\$ 2,619,625</u>

See accompanying Notes to Basic Financial Statements.

SWIFT COUNTY
STATEMENT OF ACTIVITIES – DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2024

COMPONENT UNITS	Program Revenues			
	Expenses	Fees, Charges, Fines and Other	Operating Grants and Contributions	Capital Grants and Contributions
Housing and Redevelopment Authority	\$ 1,611,706	\$ 786,696	\$ 1,276,168	\$ -
Swift County-Benson Hospital	1,320,674	1,317,044	-	-
Total Component Units	\$ 2,932,380	\$ 2,103,740	\$ 1,276,168	\$ -

See accompanying Notes to Basic Financial Statements.

SWIFT COUNTY
STATEMENT OF ACTIVITIES – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Net Expense (Revenue) and Changes in Net Position		
	Housing and Redevelopment Authority	Swift County-Benson Hospital	Total
COMPONENT UNITS			
Housing and Redevelopment Authority	\$ 451,158	\$ -	\$ 451,158
Swift County-Benson Hospital	-	(3,630)	(3,630)
Total Component Units	451,158	(3,630)	447,528
GENERAL REVENUES			
Investment Earnings	23,364	4,928	28,292
Special Items (Note 9B)	-	-	-
Gain on Disposal of Capital Assets	-	-	-
Total General Revenues	23,364	4,928	28,292
CHANGE IN NET POSITION	498,002	1,298	499,300
Net Position - Beginning of Year	1,444,769	675,556	2,120,325
Restatement - See Note 9	-	-	-
NET POSITION - END OF YEAR	\$ 1,942,771	\$ 676,854	\$ 2,619,625

See accompanying Notes to Basic Financial Statements.

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Swift County's (the County) financial statements are prepared in accordance with generally accepted accounting principles (GAAP) 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

Swift County, Minnesota was established February 15, 1870, and has the powers, duties, and privileges granted counties by Minnesota Statutes § 373. Swift County is governed by a five-member Board of Commissioners elected from districts within the County and administrative officers elected on a County-wide basis. The Board is organized with a chair and a vice-chair elected at the annual meeting in January of each year. The County Administrator, who is appointed by the Board, serves as the Clerk of the Board of Commissioners but does not vote in its decisions.

For financial reporting purposes, Swift County has included all funds, organizations, agencies, boards, commissions, and authorities and has considered all potential component units for which the County is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause Swift County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial statement accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization; or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.

As required by accounting principles generally accepted in the United States of America, these financial statements present Swift County (primary government) and its component units for which the County is financially accountable.

Discretely Presented Component Units

While part of the reporting entity, discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. The following component units of Swift County are discretely presented:

Swift County Housing and Redevelopment Authority

Swift County Housing and Redevelopment Authority (HRA) was created to administer the public housing programs authorized by the United States Housing Act of 1937, as amended, and to carry out other housing assistance programs. The HRA is currently governed by a seven-member Board of Directors appointed by the Swift County Board of Commissioners and has a June 30, 2024, year-end.

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Swift County Housing and Redevelopment Authority (Continued)

Although it is legally separate from the County, the activity of the HRA is included in the Swift County reporting entity, because the County Board appoints a voting majority of the HRA's Board of Directors, and the County is liable in the event that tax increments collected by the HRA are not sufficient to make the required debt service payments. See Note 9 for significant accounting policies and other disclosures. Separate financial statements of the Swift County HRA can be obtained at P.O. Box 286, Benson, Minnesota 56215.

Swift County-Benson Hospital

The Swift County-Benson Hospital was created for the purpose of providing or causing to be provided health and related medical services in the region covered by the district. The Hospital is currently governed by a nine-member Board of Directors, six of whom are appointed by the Swift County Board; the three remaining members are appointed by the Benson City Council. Although it is legally separate from the County, the activity of the Hospital is included in the Swift County reporting entity because the County Board appoints a voting majority of the Hospital's Board of Directors, and the Hospital is financially accountable to the County. See Note 9 for significant accounting policies and other disclosures. Separate financial statements of the Swift County-Benson Hospital can be obtained at 1815 Wisconsin Avenue, Benson, Minnesota 56215.

Other Organizations

The County participates in joint ventures which are described in Note 10.A. Jointly governed organizations are identified in Note 10.B, and a related organization is identified in Note 10.C.

B. Basic Financial Statements

1. Government-Wide Statements

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

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

1. Government-Wide Statements (Continued)

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

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

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

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

2. Fund Financial Statements

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

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

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

Welfare Special Revenue Fund – is used to account for economic assistance and community social services programs. These programs are funded primarily by property taxes, committed through the Board approved levy, and intergovernmental revenues.

Revolving Loan Special Revenue Fund – is used to account for the activities of the revolving loan program. Intergovernmental revenues were received for this program and are restricted for future loans.

Solid Waste Special Revenue Fund – is used to account for funds used in solid waste management. Financing is provided by special assessments, committed through Board action, against all parcels of property in the County that fit the predetermined special assessment parameters.

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

Debt Service Fund – is used to account for the payment of principal and interest payments on long-term debt, which are financed by a loan receivable with Federated Telephone Cooperative with payment terms to match the debt service requirements. The fund is also used to make principal and interest payments on the General Obligation Capital Improvement Plan Bonds, Series 2017A, and 2021A taxable crossover refunding bonds.

Opioid Settlement Fund – is used to account for the activities related to the final settlement agreements reached with pharmaceutical companies and distributors as part of the National Prescription Opiate Litigation.

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

The County reports the following internal service fund:

Self-Insurance Internal Service Fund – is used to account for the County’s self-insured insurance program. The financing is a combination of the county paid portion with the expense allocated by the fund the employee works in and the employee paid portion of the insurance. The County’s self-insurance program started in January 2014.

Additionally, the County reports the following fiduciary fund types:

Private-Purpose Trust Fund – is used to report trust arrangements, other than pensions and investment trust, under which principal and income benefit individuals, private organizations, and other governments. The County has one private-purpose trust fund, the Social Welfare fund, which accounts for the activity related to income received and payments made on behalf of individuals for whom the County is responsible to assist.

Custodial Funds – are custodial in nature. These funds are used for a variety of purposes; to account for the collection and disbursement of taxes on behalf of other governments within the County; as an agent for other collections; as an agent for estate recoveries; as an agent for the Northern Lights Snowmobile club, as an agent for civil process and forfeiture, as an agent for state revenue payments, and as an agent for the inmates of the Swift County Jail.

C. Measurement Focus and Basis of Accounting

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

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

1. Cash and Cash Equivalents

The County has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, each fund's equity in the County's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

For the purpose of the statement of cash flows, all highly liquid investments with a maturity date of three months or less when purchased are considered to be cash equivalents.

The County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minnesota Statutes §471.59. The MAGIC Fund is not registered with the Securities and Exchange Commission. The investment in the pool is measured at the amortized cost per share provided by the pool, which would closely approximate fair value. More information including the most recent audited financial statement is available on their website www.magicfund.org.

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2024, based on market prices. Pursuant to Minnesota Statutes §385.07, investment earnings on cash and pooled investments are credited to the general fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants.

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Receivables and Payables

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

All receivables, including those of the discretely reported component units, are shown net of an allowance for uncollectible accounts.

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

Unpaid taxes after December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

4. Loans Receivable

Loans receivable represents the unpaid principal portions of loans made by the County through its revolving loan fund. Principal and interest received by the County on these loans are recognized, at the fund level, in the period in which they are collected; accordingly, the unpaid principal portions are also reflected in deferred inflows of resources.

The Debt Service Fund presents loans receivable for the amount Federated Telephone Cooperative owes the County related to the issuance and repayment of the 2017A capital improvement bond, and 2021A taxable crossover refunding bonds. Principal payments received by the County are recorded as a reduction to the loan receivable balance, whereas interest payments received by the County on these loans are recognized, at the fund level, in the period in which they are collected.

5. Supplies/Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as supplies and prepaid items in both government-wide and fund financial statements. Prepaid items are expensed using the consumption method for both the government-wide and fund financial statements.

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Restricted Assets

Certain funds of the County are classified as restricted assets on the statement of net position because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations.

7. Capital Assets

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

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

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

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

Buildings	40 to 100 Years
Infrastructure	40 to 75 Years
Machinery, Vehicles, Furniture, and Equipment	5 to 20 Years

8. Compensated Absences

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

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Deferred Outflows of Resources

The County reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The County will not recognize the related outflow until a future event occurs. More detailed information about pension related deferred outflows of resources can be found in Note 4 to the financial statements and more information about other postemployment benefits related deferred outflows of resources can be found in Note 6 to the financial statements. A third deferred outflow of resources reported by the County is a loss on refunding.

10. Deferred Inflows of Resources

The County's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund balance that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has five types of items which are reported as deferred inflows of resources. The first type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the County's year) under the modified accrual basis of accounting. The second type relates to pension liabilities as described in Note 4 to the financial statements. The third type relates to other postemployment benefits related deferred inflows of resources can be found in Note 6 to the financial statements. The final types occur because the County collected property taxes and special assessment prior to the year they were levied for and, therefore, the County will report deferred inflows for these items.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net pension of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Long-Term Obligations

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

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

13. Fund Balance and Net Position

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance relate to prepaids, inventories, and long-term receivables. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the County Board. The County Board has delegated authority to assign fund balances and their intended uses to the County Auditor. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in other classifications.

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

14. Use of Estimates

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

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Adoption of New Accounting Standards

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

The County adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance

The County has deficit fund balance at December 31, 2024, as follows:

Ditch Fund	<u>\$ 1,820,266</u>
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The County intends to fund this deficit through future special assessment levies.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. Pursuant to Minnesota Statutes §385.07, investment earnings on cash and pooled investments are credited to the general fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants.

Governmental Activities:	
Cash and Pooled Investments	\$ 28,306,308
Petty Cash and Change Funds	1,675
Restricted Cash and Investments	600,000
Fiduciary Funds	874,445
Total Cash and Investments	<u>\$ 29,782,428</u>

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledge must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral includes: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letters of credit issue by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

Custodial Credit Risk – Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits.

The County's deposits in banks at December 31, 2024, were entirely covered by federal depository insurance or by pledged collateral held by the bank's agent in Swift County's name in amounts equal to at least 110% of the amount in excess of the federal depository insurance, as required by Minnesota Statutes.

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

- (a) Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota Statutes §118a.04, Subd. 6;
- (b) Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (c) 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;
- (d) Bankers' acceptances of United States banks;

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

- (e) 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
- (f) With certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts. As of December 31, 2024, the County had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
U.S. Government Securities Mutual Fund	\$ 347,435	\$ 347,435	\$ -	\$ -
MAGIC External Investment Pool	19,619,840	19,619,840	-	-
Total	<u>\$ 19,967,275</u>	<u>\$ 19,967,275</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The table above shows the maturities of the County's various fixed rate securities.

Credit Risk

Minnesota Statutes restrict the types of investments that the County may invest in. The County's investment policy does not further limit its investment choices. As of December 31, 2024, the County's U.S. government securities mutual funds through Franklin Templeton Investments were rated AAA, through inquiry of customer service representatives.

Concentration Credit Risk

The County's investment policy places no limit on the amount the County may invest in any one issuer. As of December 31, 2024, the County had no investments with one issuer over 5%.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of failure by the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy further limits its investments by limiting the amount of investments with any one broker to the amount SPIC and excess SPIC coverage available.

Fair Value Measurement

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

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Fair Value Measurement (Continued)

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

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

Level 1 – Financial assets are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

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

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

Investments are measured as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments by Fair Value Level:				
U.S. Government Securities Mutual Fund	<u>\$ -</u>	<u>\$ 347,435</u>	<u>\$ -</u>	\$ 347,435
Investments Measured at Amortized Costs:				
MAGIC Portfolio				19,619,840
Total Investments				19,967,275
Deposits and Cash on Hand				9,815,153
Total				<u>\$ 29,782,428</u>

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Fair Value Measurement (Continued)

MAGIC is a local government investment pool. The County invests in this pool for the purpose of joint investments of the County's money with those of other counties to enhance the investment earnings accruing to each member.

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

2. Loans Receivable

During 2016, the County issued the 2016A General Obligation Tax Abatement Bonds to provide funds to Federated Telephone Cooperative for financing of a county-wide broadband project. The County reports a loans receivable in the amount of the principal of the 2016A bonds as Federated Telephone Cooperative will repay the loan to the County in an amount sufficient to pay, in full and when due, all the bond payments. In addition, Federated Telephone Cooperative deposited \$600,000 with the County as a custodial deposit to be held throughout the life of the bond payments. The County reports this as restricted cash and custodial deposits on the financial statements. These bonds were refunded via the 2021A General Obligation Taxable Crossover Refunding bonds which were issued during 2021 for \$6,115,000.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Receivables

Receivables at December 31, 2024, for the County, including any applicable allowances for uncollectible accounts, are as follows:

	Total Receivables	Amounts Not Scheduled for Collection in Subsequent Year
Taxes	\$ 148,515	\$ -
Special Assessments	1,693,246	-
Accounts	525,291	-
Loans	5,877,049	5,872,049
Due from Component Unit	1,420,488	1,296,992
Interest	106,543	-
Due from Other Governments	3,294,111	-
Total	<u>\$ 13,065,243</u>	<u>\$ 7,169,041</u>

4. Capital Assets

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

Government-Type Activities – Primary Government

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated:				
Land and Right-of-Way	\$ 2,771,394	\$ 54,387	\$ -	\$ 2,825,781
Construction-in-Progress	1,478,590	4,681,562	3,806,976	2,353,176
Total Capital Assets, Not Being Depreciated:	4,249,984	4,735,949	3,806,976	5,178,957
Capital Assets, Being Depreciated:				
Buildings	14,701,662	9,070	-	14,710,732
Machinery, Furniture, and Equipment	10,077,367	1,219,407	348,317	10,948,457
Infrastructure	92,724,502	3,684,257	-	96,408,759
Total Capital Assets, Being Depreciated	117,503,531	4,912,734	348,317	122,067,948
Less Accumulated Depreciation for:				
Buildings	4,982,430	278,647	-	5,261,077
Machinery, Furniture, and Equipment	6,660,086	880,276	267,309	7,273,053
Infrastructure	30,713,004	1,825,122	-	32,538,126
Total Accumulated Depreciation	42,355,520	2,984,045	267,309	45,072,256
Total Capital Assets, Being Depreciated, Net	<u>75,148,011</u>	<u>1,928,689</u>	<u>81,008</u>	<u>76,995,692</u>
Governmental Activities Capital Assets, Net	<u>\$ 79,397,995</u>	<u>\$ 6,664,638</u>	<u>\$ 3,887,984</u>	<u>\$ 82,174,649</u>

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

4. Capital Assets (Continued)

Government-Type Activities – Primary Government (Continued)

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

Government-Type Activities:		
General Government	\$	279,163
Public Safety		230,144
Highways and Streets, Including Depreciation of Infrastructure Assets		2,366,820
Human Services		23,805
Sanitation		59,427
Conservation of Natural Resources		1,578
Culture and Recreation		23,108
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>2,984,045</u>

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2024, is as follows:

1. Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Welfare Fund	<u>\$ 4,773</u>	Reimbursement for Services

2. Interfund Transfers

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
Road and Bridge Fund	General Fund	\$ 447,356	Transfer for Operations
Welfare Fund	General Fund	238,262	Transfer for Operations
Revolving Loan Fund	General Fund	5,832	Transfer for Operations
Debt Service Fund	General Fund	31,800	Transfer for Operations
Total		<u>\$ 723,250</u>	

3. Advance To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Ditch Fund	<u>\$ 1,099,875</u>	Ditch Expenditure Reimbursement

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

3. Advance To/From Other Funds (Continued)

The Due from Component Unit/Due to Primary Government as of December 31, 2024 is between Swift County and the Swift County-Benson Hospital is \$896,887. The County Board approved a 20-year loan for \$2,000,000 with a 2% interest rate with repayment to begin in January 2013. Principal repayments in 2024 are \$104,428. The amount due in more than one year is \$792,459. The remaining amount is due from the Swift County HRA which reports on a June 30 year-end. On December 11, 2023, the County loaned \$513,084 to the HRA with a 1% interest rate with repayment in semiannual installments beginning February 1, 2024. Payments will be interest only on the loan until the HRA completes the rehabilitation portion of the project and a certificate of occupancy has been issued. As of December 31, 2024, these conditions have not yet been met.

C. Liabilities

1. Long-Term Debt

Governmental Activities

<u>Types of Indebtedness</u>	<u>Final Maturity</u>	<u>Installment Amounts</u>	<u>Interest Rates</u>	<u>Original Issued Amount</u>	<u>Outstanding Balance December 31, 2024</u>
General Obligation Bonds:					
2017A Capital Improvement Bonds	2038	\$125,000 to \$340,000	3.00% to 3.25%	\$ 5,105,000	\$ 3,925,000
General Obligation Bonds:					
2021A Taxable Crossover Refunding Bonds	2037	\$400,000 to \$490,000	0.55% to 2.35%	6,115,000	5,715,000
Total Indebtedness				<u>\$ 11,220,000</u>	<u>\$ 9,640,000</u>

2. Debt Service Requirements

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

<u>Year Ending December 31,</u>	<u>2017A G.O. Capital Improvement Plan Bonds</u>		<u>2021A G.O. Crossover Taxable Refunding Bonds</u>		<u>Loans Payable Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 230,000	\$ 122,381	\$ 405,000	\$ 96,134	\$ 31,932	\$ -
2026	235,000	115,556	410,000	92,668	66,932	-
2027	245,000	108,581	410,000	88,363	101,932	-
2028	250,000	101,381	420,000	83,065	101,932	-
2029	260,000	93,956	420,000	76,870	101,932	-
2030-2034	1,410,000	350,531	2,210,000	271,310	288,423	-
2035-2038	1,295,000	122,195	1,440,000	50,040	-	-
Total	<u>\$ 3,925,000</u>	<u>\$ 1,014,581</u>	<u>\$ 5,715,000</u>	<u>\$ 758,449</u>	<u>\$ 693,083</u>	<u>\$ -</u>

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Liabilities (Continued)

3. Changes in Long-Term Liabilities

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

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2017A General Obligation					
Capital Improvement Bonds	\$ 4,150,000	\$ -	\$ 225,000	\$ 3,925,000	\$ 230,000
Premium	73,719	-	8,844	64,875	-
Total 2017A General Obligation					
Capital Improvement Bonds	4,223,719	-	233,844	3,989,875	230,000
2021A General Obligation Taxable					
Crossover Refunding Bonds	6,115,000	-	400,000	5,715,000	405,000
Subtotal Bonds Payable	10,338,719	-	633,844	9,704,875	635,000
Loans Payable - Direct Borrowings	569,449	155,566	31,932	693,083	31,932
Compensated Absences*	1,650,602	-	255,212	1,395,390	348,847
Governmental Activity					
Long-Term Liabilities	<u>\$ 12,558,770</u>	<u>\$ 155,566</u>	<u>\$ 920,988</u>	<u>\$ 11,793,348</u>	<u>\$ 1,015,779</u>

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

The annual liquidation of bonded debt obligations are reported in the Debt Service Fund. Loans payable are liquidated by the Solid Waste Fund. Actual payments of the compensated absences liability are made directly from the same governmental funds that incurred the salary expenditures.

4. Notes from Direct Borrowings

The County has entered into loan agreements with the State of Minnesota's Pollution Control agency for implementation of a clean water partnership.

The County's outstanding notes from direct borrowings related to governmental activities of \$693,083 contain a (1) provision that if the County is unable to make a payment when due, an interest penalty of 2% per annum shall accrue per annum on the principal and interest owed commencing on the date payment is due and continuing until the late payment is received contain (2) a provision that in the event of default, demand for the full payment of all amounts due and (3) (a) a provision that if the County fails to comply with any other provision within the note agreement a denial or withhold of disbursement requests may take place until the condition has been correct (b) a reduction of the loan amount or termination of the note agreement.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS

A. Pension 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.

1. General Employees Retirement Plan

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

2. Public Employees Police and Fire Plan

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service.

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

3. Public Employees Local Government Correctional Service Retirement 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.

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Plan Benefits

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

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

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3 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% each month members are younger than age 55.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. Police and Fire Plan Benefits (Continued)

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

2. Correctional Plan Benefits

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

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

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.

1. General Employees Plan Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the County was required to contribute 7.50% for General Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2024, were \$549,331. The County's contributions were equal to the required contributions as set by state statute.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

C. Contributions (Continued)

2. Police and Fire Plan Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2024 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$199,904. The County's contributions were equal to the required contributions as set by state statute.

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.

3. Correctional Plan Contributions

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2024 and the County was required to contribute 8.75% for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2024, were \$69,501. The County's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2024, the County reported a liability of \$3,033,665 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 \$78,444.

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 .08 percent at the end of the measurement period and .0821 percent for the beginning of the period.

County's Proportionate Share of the Net Pension Liability	\$ 3,033,665
State's Proportionate Share of the Net Pension Liability Associated with the County	78,444
Total	\$ 3,112,109

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

For the year ended December 31, 2024, the County recognized pension expense of \$326,951 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$972 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 \$139,577 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:

<u>Description</u>	<u>Swift County</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 285,245	\$ -
Changes in Actuarial Assumptions	14,811	1,148,193
Difference Between Projected and Actual Earnings on Pension Plan Investments	-	880,951
Changes in Proportion	124,834	141,960
Subsequent Contributions Paid to PERA Subsequent to the Measurement Date	297,005	-
Total	<u>\$ 721,895</u>	<u>\$ 2,171,104</u>

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

The \$297,005 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 deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31.</u>	<u>County Pension Expense Amount</u>
2025	\$ (970,707)
2026	(203,649)
2027	(339,347)
2028	(232,511)

2. Police and Fire Fund Pension Costs

At December 31, 2024, the County reported a liability of \$1,035,522 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 .0787 percent at the end of the measurement period and .0702 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% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$39,474.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

County's Proportionate Share of the Net Pension Liability		\$	1,035,522
State's Proportionate Share of the Net Pension Liability Associated with the County			39,474
Total		\$	<u>1,074,996</u>

For the year ended December 31, 2024, the County recognized pension expense of \$242,348 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$15,518 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$22,351 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:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 403,552	\$ -
Changes in Actuarial Assumptions	1,138,308	1,524,833
Difference Between Projected and Actual Earnings on Pension Plan Investments	-	336,701
Changes in Proportion	210,971	48,983
County Contributions Paid to PERA Subsequent to the Measurement Date	114,522	-
Total	<u>\$ 1,867,353</u>	<u>\$ 1,910,517</u>

The \$114,522 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:

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

Year Ending December 31,	Pension Expense Amount
2025	\$ (5,058)
2026	301,915
2027	(115,499)
2028	(387,839)
2029	48,795

3. Correctional Plan Pension Costs

At December 31, 2024, the County reported a liability of \$90,544 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 .297 percent at the end of the measurement period and .287 percent for the beginning of the period.

For the year ended December 31, 2024 the County recognized pension expense of \$145,682 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 \$15,614 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.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

3. Correctional Plan Pension Costs (Continued)

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

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 64,180	\$ -
Changes in Actuarial Assumptions	-	306,333
Difference Between Projected and Actual Earnings on Pension Plan Investments	-	125,725
Changes in Proportion Contributions Paid to PERA and Proportionate Share of Contributions	13,445	-
County Contributions Paid to PERA Subsequent to the Measurement Date	39,133	-
Total	<u>\$ 116,758</u>	<u>\$ 432,058</u>

The \$39,133 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:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2025	\$ (331,211)
2026	55,139
2027	(44,516)
2028	(33,845)

3. Aggregate Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2024 was \$731,471.

4. Summary

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

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

4. Summary (Continued)

	General Employee Fund	Police and Fire Fund	Correctional Fund	Total
Net Pension Liability	\$ 3,033,665	\$ 1,035,522	90,544	\$ 4,159,731
Deferred Outflows of Resources Related to Pension	721,895	1,867,353	116,758	2,706,006
Deferred Inflows of Resources Related to Pension	2,171,104	1,910,517	432,058	4,513,679
Pension Expense	327,923	257,866	145,682	731,471

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:

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

F. Actuarial Methods and Assumptions

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

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

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 11.75% after one year of service to 3% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11% at age 20 to 3% at age 60.

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

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

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

General Employees Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

Police and Fire Fund

Changes in Plan Provisions:

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

Correctional Fund

Changes in Plan Provisions:

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

G. Discount Rate

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

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:

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

H. Pension Liability Sensitivity (Continued)

	Sensitivity Analysis					
	<i>Net Pension Liability (Asset) at Different Discount Rates</i>					
	<u>General Employee Fund</u>		<u>Police and Fire Fund</u>		<u>Correctional Fund</u>	
1% Lower	6.00 %	\$ 6,626,012	6.00 %	\$ 2,447,142	6.00 %	\$ 735,775
Current Discount Rate	7.00	3,033,665	7.00	1,035,522	7.00	90,544
1% Higher	8.00	78,631	8.00	(123,712)	8.00	(423,484)

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.

NOTE 5 DEFINED CONTRIBUTION PLAN

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D and 356, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty.

Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

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

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rate</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	
\$ 7,852	\$ 7,852	5%	5%	5%

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured defined benefit plan. The County provides benefits for retirees as required by Minnesota Statutes §471.61 subdivision 2b. Active employees who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program. As of January 1, 2023, the latest valuation date, there were 123 active participants and 2 retirees receiving health benefits from the County's health plan. Pursuant to the provisions of the plan, retirees are required to pay 100% of the total premium cost.

A. Funding Policy

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

B. Actuarial Methods and Assumptions

The County's OPEB liability was measured as of January 1, 2024, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2023.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023 (update procedures were used to roll forward the total OPEB liability to the measurement date), using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary	Varies
Health Care Trend Rates	6.25% Decreasing to 5.0% Over 5 Years

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale. The actuarial assumptions used in the January 1, 2023, valuation were based on PERA actuarial experience studies.

The discount rate used to measure the total OPEB liability was 4.00%. The discount rate is equal to the 20-Year Municipal Bond Yield.

Since the most recent valuation, no assumption changes were made.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Changes in Total OPEB Liability

	Total OPEB Liability
Balance as of January 1, 2024	\$ 210,425
Changes for the Year:	
Service Cost	17,919
Interest	8,799
Benefit Payments	(16,894)
Net Change in Total OPEB Liability	9,824
Balance as of December 31, 2024	\$ 220,249

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	\$ 235,658	\$ 220,249	\$ 205,946

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower (5.25% decreasing to 4.0% over 5 years) or 1% higher (7.25% decreasing to 6.0% over 5 years) than the current health care costs trend rates:

	1% Decrease (5.25% Decreasing to 4.00% over 5 Years)	Current Trend Rates (6.25% Decreasing to 5.00% over 5 Years)	1% Increase (7.25% Decreasing to 6.00% over 5 Years)
<u>Medical Trend Rate</u>			
Total OPEB Liability	\$ 197,778	\$ 220,249	\$ 246,930

For the year ended December 31, 2024, the County recognized OPEB expense of \$7,631. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 412	\$ 15,797
Liability Gain or Loss	19,904	28,882
County Contributions Subsequent to the Measurement Date	14,508	-
Total	\$ 34,824	\$ 44,679

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Changes in Total OPEB Liability (Continued)

The \$14,508 reported as deferred outflows of resources related to County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>OPEB Expense Amount</u>
2025	\$ (19,081)
2026	(8,129)
2027	950
2028	950
2029	947
Total	<u>\$ (24,363)</u>

NOTE 7 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. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Insurance Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. For other risk, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2024. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 RISK MANAGEMENT (CONTINUED)

On October 15, 2013, the County entered into a joint powers agreement with four other counties (Benton, Lyon, Murray, and Redwood) and Southwest Health and Human Services to form the Minnesota Public Section Collaborative to self-insure medical and pharmacy benefits for its employees. Currently, the County contracts with Blue Cross Blue Shield of Minnesota (BCBS) to administer employee and dependent group health coverage. Claims are paid by BCBS and reimbursed by the County on a weekly basis.

Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program. The County has retained risk up to a \$60,000 specific excess coverage per contract claim per year (\$1,000,000 aggregate) for the health plan. Liabilities of the fund are reported when it is probable that the loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount, as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors.

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

	Year Ended December 31,	
	2024	2023
Incurring But Not Reported - Beginning of Year	\$ 115,887	\$ 20,220
Incurred Claims	1,196,559	1,053,225
Claims Payments	(1,261,653)	(957,558)
Incurred But Not Reported - End of Year	\$ 50,793	\$ 115,887

NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS

Contingent Liabilities

Amounts received or receivable from grant 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.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DISCRETE COMPONENT UNITS

A. Swift County Housing and Redevelopment Authority (HRA)

Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Swift County HRA. The HRA's fiscal year ended on June 30, 2024.

Basis of Accounting

The HRA component unit is accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. The accounts are organized as a proprietary fund. Revenues are recorded when earned, and expenses are recorded when incurred.

Deposits

Minnesota Statutes and HUD regulations require that all deposits with financial institutions be covered by insurance, surety bond, or collateral.

Following is a summary of deposits covered by insurance or collateral at June 30, 2024:

	Carrying Amount
Insured or Collateralized with Securities Held by the HRA or its Agent in the HRA's Name	\$ 1,704,542

Restricted Assets

The HRA maintains restricted cash in the amount of housing assistance payment equity as required by the grantor.

Loans Receivable

The HRA previously received funds from the state and federal governments for various home ownership programs. The Program provided funds to the HRA to purchase and/or rehabilitate homes for resale at affordable prices to eligible low-income homebuyers. The program requires the HRA to maintain the homes as affordable for 15.5 years. The homebuyer signed a contract for deed with the HRA establishing monthly payments based on their income. The monthly payments are applied first to real estate taxes and insurance premiums, then to the payment of principal. The loans have an interest rate of 2.0% to 3.5%. At June 30, 2024 the HRA had three outstanding loan receivable. Activity on the loans during the year were as follows:

	Beginning Balance	Additions	Repayments	Ending Balance
Homeowner Loan Receivable	\$ 37,380	\$ 13,839	\$ 9,294	\$ 41,925

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

A. Swift County Housing and Redevelopment Authority (HRA) (Continued)

Capital Assets

Buildings and equipment are recorded at cost or at acquisition value on the date received, if donated. Repairs and maintenance are reported as expenses. Depreciation is provided on a straight-line basis over the estimated useful lives of the individual assets, which range from 3 to 40 years.

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Construction in Progress	50,698	541,827		592,525
Total Capital Assets Not Being Depreciated	75,698	541,827	-	617,525
Capital Assets Being Depreciated:				
Buildings	3,585,645	655,724	-	4,241,369
Machinery, Furniture, and Equipment	1,500	-	-	1,500
Total Capital Assets Being Depreciated	3,587,145	655,724	-	4,242,869
Less Accumulated Depreciation for:				
Buildings	2,157,046	119,520	-	2,276,566
Machinery, Furniture, and Equipment	1,500	-	-	1,500
Total Accumulated Depreciation	2,158,546	119,520	-	2,278,066
Total Capital Assets, Depreciated, Net	1,428,599	536,204	-	1,964,803
Total Capital Assets, Net	<u>\$ 1,504,297</u>	<u>\$ 1,078,031</u>	<u>\$ -</u>	<u>\$ 2,582,328</u>

Long-Term Debt

The long-term debt obligations outstanding at year-end are summarized as follows:

	Maturity	Interest Rate	June 30, 2024
Limited Tax Housing and Development Revenue Refunding Bonds, Series 2022	2033	0.5-3.2%	\$ 1,320,000
Rental Rehabilitation Deferred Loan	2054	0.00%	233,334
Total Outstanding Bonds			<u>\$ 1,553,334</u>

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

A. Swift County Housing and Redevelopment Authority (HRA) (Continued)

Long-Term Debt (Continued)

Annual debt service requirements to maturity, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 140,000	\$ 25,000	\$ 165,000
2026	135,000	22,250	157,250
2027	140,000	19,500	159,500
2028	145,000	16,650	161,650
2029	145,000	13,750	158,750
2030-2034	615,000	24,950	639,950
2035-2039	-	-	-
2040-2044	-	-	-
2045-2049	-	-	-
2050-2054	233,334	-	233,334
Total	<u>\$ 1,553,334</u>	<u>\$ 122,100</u>	<u>\$ 1,675,434</u>

Due to Primary Government

On December 14, 2023, Swift County issued a loan payable in the amount of \$513,084 for the purchase of rehabilitation and use as multi-family housing for the HRA. This is a loan payable, accruing interest at 1.0% per annum, with semi-annual installments one on or before February 1 of each year and one on or before July 1 of each year. A final payment schedule and first payment schedule will be made when the project is completed in 2025.

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Due to Primary Government	\$ -	\$ 513,084	\$ -	\$ 513,084	\$ 8,551

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 8,551	\$ 5,145	\$ 13,696
2026	17,103	4,995	22,098
2027	17,103	4,824	21,927
2028	17,103	4,653	21,756
2029	17,103	4,494	21,597
2030-2034	85,514	19,854	105,368
2035-2039	85,514	15,557	101,071
2040-2044	85,514	11,299	96,813
2045-2049	85,514	7,025	92,539
2050-2054	85,514	2,742	88,256
2055	8,551	-	8,551
Total	<u>\$ 513,084</u>	<u>\$ 80,588</u>	<u>\$ 593,672</u>

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

A. Swift County Housing and Redevelopment Authority (HRA) (Continued)

Risk Management

The HRA is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; workers' compensation claims; and natural disasters. Property, casualty, and workers' compensation liabilities are insured. The HRA retains risk for the deductible portions of the insurance.

Contingencies

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenses under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although the HRA expects such amounts, if any, to be immaterial.

Economic Dependency

The HRA is economically dependent on the local levy and administration fees. The HRA operates at a loss prior to receiving these funds.

B. Swift County-Benson Hospital

Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Swift County-Benson Hospital (Hospital):

Basis of Accounting

The Hospital component unit is accounted for using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposit accounts, unexpended construction funds, and saving accounts. For purposes of the statement of cash flows, the Hospital considers all cash and investments with an original maturity of three months or less as cash and cash equivalents.

Restricted Cash and Cash Equivalents

Cash and cash equivalents that have restrictions which change the nature or normal understanding of availability of the asset are reported separately. Restricted cash and cash equivalents available for obligations classified as current liabilities are reported as current assets.

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

B. Swift County-Benson Hospital (Continued)

Capital Assets

Capital expenditures, greater than \$5,000, are capitalized and recorded at cost. All future capital asset additions are the responsibility of the lessees of the facility. Depreciation is provided on a straight-line basis over the estimated useful lives of each depreciable asset.

The Hospital considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying value of assets are appropriate. No impairment was identified for the year ended December 31, 2024.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so, will not be recognized as an outflow of resources (expense) until then. The deferred outflow of resources reported in the financial statements consists of unamortized loss on refunding. Deferred refunding costs are amortized over the shorter of the remaining life of the refunded bonds or the refunding bonds as a component of interest expense.

Deferred Inflows of Resources

Deferred inflows of resources represent future lease payments to be received under the facility leases which will be recognized as revenue in future years.

Operating Revenues and Expenses

The Hospital's statement of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Hospital result from exchange transactions associated with leasing the facilities and the costs of operating the Hospital, including depreciation and excluding interest expense. All other revenues and expenses are reported as nonoperating.

Deposits

Deposits are reported in the following statement of net position captions at December 31, 2024:

Cash and Cash Equivalents	\$ 12,937
Cash and Cash Equivalents held for Debt Service	<u>656,867</u>
Total	<u><u>\$ 669,804</u></u>

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

B. Swift County-Benson Hospital (Continued)

Lease Agreements

Prior to January 1, 2023, the Hospital operated a 21-bed hospital and a clinic which provided healthcare services to the City of Benson and Swift County, Minnesota, and the surrounding area, and prior to February 1, 2023, operated at 77-unit senior living facility that included 58 independent/assisted living units, along with 19 memory care units. Effective January 1, 2023, the Hospital leased the hospital and the clinic to CentraCare Health System (CentraCare) and effective February 1, 2023, the Hospital leased the senior living facility to Cura of Benson, LLC (Cura), both unrelated parties. Under the lease agreements, CentraCare and Cura agree to lease from the Hospital all land, buildings, and fixed equipment of the respective facilities. In addition, the Hospital conveyed to CentraCare and Cura, substantially all operating assets (including certain cash balances, accounts receivable, supplies, prepaid expenses, equipment, and investments) of the respective facilities. CentraCare and Cura agreed to assume all accounts payable, accrued expenses and other liabilities, excluding long-term debt of the Hospital as of the effective date of the lease.

The initial term of the CentraCare lease is 30 years with an option to renew for an additional 30 years. CentraCare's rent payments are equal to the principal and interest payments on the hospital's outstanding long-term debt and annual operating expenses of the Hospital. CentraCare is responsible for maintaining and insuring the hospital and clinic facility. The initial term of the Cura lease is 30 years with an option to renew for an additional 5 years. Cura's rent payments are equal to the principal and interest payments on the senior living's outstanding long-term debt. Cura is responsible for maintaining and insuring the senior living facility.

During the year ended December 31, 2024, the Hospital recognized lease revenue of \$810,856 and interest revenue of \$488,684.

The lease receivables are recorded at the net present value of the future cash flows of the lease payments. A discount rate of 4%, which reflected the Hospitals borrowing rate as of the dates of the transactions, was used to determine the net present value. Future lease payments to be received, which were included in the measurement of the lease receivable, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 847,630	\$ 455,584
2026	880,853	421,065
2027	909,829	385,295
2028	947,808	348,225
2029	1,547,800	290,947
2030-2034	3,793,477	896,525
2035-2039	1,442,431	432,583
2040-2044	1,405,321	120,186
Total	<u>\$ 11,775,149</u>	<u>\$ 3,350,410</u>

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

B. Swift County-Benson Hospital (Continued)

Capital Assets

A summary of capital assets at December 31, 2024, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 880,894	\$ -	\$ -	\$ 880,894
Capital Assets Being Depreciated:				
Buildings and Fixed Equipment	28,539,519	-	-	28,539,519
Land Improvements	472,861	-	-	472,861
Total Capital Assets Being Depreciated	29,012,380	-	-	29,012,380
Less Accumulated Depreciation for:				
Buildings and Fixed Equipment	14,646,195	949,765	-	15,595,960
Land Improvements	329,052	18,517	-	347,569
Total Accumulated Depreciation	14,975,247	968,282	-	15,943,529
Total Capital Assets, Depreciated, Net	<u>\$ 14,037,133</u>	<u>\$ (968,282)</u>	<u>\$ -</u>	<u>\$ 13,068,851</u>
 Total Capital Assets, Net	 <u>\$ 14,918,027</u>	 <u>\$ (968,282)</u>	 <u>\$ -</u>	 <u>\$ 13,949,745</u>

Long-Term Debt

The following is a summary of transactions related to long-term debt for the year ended December 31, 2024:

Year Ending December 31,	Long-Term Debt	
	Principal	Interest
2025	\$ 948,086	\$ 340,960
2026	981,927	310,743
2027	1,011,018	279,478
2028	1,035,319	244,877
2029	1,640,916	190,642
2030-2034	4,537,089	579,775
2035-2039	1,575,000	281,055
2040-2044	1,745,000	104,334
Total	<u>\$ 13,474,355</u>	<u>\$ 2,331,864</u>

The terms and due dates of the Hospital's long-term debt at December 31, 2024, are as follows:

- Loan from Swift County (Due To Primary Government), principal and interest payments of \$10,118 due monthly and began January 1, 2013 through November 2033. The interest rate is initially set at 2% for a period of five years; the rate is then variable and adjusts at each five-year interval based on various conditions including prevailing interest rates in the community at the time. This repayment agreement is secured by a mortgage lien on the Hospital's facility, but the mortgage lien is secondary to any prior mortgage lien to the Hospital's other creditors.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

B. Swift County-Benson Hospital (Continued)

Long-Term Debt (Continued)

- Sonsteg Foundation Loan, interest-only payments due annually until July 2022 when annual installments of \$77,613, including interest, commence until maturity in July 2033. The note will have an initial interest rate of 3.50%. The loan is secured by a fourth priority mortgage on the capital assets of the senior living facility.
- Rural Electric Economic Development (REED) loan disbursement of \$1,000,000 is due in monthly installments of \$6,166 including interest at 4.2%. The loan will be amortized over 20 years with a balloon payment of approximately \$603,000 in April 2029. The loan is secured by a second mortgage on capital assets of the senior living facility.
- 2020A Revenue Bonds were issued, in conjunction with the County, to refinance the bank note. The bonds are due in varying annual installments, plus interest due semi-annually at 2% to 4% through February 2044. The yields on the bonds range from 0.5% to 2.5%. The 2020A bonds are general obligations of Swift County and are secured by the County's ability to levy general ad valorem taxes.
- 2021A Revenue Refunding bonds were issued, in conjunction with the County, to advance refund the 2014 revenue bonds in February 2022. The advance refunding does not qualify as a defeasance, therefore, the 2014 revenue bonds were reported until paid. The 2021A bonds are due in varying annual installments, plus interest due semi-annually at 2% to 4.5% through February 2034. The yield on the bonds is approximately 1.5%. The 2021A bonds are secured by the County's ability to levy general ad valorem taxes.
- City of Benson Appropriation Repayment, principal and interest payments of \$14,213 due monthly through February 2033. The interest rate is 2%. The note is unsecured.

Scheduled principal and interest payments on long-term debt are as follows:

<u>Year Ending December 31,</u>	Long-Term Debt	
	Principal	Interest
2025	\$ 948,086	\$ 340,960
2026	981,927	310,743
2027	1,011,018	279,478
2028	1,035,319	244,877
2029	1,640,916	190,642
2030-2034	4,537,089	579,775
2035-2039	1,575,000	281,055
2040-2044	1,745,000	104,334
Total	\$ 13,474,355	\$ 2,331,864

SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 OTHER ORGANIZATIONS

A. Joint Ventures

Countryside Public Health Service

Swift County entered into a joint powers agreement with Big Stone, Chippewa, Lac qui Parle, and Yellow Medicine Counties creating and operating the Countryside Public Health Service pursuant to Minnesota Statutes §471.59. The Public Health Service is headquartered in Benson, Minnesota, and has offices at the county seats of the member counties.

There is no accumulation of resources or fiscal stress related to this entity.

Financing is provided by state grants, appropriations from member counties, and charges for services. Swift County's contribution for 2024 was \$138,344. Complete financial statements of Countryside Public Health Service can be obtained at 201 13th Street South, Benson, Minnesota 56215.

Region 6W Community Corrections

Swift County participates with Chippewa, Lac qui Parle, and Yellow Medicine Counties to provide community corrections services. Region 6W Community Corrections develops and implements humane and effective methods of prevention, control, and rehabilitation of offenders and also offers a Sentencing to Serve service pursuant to Minnesota Statutes §471.59. The County Boards of the participating counties have direct authority over and responsibility for Region 6W Community Corrections' activities.

The Department of Corrections is responsible for recordkeeping and financial accounting responsibilities with respect to contract administration, work performance, and financial participation verification of the parties involved. Swift County has no operational or financial control over the joint venture.

The County has no ongoing financial interest in this entity. The objective of the entity is to coordinate self-funded efforts of its member organizations. There is no accumulation of resources or fiscal stress related to this entity.

For the year ended December 31, 2024, Swift County contributed \$341,450 to Region 6W Community Corrections. Complete financial statements of Region 6W Community Corrections can be obtained at 1215 Black Oak Avenue, P.O. Box 551, Montevideo, Minnesota 56265.

Upper Minnesota River Watershed District

Swift County entered into a joint powers agreement with other counties to promote the orderly water quality improvement and management of the Upper Minnesota River watershed through information sharing, education, coordination, and related support to the member counties by assisting in the implementation and goal achievement of comprehensive water plans which counties may develop and implement pursuant to Minnesota Statutes §§ 103B.311 and 103B.315.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 OTHER ORGANIZATIONS (CONTINUED)

A. Joint Ventures (Continued)

Upper Minnesota River Watershed District (Continued)

The County is responsible for its proportionate share of the administrative budget and for its share of benefits from any special project. In the event of termination of the agreement, all property, real, and personal, held by the Board shall be distributed by resolution of the policy committee to best accomplish the continuing purpose of the project. There is no accumulation of resources or fiscal stress related to this entity.

Control is vested in an executive board of five officers elected from the membership of the board, consisting of one representative and alternate from each County Board of commissioners included in this agreement. According to the latest information available, 37 counties are members under this agreement.

During 2024, Swift County contribute \$21,234 to the Board. Complete financial statements of the Upper Minnesota River Board can be obtained from its administrative office at 184 Trafton Science Center South, Minnesota State University - Mankato, Mankato, Minnesota, 56001.

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

Swift County entered into a joint powers agreement to create and operate the Kandiyohi-Region 6W Community Corrections Agencies Detention Center (commonly referred to as the Prairie Lakes Youth Programs) pursuant to Minnesota Statutes §471.59. Prairie Lakes Youth Programs provide corrections, detention, and nonsecure alternative programs to juveniles under the jurisdiction of the counties which are parties to the agreement.

Control of the Prairie Lakes Youth Programs is vested in a Joint Board, which is composed of one commissioner from each participating county. An Advisory Board has also been established, which is composed of the directors of the Kandiyohi County Community Corrections Agency and the Region 6W Community Corrections Agency and the directors of the family services or human services departments of the counties participating in the agreement. The Prairie Lakes Youth Programs is located at the Willmar Regional Treatment Center in space rented from the state of Minnesota.

Swift County contributed \$1,384 funds to the entity for the year ended December 31, 2024. The County has no ongoing financial interest in this entity. The objective of the entity is to coordinate self-funded efforts of its member organizations. There is no accumulation of resources or fiscal stress related to this entity.

Complete financial statements of the Prairie Lakes Youth Programs can be obtained at P.O. Box 894, Willmar, Minnesota 56201.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 OTHER ORGANIZATIONS (CONTINUED)

A. Joint Ventures (Continued)

Southwest Minnesota Adult Mental Health Consortium Board

In November 1997, the County entered into a joint powers agreement with Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, McLeod, Meeker, Nobles, Pipestone, Redwood, Renville, Rock, and Yellow Medicine Counties; and Lincoln, Lyon, and Murray Counties, represented by the Lincoln, Lyon & Murray Human Services Board, creating and operating the Southwestern Minnesota Adult Mental Health Consortium Board under the authority of Minnesota Statutes §471.59. The board is headquartered in Willmar, Minnesota, where Des Moines Valley Health and Human Services acts as fiscal host. The board shall take actions and enter into such agreements as may be necessary to plan and develop within the board's geographic jurisdiction a system of care that will serve the needs of adults with serious and persistent mental illness. The governing board is composed of one board member from each of the participating counties. Financing is provided by state proceeds or appropriations for the development of the system of care. The County has no ongoing financial interest in this entity. There is no accumulation of resources or fiscal stress related to this entity.

A complete financial report of the Southwestern Minnesota Adult Mental Health Consortium Board can be obtained at the Des Moines Valley Health and Human Services, 407 5th St., Jackson, Minnesota 56143.

Western Minnesota Prairie Waters Regional Tourism Board

Swift County entered into a joint powers agreement with other counties to promote the area as a great place to visit, work, and live. Five counties and 10 cities are part of this coalition that began in the early 1980s. The County has no ongoing financial interest in this entity. The objective of the entity is to coordinate self-funded efforts of its member organizations. There is no accumulation of resources or fiscal stress related to this entity.

Swift County contributed \$18,674 of funds to Prairie Waters for the year ended December 31, 2024. Separate financial information can be obtained at Western Minnesota Prairie Waters Convention and Visitors Bureau at 323 Schlieman Avenue, Appleton, Minnesota 56208.

Central Minnesota Emergency Services Board

The Central Minnesota Emergency Services Board (previously the Central Minnesota Regional Radio Board) was established in 2007, under the authority conferred upon the member parties by Minnesota Statutes §§ 471.59 and 403.39, and includes the City of St. Cloud and the Counties of Benton, Big Stone, Douglas, Grant, Kandiyohi, Meeker, Mille Lacs, Morrison, Otter Tail, Pope, Sherburne, Stearns, Stevens, Swift, Todd, Traverse, Wadena, Wilkin, and Wright.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 OTHER ORGANIZATIONS (CONTINUED)

A. Joint Ventures (Continued)

Central Minnesota Emergency Services Board (Continued)

The purpose of the Central Minnesota Emergency Services Board is to provide for regional administration of enhancements to the statewide public safety radio and communication system (ARMER) owned and operated by the State of Minnesota. The Central Minnesota Emergency Services Board is composed of one commissioner of each county appointed by the respective County Board and one City Council Member from each city appointed by the respective City Council, as provided in the entity's bylaws. The Central Minnesota Emergency Services Board has no long-term debt. Financing is provided by the appropriations from member parties and by state and federal grants. There is no accumulation of resources or fiscal stress related to this entity.

Swift County did not contribute to the Board for the year ended December 31, 2024. Separate financial information can be obtained at City of St. Cloud, Office of the Mayor, 400 Second Street South, St. Cloud, Minnesota 56303.

Counties Providing Technology

In 2018, 24 counties created a joint powers organization named Counties Providing Technology (CPT) for the purpose of purchasing their former software vendor, Computer Professionals Unlimited, Inc. (CPUI) and then 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. There is no accumulation of resources or fiscal stress related to this entity.

The County contributed \$90,710 to Counties Providing Technology for the year ended December 31, 2024. Complete financial information can be obtained from Counties Providing Technology office at 400 Colorado Avenue, Suite 303, Morris, MN 56267.

B. Jointly Governed Organizations

Southwest Minnesota Chief Elected Officials Board

Swift County entered into a joint powers agreement with 13 other counties to establish a joint community to carry out the purpose of the Workforce Investment Act (WIA), which includes programming to prepare youth and adults facing serious barriers to employment for participation in the labor force and by providing job training and other such services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency.

**SWIFT COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 OTHER ORGANIZATIONS (CONTINUED)

B. Jointly Governed Organizations (Continued)

Southwest Minnesota Chief Elected Officials Board (Continued)

The joint powers board is comprised of one elected official appointed by each member of the County Board. Each representative of the joint powers board shall be appointed for one-year terms. Annually, the joint powers board reviews the financial contribution made by each county. The contribution level is determined by the percent of WIA eligible individuals in each county. In 2024, Swift County contributed \$-0- to the board. Financial information can be obtained from the Southwestern Minnesota Private Industry Council, Inc. office, 607 West Main Street, Marshall, MN 56258.

Coordinated Enforcement Effort (CEE) VI Task Force

Swift County, in conjunction with other local governments, appoints one member to the Board of Directors for the CEE VI Task Force. The Task Force was established to receive and expend federal, state, and local grants and other related funds for the purpose of investigation of burglary, theft, narcotics, stolen property, and crimes of violence. Swift County has no operational or financial control over the CEE VI Task Force. During the year, Swift County paid \$58,044 to the Task Force. Separate financial information for the CEE VI Task Force is not available.

Western Plains Regional Library

Swift County, along with several cities and other counties, participate in the Western Plains Library System in order to provide efficient and improved regional public library service.

The financial activities of the Western Plains Library System are reported as part of the Pioneerland Regional Library System. During the year, Swift County paid \$151,100 to the Library System. Separate financial information for the Western Plains Library System is not available.

C. Related Organization

Swift County Rural Development Finance Authority

The Board members of the Swift County Rural Development Finance Authority (RDFA) are appointed by the Swift County Board of Commissioners. During the year, Swift County approved a levy for the RDFA in the amount of \$145,000. Financial information can be obtained from the Swift County RDFA, 1228 Atlantic Avenue, Benson, Minnesota 56215.

NOTE 11 SUBSEQUENT EVENT

Subsequent to year end, the County Board approved the issuance of General Obligation Capital Improvement Bonds totaling \$5,100,000 to finance the construction of a highway shop.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A**

SWIFT COUNTY
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,572,703	\$ 6,818,728	\$ 6,953,550	\$ 134,822
Licenses and Permits	4,020	4,020	4,270	250
Intergovernmental	1,599,563	1,613,701	1,562,051	(51,650)
Charges for Services	464,829	502,829	740,754	237,925
Fines and Forfeits	-	-	1,217	1,217
Investment Earnings	215,000	215,000	1,361,531	1,146,531
Miscellaneous	7,828,000	7,830,000	487,704	(7,342,296)
Total Revenues	<u>16,684,115</u>	<u>16,984,278</u>	<u>11,111,077</u>	<u>(5,873,201)</u>
EXPENDITURES				
CURRENT				
GENERAL GOVERNMENT				
Commissioners	283,062	283,862	341,722	(57,860)
Law Library	15,000	15,000	9,972	5,028
County Administration	396,050	401,612	426,433	(24,821)
County Auditor	273,782	244,833	312,548	(67,715)
County Treasurer	202,340	173,391	192,046	(18,655)
County Assessor	443,090	444,013	431,180	12,833
Elections	106,900	106,900	78,670	28,230
Data Processing	91,000	91,000	122,779	(31,779)
Attorney	629,780	630,785	582,432	48,353
Recorder	446,076	446,758	556,152	(109,394)
Planning and Zoning	93,450	93,450	79,827	13,623
Buildings and Plant	371,816	372,116	342,328	29,788
Technology	345,523	345,985	338,992	6,993
Veterans Service Officer	213,414	213,755	214,690	(935)
Appropriations - General Government	545,160	540,160	427,596	112,564
Other General Government	254,386	254,386	917,732	(663,346)
Total General Government	<u>4,710,829</u>	<u>4,658,006</u>	<u>5,375,099</u>	<u>(717,093)</u>
PUBLIC SAFETY				
Sheriff	1,806,779	1,808,379	1,757,208	51,171
Coroner	15,000	15,000	24,464	(9,464)
E-911 System	48,000	48,000	169,759	(121,759)
Restorative Justice Coordinator	128,419	128,641	125,046	3,595
Emergency Management	105,620	105,742	57,184	48,558
County Jail	1,611,932	1,515,854	1,226,953	288,901
Community Corrections	341,450	341,450	341,450	-
Total Public Safety	<u>4,057,200</u>	<u>3,963,066</u>	<u>3,702,064</u>	<u>261,002</u>

See accompanying Notes to Required Supplementary Information.

SWIFT COUNTY
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (CONTINUED)				
CURRENT (CONTINUED)				
HEALTH				
Countryside Health Service	\$ 140,712	\$ 138,344	\$ 138,344	\$ -
Ambulance	40,000	40,000	-	40,000
Total Health	<u>180,712</u>	<u>178,344</u>	<u>138,344</u>	<u>40,000</u>
CULTURE AND RECREATION				
Parks	102,016	142,016	117,892	24,124
CONSERVATION OF NATURAL RESOURCES				
County Extension	189,562	189,785	179,596	10,189
Parks and Drainage	231,488	235,826	1,090,966	(855,140)
Agricultural Inspection	14,175	13,500	14,625	(1,125)
Predator Control	10,000	10,000	7,136	2,864
Total Conservation of Natural Resources	<u>445,225</u>	<u>449,111</u>	<u>1,292,323</u>	<u>(843,212)</u>
CAPITAL OUTLAY				
General Government	7,682,600	7,690,100	2,171,014	5,519,086
Public Safety	241,500	182,800	149,970	32,830
Conservation of National Resources	190,000	150,000	139,889	10,111
Total Capital Outlay	<u>8,114,100</u>	<u>8,022,900</u>	<u>2,460,873</u>	<u>5,562,027</u>
Total Expenditures	<u>17,610,082</u>	<u>17,413,443</u>	<u>13,086,595</u>	<u>4,326,848</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(925,967)	(429,165)	(1,975,518)	(1,546,353)
NET CHANGE IN FUND BALANCE	<u>\$ (925,967)</u>	<u>\$ (429,165)</u>	(2,698,768)	<u>\$ (2,269,603)</u>
Fund Balance - Beginning of Year			<u>8,286,247</u>	
FUND BALANCE - END OF YEAR			<u>\$ 5,587,479</u>	

See accompanying Notes to Required Supplementary Information.

SWIFT COUNTY
BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,916,488	\$ 1,916,488	\$ 1,907,811	\$ (8,677)
Intergovernmental	6,017,686	6,017,686	6,300,403	282,717
Charges for Services	18,000	18,000	53,855	35,855
Investment Earnings	100,000	100,000	-	(100,000)
Miscellaneous	25,000	25,000	40,522	15,522
Total Revenues	<u>8,077,174</u>	<u>8,077,174</u>	<u>8,302,591</u>	<u>225,417</u>
EXPENDITURES				
CURRENT				
HIGHWAYS AND STREETS				
Administration	507,050	504,056	372,256	131,800
Engineering	181,352	179,967	164,134	15,833
Shared County Engineer	-	-	22,599	(22,599)
Maintenance	1,757,897	1,748,087	1,525,665	222,422
Construction	251,111	249,065	138,345	110,720
Equipment and Maintenance Shops	883,595	882,972	920,448	(37,476)
Other - Highways and Streets	11,202	11,193	7,793	3,400
Total Highways and Streets	<u>3,592,207</u>	<u>3,575,340</u>	<u>3,151,240</u>	<u>424,100</u>
CAPITAL OUTLAY				
Highways and streets	<u>9,951,375</u>	<u>9,951,375</u>	<u>3,632,843</u>	<u>6,318,532</u>
Total Expenditures	<u>13,543,582</u>	<u>13,526,715</u>	<u>6,784,083</u>	<u>6,742,632</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,466,408)	(5,449,541)	1,518,508	6,968,049
OTHER FINANCING SOURCES				
Transfers In	-	-	447,356	447,356
Proceeds from Sale of Assets	-	-	72,696	72,696
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>520,052</u>	<u>520,052</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,466,408)</u>	<u>\$ (5,449,541)</u>	2,038,560	<u>\$ 7,488,101</u>
Fund Balance - Beginning of Year			<u>11,645,819</u>	
FUND BALANCE - END OF YEAR			<u>\$ 13,684,379</u>	

See accompanying Notes to Required Supplementary Information.

SWIFT COUNTY
BUDGETARY COMPARISON SCHEDULE – WELFARE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,212,188	\$ 2,994,163	\$ 2,943,934	\$ (50,229)
Intergovernmental	2,806,387	2,925,462	2,807,188	(118,274)
Charges for Services	590,475	583,175	482,756	(100,419)
Gifts and Contributions	6,000	6,000	6,500	500
Investment Earnings	150,000	170,000	-	(170,000)
Miscellaneous	4,500	35,800	38,366	2,566
Total Revenues	<u>6,769,550</u>	<u>6,714,600</u>	<u>6,278,744</u>	<u>(435,856)</u>
EXPENDITURES				
CURRENT				
HUMAN SERVICES				
Income Maintenance	1,697,155	1,679,005	1,593,825	85,180
Social Services	<u>5,072,395</u>	<u>5,104,055</u>	<u>5,171,016</u>	<u>(66,961)</u>
Total Expenditures	<u>6,769,550</u>	<u>6,783,060</u>	<u>6,764,841</u>	<u>18,219</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(68,460)	(486,097)	(417,637)
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>-</u>	<u>238,262</u>	<u>238,262</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (68,460)</u>	<u>(247,835)</u>	<u>\$ (179,375)</u>
Fund Balance - Beginning of Year			<u>5,878,831</u>	
FUND BALANCE - END OF YEAR			<u>\$ 5,630,996</u>	

See accompanying Notes to Required Supplementary Information.

SWIFT COUNTY
BUDGETARY COMPARISON SCHEDULE – SOLID WASTE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 385,000	\$ 357,000	\$ 328,661	\$ (28,339)
Special Assessments	295,000	295,000	347,574	52,574
Intergovernmental	55,950	55,950	114,384	58,434
Charges for Services	710,000	710,000	693,723	(16,277)
Miscellaneous	91,700	91,700	142,361	50,661
Total Revenues	<u>1,537,650</u>	<u>1,509,650</u>	<u>1,626,703</u>	<u>117,053</u>
EXPENDITURES				
CURRENT				
SANITATION				
Solid Waste	1,407,232	1,409,458	1,576,779	(167,321)
DEBT SERVICE				
Principal	-	-	31,932	(31,932)
CAPITAL OUTLAY				
Solid Waste	350,000	200,000	115,340	84,660
Total Expenditures	<u>1,757,232</u>	<u>1,609,458</u>	<u>1,724,051</u>	<u>(114,593)</u>
DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	(219,582)	(99,808)	(97,348)	2,460
OTHER FINANCING SOURCES				
Loan Proceeds	-	-	155,566	155,566
Insurance Proceeds	-	-	505,775	505,775
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>661,341</u>	<u>661,341</u>
NET CHANGE IN FUND BALANCE	<u>\$ (219,582)</u>	<u>\$ (99,808)</u>	563,993	<u>\$ 663,801</u>
Fund Balance - Beginning of Year			<u>931,759</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,495,752</u>	

See accompanying Notes to Required Supplementary Information.

SWIFT COUNTY
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED RATIOS, AND NOTES

Measurement Date	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018
Total OPEB Liability:							
Service Cost	\$ 17,919	\$ 17,397	\$ 18,941	\$ 18,389	\$ 16,083	\$ 15,615	\$ 21,378
Interest	8,799	4,162	4,145	8,269	7,535	8,495	7,924
Changes of Assumptions	-	(21,221)	-	1,244	-	(4,504)	-
Plan Changes	-	-	-	32,978	-	-	-
Differences Between Expected and Actual Experience	-	27,868	-	(55,703)	-	(72,217)	-
Benefit Payments	(16,894)	(16,898)	(24,413)	(7,843)	(5,366)	(8,584)	(3,937)
Net Change in Total OPEB Liability	9,824	11,308	(1,327)	(2,666)	18,252	(61,195)	25,365
Total OPEB Liability - Beginning	210,425	199,117	200,444	203,110	184,858	246,053	220,688
Total OPEB Liability - Ending	<u>\$ 220,249</u>	<u>\$ 210,425</u>	<u>\$ 199,117</u>	<u>\$ 200,444</u>	<u>\$ 203,110</u>	<u>\$ 184,858</u>	<u>\$ 246,053</u>
Covered Employee Payroll	\$ 7,736,485	\$ 7,511,150	\$ 7,620,508	\$ 7,398,551	\$ 6,476,014	\$ 6,287,392	\$ 6,334,266
County's OPEB Liability as a Percentage of Covered Employee Payroll	3%	3%	3%	3%	3%	3%	4%

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

Note 2: No assets are accumulated in a trust.

See accompanying Notes to Required Supplementary Information.

SWIFT COUNTY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET POSITION
LIABILITY (ASSET) LAST TEN FISCAL YEARS

Measurement Date	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
County - General Employees Retirement Plan:					
County's Portion of the Net Pension Liability	0.082 %	0.080 %	0.085 %	0.083 %	0.078 %
County's Proportionate Share of the Net Pension Liability	\$ 3,033,665	\$ 4,473,510	\$ 6,708,268	\$ 3,531,660	\$ 4,682,452
State's Proportionate Share of the Net Pension Liability Associated with the County	78,444	123,461	196,479	107,817	144,375
County's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability	<u>\$ 3,112,109</u>	<u>\$ 4,596,971</u>	<u>\$ 6,904,747</u>	<u>\$ 3,639,477</u>	<u>\$ 4,826,827</u>
County's Covered Payroll	\$ 6,683,813	\$ 6,125,350	\$ 6,105,743	\$ 5,954,065	\$ 5,567,148
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	45.39 %	73.03 %	109.87 %	59.32 %	84.11 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.08 %	83.10 %	76.70 %	87.00 %	79.06 %
Public Employees Police and Fire Plan:					
County's Portion of the Net Pension Liability	0.079 %	0.070 %	0.074 %	0.063 %	0.065 %
County's Proportionate Share of the Net Pension Liability	\$ 1,035,522	\$ 1,212,263	\$ 3,237,594	\$ 487,837	\$ 850,179
State's Proportionate Share of the Net Pension Liability Associated with the County	39,474	48,812	141,345	21,918	20,023
County's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability	<u>\$ 1,074,996</u>	<u>\$ 1,261,075</u>	<u>\$ 3,378,939</u>	<u>\$ 509,755</u>	<u>\$ 870,202</u>
County's Covered Payroll	\$ 1,052,381	\$ 890,028	\$ 874,234	\$ 746,908	\$ 728,465
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	98.40%	136.21%	370.33%	65.31%	116.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.17%	86.50%	70.50%	93.70%	87.19%
Public Employees Correctional Plan:					
County's Portion of the Net Pension Liability	0.287%	0.287%	0.283%	0.272%	0.250%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 90,544	\$ 129,648	\$ 940,360	\$ (44,732)	\$ 67,860
County's Covered Payroll	\$ 727,899	\$ 649,811	\$ 600,428	\$ 602,037	\$ 543,644
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	12.44%	19.95%	156.61%	7.43%	12.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	97.55%	95.90%	74.60%	101.60%	96.67%

See accompanying Notes to Required Supplementary Information.

SWIFT COUNTY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET) LAST TEN FISCAL YEARS (CONTINUED)

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
County - General Employees Retirement Plan:					
County's Portion of the Net Pension Liability	0.074 %	0.077 %	0.073 %	0.071 %	0.070 %
County's Proportionate Share of the Net Pension Liability	\$ 4,085,765	\$ 4,243,906	\$ 4,673,040	\$ 5,821,684	\$ 3,607,033
State's Proportionate Share of the Net Pension Liability Associated with the County	126,994	139,191	58,782	75,367	-
County's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability	<u>\$ 4,212,759</u>	<u>\$ 4,383,097</u>	<u>\$ 4,731,822</u>	<u>\$ 5,897,051</u>	<u>\$ 3,607,033</u>
County's Covered Payroll	\$ 5,229,794	\$ 5,139,816	\$ 4,717,513	\$ 4,412,322	\$ 4,173,648
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	78.12 %	82.57 %	99.06 %	131.94 %	86.42 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.20 %	79.50 %	75.90 %	68.91 %	78.20 %
Public Employees Police and Fire Plan:					
County's Portion of the Net Pension Liability	0.062 %	0.058 %	0.057 %	0.059 %	0.060 %
County's Proportionate Share of the Net Pension Liability	\$ 654,730	\$ 619,286	\$ 769,568	\$ 2,367,773	\$ 681,740
State's Proportionate Share of the Net Pension Liability Associated with the County	-	-	-	-	-
County's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability	<u>\$ 654,730</u>	<u>\$ 619,286</u>	<u>\$ 769,568</u>	<u>\$ 2,367,773</u>	<u>\$ 681,740</u>
County's Covered Payroll	\$ 648,961	\$ 612,358	\$ 587,344	\$ 564,970	\$ 590,331
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	100.89%	101.13%	131.03%	419.10%	115.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.30%	88.80%	85.40%	63.90%	86.60%
Public Employees Correctional Plan:					
County's Portion of the Net Pension Liability	0.249%	0.248%	0.250%	0.250%	0.250%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 34,515	\$ 40,741	\$ 712,503	\$ 913,285	\$ 38,650
County's Covered Payroll	\$ 531,681	\$ 505,818	\$ 502,917	\$ 465,900	\$ 444,680
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.49%	8.05%	141.67%	196.03%	8.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	98.20%	97.60%	67.90%	58.20%	96.90%

See accompanying Notes to Required Supplementary Information.

**SWIFT COUNTY
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020
County - General Employees Retirement Plan:					
Statutorily Required Contribution	\$ 549,331	\$ 480,627	\$ 456,275	\$ 456,077	\$ 454,308
Contributions in Relation to the Required Contribution	(549,331)	(480,627)	(456,275)	(456,077)	(454,308)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 7,324,413	\$ 6,408,360	\$ 6,083,667	\$ 6,081,028	\$ 6,057,442
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%
Public Employees Police and Fire Plan:					
Statutorily Required Contribution	\$ 199,904	\$ 175,375	\$ 159,769	\$ 143,608	\$ 135,154
Contributions in Relation to the Required Contribution	(199,904)	(175,375)	(159,769)	(143,608)	(135,154)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 1,129,401	\$ 990,819	\$ 902,650	\$ 811,350	\$ 763,582
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	17.70%	17.70%	17.70%
Public Employees Correctional Plan:					
Statutorily Required Contribution	\$ 69,501	\$ 62,314	\$ 53,865	\$ 52,367	\$ 52,609
Contributions in Relation to the Required Contribution	(69,501)	(62,314)	(53,865)	(52,367)	(52,609)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 794,297	\$ 712,160	\$ 615,600	\$ 598,480	\$ 601,245
Contributions as a Percentage of Covered Payroll	8.75%	8.75%	8.75%	8.75%	8.75%

See accompanying Notes to Required Supplementary Information.

**SWIFT COUNTY
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS (CONTINUED)**

	2019	2018	2017	2016	2015
County - General Employees Retirement Plan:					
Statutorily Required Contribution	\$ 399,478	\$ 387,832	\$ 371,985	\$ 343,962	\$ 313,896
Contributions in Relation to the Required Contribution	(399,478)	(387,832)	(371,985)	(343,962)	(313,896)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 5,326,374	\$ 5,171,093	\$ 4,959,798	\$ 4,586,154	\$ 4,185,281
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%
Public Employees Police and Fire Plan:					
Statutorily Required Contribution	\$ 117,220	\$ 102,343	\$ 95,008	\$ 95,222	\$ 86,093
Contributions in Relation to the Required Contribution	(117,220)	(102,343)	(95,008)	(95,222)	(86,093)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 691,566	\$ 631,748	\$ 586,399	\$ 587,789	\$ 531,442
Contributions as a Percentage of Covered Payroll	16.95%	16.20%	16.20%	16.20%	16.20%
Public Employees Correctional Plan:					
Statutorily Required Contribution	\$ 45,669	\$ 46,685	\$ 43,549	\$ 42,772	\$ 40,809
Contributions in Relation to the Required Contribution	(45,669)	(46,685)	(43,549)	(42,772)	(40,809)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 521,925	\$ 533,539	\$ 497,699	\$ 488,819	\$ 466,383
Contributions as a Percentage of Covered Payroll	8.75%	8.75%	8.75%	8.75%	8.75%

See accompanying Notes to Required Supplementary Information.

**SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 1 BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except for the Ditch, Revolving Loan, and Opioid Settlement Special Revenue Funds and the Debt Service Fund. All annual appropriations lapse at fiscal year-end. The appropriated budget is prepared by fund, function, and department. The County’s department heads may make transfers of appropriations within the department. Transfers of appropriations between departments require approval of the board of commissioners. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the fund level. The Board of Commissioners made minimal budget appropriations at the fund, function, and department level throughout the year. Budgets may be amended during the year with proper approval.

Encumbrance accounting, under which commitments for the expenditure of monies are recorded in order to commit that portion of the applicable appropriation, is used in the governmental funds. Encumbrances outstanding at year-end are reported as committed fund balances since they do not constitute expenditures or liabilities. Encumbrances lapse at year-end and are re-budgeted the following year.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following major fund had expenditures in excess of budget for the year ended December 31, 2024:

	Expenditures	Final Budget	Excess
Special Revenue Funds:			
Solid Waste	\$ 1,724,051	\$ 1,609,458	\$ 114,593

The excess expenditures were funded with existing fund balance and greater than anticipated revenues.

NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

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

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

A. General Employees Fund

2024

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2023

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.

**SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

**NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

A. General Employees Fund (Continued)

2023 (Continued)

Changes in Plan Provisions

- 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

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2021

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2020

Changes in Actuarial Assumptions:

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

**SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

**NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

A. General Employees Fund (Continued)

2020 (Continued)

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

Changes in Plan Provisions:

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

**SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

**NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

A. General Employees Fund (Continued)

2019

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
- Deferred augmentation was changed to 0%, 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% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.

**SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

**NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

A. General Employees Fund (Continued)

2018 (Continued):

- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0% for active member liability, 15% for vested deferred member liability and 3% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1% per year for all years to 1% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions:

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

2016

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1% per year through 2035 and 2.5% per year thereafter to 1% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

A. General Employees Fund (Continued)

2015

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions:

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

B. Police and Fire Fund

2024

Changes in Plan Provisions:

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

2023

Changes in Actuarial Assumptions:

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

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

B. Police and Fire Fund (Continued)

2023 (Continued)

Changes in Plan Provisions:

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

2022

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions:

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

2021

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.

**SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

**NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

B. Police and Fire Fund (Continued)

2021 Continued

- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assume percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions:

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

**SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

**NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

B. Police and Fire Fund (Continued)

2020 (Continued)

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- Postretirement benefit increases were changed to 1.0% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019 and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.2% to 16.95% of pay, effective January 1, 2019 and 17.7% of pay, effective January 1, 2020.

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

B. Police and Fire Fund (Continued)

2018 (Continued)

- Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
- Deferred augmentation was changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions:

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

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

B. Police and Fire Fund (Continued)

2017 (Continued)

- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions:

- There have been no changes since the prior valuation

2016

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1% per year through 2037 and 2.5% thereafter to 1% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation

2015

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1% per year through 2030 and 2.5% thereafter to 1% per year through 2037 and 2.5% per year thereafter.

Changes in Plan Provisions:

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

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

C. Correctional Fund

2024

Changes in Plan Provisions:

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

2023

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2022

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5% to 5.42%.
- The benefit increase assumption was changed from 2.0% per annum to 2.0% per annum through December 31, 2054 and 1.5% per annum thereafter.

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

C. Correctional Fund (Continued)

2022 (Continued)

Changes in Plan Provisions:

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

2021

Changes in Actuarial Assumptions:

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

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

**NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

C. Correctional Fund (Continued)

2021 (Continued)

- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation

2018

Changes in Actuarial Assumptions:

- The Single Discount Rate was changed from 5.96% per annum to 7.50% per annum.
- The morality projection scale was changed from MP-2016 to MP-2017.
- The assumed postretirement benefit increase was changed from 2.50% per year to 2% per year.

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

C. Correctional Fund (Continued)

2018 (Continued)

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.50% per year with a provision to reduce to 1.0% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1% and not more than 2.5%, beginning January 1, 2019. If the funding status declines to 85.0% for two consecutive years or 80% for one year, the maximum increase will be lowered to 1.5%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions:

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

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 3 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

C. Correctional Fund (Continued)

2017 (Continued)

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions:

- There have been no changes since the prior valuation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

NOTE 4 OTHER POSTEMPLOYMENT BENEFITS

As disclosed on the Schedule of Changes in the Total OPEB Liability, Related Ratios, and Notes, no assets have been irrevocably deposited in a trust to advance fund the employer's obligation. Therefore, the actuarial value of assets is zero. The following changes were reflected in the valuation performed:

2024

Changes in Actuarial Assumptions

- None

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 4 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

2023

Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The retirement, withdrawal, and salary increase rates for public safety employees were updated to reflect the latest experience study.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.

2022

Changes in Actuarial Assumptions:

- None

2021

Changes in Actuarial Assumptions:

- The health care trend rates, mortality tables, salary increase rates, and retirement and withdrawal rates were updated.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 3.80% to 2.00%.

2020

Changes in Actuarial Assumptions:

- None

SWIFT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 4 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

2019

Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2016 Generational Improvement Scale to the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2018 Generational Improvement Scale.
- The retirement and withdrawal tables for public safety employees were updated.
- The discount rate was changed from 3.30% to 3.80%.

2018

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.50% to 3.30%.

SUPPLEMENTARY INFORMATION

**SWIFT COUNTY
DESCRIPTION OF FUNDS
DECEMBER 31, 2024**

CUSTODIAL FUNDS

Towns and Cities Fund – to account for the collection of taxes and penalties and their distribution to the various towns and cities.

School Districts Fund – to account for the collection of taxes and penalties and their distribution to the various school districts.

Region 6W Fund – to account for the collection of taxes and penalties and their distribution the Regional Development Commission.

Minnesota River Watershed Fund – to account for the collection of taxes and penalties and their distribution the Minnesota River Watershed District.

Rural Development Authority Fund – to account for the collection of taxes and penalties and their distribution the Rural Development Authority.

State Revenue Fund – to account for the collection and payment of taxes and fees on behalf of the state.

Other Custodial Fund – to account for the collection and payment of funds of various other entities.

Forfeiture Fund – to maintain compliance with state guidelines regarding the proper handling of seized currency and property.

Estate Recoveries Fund – to account for the collection and payment of the state's portion of estate recoveries from deceased parties within the county.

Jail Inmate Fund – to account for deposits and withdrawals made by inmates of the Swift County Jail.

Northern Lights Snowmobile Fund – to account for the collection and payment of funds for the Northern Lights Snowmobile club.

Civil Process Fund – to account for the collection and payment of funds related to the delivery of legal and court documents by the Sheriff's Office.

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

	Custodial Funds						
	Towns and Cities	School Districts	Region 6W	Minnesota River Watershed	Rural Development Authority	State Revenue	
ASSETS							
Cash and Cash Equivalents	\$ 92,097	\$ 80,827	\$ 1,571	\$ 294	\$ 5,393	\$ 46,215	\$ 576,322
Taxes for Other Governments	199,145	99,031	1,028	74	5,277	8,742	-
Total Assets	<u>291,242</u>	<u>179,858</u>	<u>2,599</u>	<u>368</u>	<u>10,670</u>	<u>54,957</u>	<u>576,322</u>
LIABILITIES							
Due to Others	-	-	-	-	-	-	576,322
Due to Other Governments	86,702	75,121	939	294	5,157	46,215	-
Total Liabilities	<u>86,702</u>	<u>75,121</u>	<u>939</u>	<u>294</u>	<u>5,157</u>	<u>46,215</u>	<u>576,322</u>
DEFERRED INFLOWS OF RESOURCES							
Property Taxes Collected for Subsequent Period	5,395	5,706	632	-	237	-	-
NET POSITION							
Restricted for:							
Individuals, Organizations, and Other Governments	<u>\$ 199,145</u>	<u>\$ 99,031</u>	<u>\$ 1,028</u>	<u>\$ 74</u>	<u>\$ 5,276</u>	<u>\$ 8,742</u>	<u>\$ -</u>

SWIFT COUNTY
COMBINING STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)
DECEMBER 31, 2024

	Custodial Funds					Total Custodial Funds
	Forfeiture	Estate Recoveries	Jail Inmate	Northern Lights Snowmobile	Civil Process	
ASSETS						
Cash and Cash Equivalents	\$ 29,752	\$ 6,187	\$ -	\$ -	\$ 6,813	\$ 845,471
Taxes for Other Governments	-	-	-	-	-	313,297
Total Assets	<u>29,752</u>	<u>6,187</u>	<u>-</u>	<u>-</u>	<u>6,813</u>	<u>1,158,768</u>
LIABILITIES						
Due to Others	-	-	-	-	6,813	583,135
Due to Other Governments	-	6,187	-	-	-	220,615
Total Liabilities	<u>-</u>	<u>6,187</u>	<u>-</u>	<u>-</u>	<u>6,813</u>	<u>803,750</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Collected for Subsequent Period	-	-	-	-	-	11,970
NET POSITION						
Restricted for:						
Individuals, Organizations, and Other Governments	<u>\$ 29,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,048</u>

SWIFT COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	Custodial Funds						Other Custodial
	Towns and Cities	School Districts	Region 6W	Minnesota River Watershed	Rural Development Authority	State Revenue	
ADDITIONS							
Contributions:							
Individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Property Tax Collections for Other Governments	6,031,044	5,187,220	84,168	21,308	452,596	994,747	-
License and Fees Collected for State	-	-	-	-	-	311,680	-
Miscellaneous	-	-	-	-	-	-	-
Total Additions	<u>6,031,044</u>	<u>5,187,220</u>	<u>84,168</u>	<u>21,308</u>	<u>452,596</u>	<u>1,306,427</u>	<u>-</u>
DEDUCTIONS							
Beneficiary Payments to Individuals	-	-	-	-	-	-	-
Payments of Property Tax to Other Governments	5,993,786	5,153,128	83,773	21,234	450,258	981,582	-
Payments to State	-	-	-	-	-	331,876	-
Payments to Other Entities	-	-	-	-	-	-	-
Total Deductions	<u>5,993,786</u>	<u>5,153,128</u>	<u>83,773</u>	<u>21,234</u>	<u>450,258</u>	<u>1,313,458</u>	<u>-</u>
CHANGE IN FIDUCIARY NET POSITION	37,258	34,092	395	74	2,338	(7,031)	-
Fiduciary Net Position - Beginning of Year	<u>161,887</u>	<u>64,939</u>	<u>633</u>	<u>-</u>	<u>2,938</u>	<u>15,773</u>	<u>-</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 199,145</u>	<u>\$ 99,031</u>	<u>\$ 1,028</u>	<u>\$ 74</u>	<u>\$ 5,276</u>	<u>\$ 8,742</u>	<u>\$ -</u>

SWIFT COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Custodial Funds					Total Custodial Funds
	Forfeiture	Estate Recoveries	Jail Inmate	Northern Lights Snowmobile	Civil Process	
ADDITIONS						
Contributions:						
Individuals	\$ -	\$ -	\$ 8,320	\$ -	\$ -	\$ 8,320
Intergovernmental	-	-	-	43,337	-	43,337
Fines and Forfeits	9,836	-	-	-	-	9,836
Property Tax Collections for Other Governments	-	-	-	-	-	12,771,083
License and Fees Collected for State	-	27,594	-	-	-	339,274
Miscellaneous	-	-	-	-	18,906	18,906
Total Additions	<u>9,836</u>	<u>27,594</u>	<u>8,320</u>	<u>43,337</u>	<u>18,906</u>	<u>13,190,756</u>
DEDUCTIONS						
Beneficiary Payments to Individuals	-	-	8,518	-	-	8,518
Payments of Property Tax to Other Governments	-	-	-	-	-	12,683,761
Payments to State	-	-	-	-	-	331,876
Payments to Other Entities	-	90,656	-	43,337	18,906	152,899
Total Deductions	<u>-</u>	<u>90,656</u>	<u>8,518</u>	<u>43,337</u>	<u>18,906</u>	<u>13,177,054</u>
CHANGE IN FIDUCIARY NET POSITION	9,836	(63,062)	(198)	-	-	13,702
Fiduciary Net Position - Beginning of Year	<u>19,916</u>	<u>63,062</u>	<u>198</u>	<u>-</u>	<u>-</u>	<u>329,346</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 29,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,048</u>

SWIFT COUNTY
SCHEDULE OF INTERGOVERNMENTAL REVENUE
YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds					Total All Funds
	General Fund	Road and Bridge	Welfare Fund	Solid Waste Fund	Debt Service Fund	
SHARED REVENUES						
INTERGOVERNMENTAL STATE						
Disparity Reduction Aid	\$ 12,905	\$ 3,414	\$ 5,671	\$ 625	\$ 609	\$ 23,224
Highway Users Tax	-	6,149,477	-	-	-	6,149,477
County Program Aid	434,985	115,066	191,139	21,066	20,528	782,784
Market Value Credits	122,657	32,446	53,898	5,940	5,788	220,729
State Police Aid	138,730	-	-	-	-	138,730
Aquatic Invasive Species	33,061	-	-	-	-	33,061
Riparian Protection Aid	139,296	-	-	-	-	139,296
PILT	24,722	-	-	-	-	24,722
Local Gov Cannabis	2,114	-	-	-	-	2,114
Enhanced 911	164,200	-	-	-	-	164,200
Total Shared Revenues	<u>1,072,670</u>	<u>6,300,403</u>	<u>250,708</u>	<u>27,631</u>	<u>26,925</u>	<u>7,678,337</u>
REIMBURSEMENT FOR SERVICES						
STATE						
Minnesota Department of Human Services	-	-	740,872	-	-	740,872
STATE GRANTS						
MINNESOTA DEPARTMENT OF						
Human Services	2,307	-	585,674	-	-	587,981
Natural Resources	56,129	-	-	-	-	56,129
Peace Officers (POST)	12,164	-	-	-	-	12,164
Public Land Survey System	90,546	-	-	-	-	90,546
Public Safety	9,939	-	-	-	-	9,939
Pollution Control Agency	3,370	-	-	86,753	-	90,123
Secretary of State	17,179	-	-	-	-	17,179
Veteran's Affairs	7,500	-	-	-	-	7,500
Water and Soil Resources	51,841	-	-	-	-	51,841
Total State Grants	<u>250,975</u>	<u>-</u>	<u>585,674</u>	<u>86,753</u>	<u>-</u>	<u>923,402</u>
FEDERAL GRANTS						
FEDERAL DEPARTMENT OF						
Agriculture	13,592	-	155,186	-	-	168,778
Health and Human Services	37,797	-	1,074,748	-	-	1,112,545
Homeland Security	61,489	-	-	-	-	61,489
Justice	2,148	-	-	-	-	2,148
Transportation	4,105	-	-	-	-	4,105
Total Federal Grants	<u>119,131</u>	<u>-</u>	<u>1,229,934</u>	<u>-</u>	<u>-</u>	<u>1,349,065</u>
Total State and Federal Grants	370,106	-	1,815,608	86,753	-	2,272,467
PAYMENTS IN LIEU OF TAXES	<u>119,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,275</u>
Total Intergovernmental Revenues	<u>\$ 1,562,051</u>	<u>\$ 6,300,403</u>	<u>\$ 2,807,188</u>	<u>\$ 114,384</u>	<u>\$ 26,925</u>	<u>\$ 10,810,951</u>

**SWIFT COUNTY
SCHEDULE OF DEPOSITS AND INVESTMENTS
DECEMBER 31, 2024**

	Interest Rate	Maturity Date	Amount
Pooled Deposits and Investments:			
Checking Accounts:			
State Bank of Danvers	0.50%	-	\$ 1,611,658
State Bank of Danvers	0.50	-	316,704
State Bank of Danvers	N/A	-	<u>74,239</u>
Total Checking Accounts			<u>2,002,601</u>
Money Market Savings:			
Citizens Alliance Bank - Murdock	0.60	-	64,455
State Bank of Danvers - ICS	3.85	-	1,025,681
State Bank of Danvers - ICS	3.60	-	512,841
Prairie Sun Bank-Appleton	1.74	-	170,607
PFM Asset Management MAGIC American Rescue Plan	N/A	N/A	1
PFM Asset Management MAGIC Bond Debt	N/A	N/A	631,800
PFM Asset Management MAGIC General Revenue	N/A	N/A	<u>7,863,055</u>
Total Money Market Savings			<u>10,268,440</u>
Total Pooled Deposits and Investments			12,271,041
Fund Investments:			
General Fund:			
Departmental Checking Accounts:			
First Security Bank - Benson	-	-	6,813
First Security Bank - Benson	-	-	<u>109</u>
Total Departmental Checking Accounts			6,922
Mutual Fund:			
Franklin U.S. Government Securities Fund	-	-	347,435
Certificate of Deposit:			
CD Citizens Alliance Bank	4.75	August 31, 2025	320,000
MAGIC CD Program - Gbank, NV	5.15	February 18, 2025	243,000
MAGIC CD Program - Presence Bank, PA	4.50	March 24, 2025	244,000
MAGIC CD Program - Priority Bank, AR	4.52	March 24, 2025	244,000
MAGIC CD Program - Flagstar Bank, Fsb, MI	4.60	June 23, 2025	241,000
MAGIC CD Program - 5Star Bank, CO	4.50	June 23, 2025	241,000
MAGIC CD Program - Golden Bank, NY	4.50	September 25, 2025	239,000
MAGIC CD Program - The Miners National Bank of Eveleth, MN	4.50	September 25, 2025	<u>239,000</u>
Total Negotiable Certificates of Deposit			<u>2,011,000</u>
Total General Fund			2,365,357
Special Revenue Funds:			
Road and Bridge Fund:			
Money Market Savings:			
PFM Asset Management MAGIC	N/A	N/A	<u>8,804,465</u>
Total Money Market Savings			8,804,465
Welfare Fund:			
Departmental Checking Accounts:			
Bank of the West	\$ -	-	28,973
Savings:			
Co-op Credit Union	0.30	-	922

**SWIFT COUNTY
SCHEDULE OF DEPOSITS AND INVESTMENTS (CONTINUED)
DECEMBER 31, 2024**

	Interest Rate	Maturity Date	Amount
Fund Investments (Continued):			
Special Revenue Funds (Continued):			
Welfare Fund (Continued):			
Negotiable Certificates of Deposit:			
MAGIC CD Program - First Internet Bank of Indiana	4.82 %	September 15, 2025	\$ 238,000
MAGIC CD Program - Bank of China	5.14	March 12, 2025	243,000
MAGIC CD Program - The Western State Bank, KS	5.00	February 18, 2025	243,000
MAGIC CD Program - West Pointe Bank, WI	5.75	February 26, 2025	225,000
MAGIC CD Program - First Bank of Ohio, OH	5.55	March 7, 2025	231,000
MAGIC CD Program - Financial Federal Saving Bank	4.95	March 20, 2025	243,000
MAGIC CD Program - Fieldpoint Private Banke & Trust, CT	5.05	April 21, 2025	241,000
MAGIC CD Program - Nexbank Ssb, TX	5.65	May 27, 2025	225,000
MAGIC CD Program - Solera National Bank	5.40	June 17, 2025	237,000
MAGIC CD Program - First National Bank of Hutchinson, KS	5.36	June 17, 2025	<u>237,000</u>
Total Negotiable Certificates of Deposit			<u>2,363,000</u>
Money Market Savings:			
First American Government Obligation	4.39	-	1,612,518
PFM Asset Management MAGIC	N/A	-	<u>2,320,520</u>
Total Money Market Savings			<u>3,933,038</u>
Total Welfare Fund			6,325,933
Solid Waste Fund:			
Departmental Checking Accounts:			
First Security State - Benson	0.15	-	<u>13,957</u>
Total Special Revenue Funds			<u>15,144,355</u>
Total Fund Investments			17,509,712
Total Petty Cash			<u>1,675</u>
Total Deposits and Investments			<u>\$ 29,782,428</u>

SWIFT COUNTY
SCHEDULE OF LOANS RECEIVABLE – REVOLVING LOAN FUND
DECEMBER 31, 2024

<u>Loan Recipient</u>	<u>Date of Loan</u>	<u>Loan Issue Amount</u>	<u>Principal Balance</u>	<u>Repayment Terms</u>
Revolving Loan Special Revenue Fund				
Ace Ag, Inc.	November 19, 2013	\$ 75,000	\$ 11,225	Principal Payments Monthly, 3.5% Interest, Fifteen-Year Term.
Brink's 104 Club	September 20, 2014	40,000	894	Principal Payments Monthly, 4.0% Interest, Five-Year Term.
Mi Mexico	March 20, 2017	105,000	69,773	Principal Payments Monthly, 4.0% Interest, Fifteen-Year Term.
Appleton Power Loan	November 6, 2018	70,000	34,379	Principal Payments Monthly, 4.0%
Swift County HRA	July 19, 2024	200,000	200,000	Principal Payments Monthly, 3.0% Interest, Fifteen-Year Term.
KJ Properties	September 23, 2024	<u>111,778</u>	<u>110,778</u>	Principal Payments Monthly, 3.5% Interest, Fifteen-Year Term.
Total Loans Receivable - Revolving Loan Fund		<u>\$ 781,778</u>	<u>\$ 427,049</u>	

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



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

Board of County Commissioners
Swift County
Benson, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Swift County (the County), as of and for the year ended December 31, 2024, (except for the Swift County Housing and Redevelopment Authority (HRA) which is as of and for the year ended June 30, 2024) and the related notes to the financial statements, which collectively comprise Swift County's basic financial statements, and have issued our report thereon dated September 10, 2025. Our report includes a reference to other auditors who audited the financial statements of Swift County-Benson Hospital (Hospital), as described in our report on Swift County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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.

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. 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.

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

We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001 through 2024-004 be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-005 to be a significant deficiency.

Report on Compliance and Other Matters

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

Swift County's Responses to Findings

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Brainerd, Minnesota
September 10, 2025



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

Board of County Commissioners
Swift County
Benson, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Swift County's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on 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 auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Other Matter – Federal Expenditures Not included in the Compliance Audit

The County’s basic financial statements include the operations of the Swift County Housing and Redevelopment Authority (HRA), a component unit, which expended \$390,694 in federal awards during the year ended June 30, 2024 and Swift County-Benson Hospital (SCBH), a component unit, which expended no federal awards during the year ended December 31, 2024. The federal awards for the HRA are not included in the schedule of expenditures of federal awards for Swift County. Our compliance audit, described in the Opinion on Each Major Federal Program, does not include the operations of the HRA because the HRA was not required to have a single audit.

Responsibilities of Management for Compliance

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

Auditors’ Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-006. 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 finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-006 to be a material weakness.

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

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

Board of County Commissioners
Swift County

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Brainerd, Minnesota
September 10, 2025

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

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? X yes no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medical Assistance (Medicaid Cluster)

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

Auditee qualified as low-risk auditee? yes X no

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

Section II – Financial Statement Findings

2024-001 SEGREGATION OF DUTIES

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

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

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

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

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

Repeat Finding: Yes, 2023-001.

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

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

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

Section II – Financial Statement Findings (Continued)

2024-002 AUDIT ADJUSTMENTS

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

Criteria or Specific Requirement: County management is responsible for establishing and maintaining internal controls for the proper recording of all the County's financial transactions.

Condition: As part of the audit, we proposed account reclassification entries relating to the coding of receipts and disbursements, accruals, capital asset adjustments, accounting for fiduciary funds, and other reclassifications. These entries indicate a lack of controls over the year-end financial reporting process. The absence of this control procedure is considered a material weakness because the potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the County's internal control structure.

Cause: The County has a limited number of personnel.

Effect: The design of the internal controls over recording receipts and disbursements, including reclassifications, could affect the County's ability to detect or prevent a misappropriation of assets or fraudulent activity.

Repeat Finding: Yes, 2023-002.

Recommendation: We recommend County management be consistently aware of all procedures and processes involved in recording receipts, disbursements, and reclassifications, and develop internal control policies to ensure proper recording of these items.

Views of Responsible Officials: There is no disagreement with the audit finding. Management will continue to work at eliminating the need for audit adjustment through continued commitment to ongoing learning and review of work performed by departmental personnel.

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

Section II – Financial Statement Findings (Continued)

2024-003 FINANCIAL REPORTING PROCESS

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

Criteria or Specific Requirement: Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Condition: The board of county commissioners and management of the County share the ultimate responsibility for the County's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced. The County engages CLA to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the County's internal control system. As part of its internal control over the preparation of the financial statements, including disclosures, the County has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of generally accepted accounting principles and knowledge of the County's activities and operations.

Cause: The County personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the County's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.

Effect: The lack of internal controls over annual financial reporting may result in misstatement of the financial statements.

Repeat Finding: Yes, 2023-003.

Recommendation: The County should evaluate its financial reporting processes and controls, including the expertise of its internal staff, to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Views of Responsible Officials: There is no disagreement with the audit finding. Management will continue to rely on the audit firm to draft the financial statements and the related notes to the financial statements, and will review, approve, and accept responsibility for the annual financial statements prior to their issuance.

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

Section II – Financial Statement Findings (Continued)

2024-004 FORMAL POLICY FOR YEAR-END PROCEDURES

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

Criteria or Specific Requirement: County management is responsible for establishing and maintaining internal controls, including reviewing year-end balances and accruals to ensure they are not materially misstated on the financial statements.

Condition: As part of the audit, key controls over significant audit areas are reviewed to ensure they are properly performed. It was noted in our testing that there are no documented controls ensuring revenues, expenditures/payables, prepaids, fund balance, pensions, OPEB related items, interfund balances, and self-insurance liabilities exist or they are complete, accurate, properly valued, recorded in the proper period, or properly presented in the financial statements.

Cause: The County has a limited number of personnel and relies on the data entered by departments into the general ledger system.

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

Repeat Finding: Yes, 2023-004.

Recommendation: We recommend County implement procedures to review the accruals each year to ensure they are complete.

Views of Responsible Officials: There is no disagreement with the audit finding. The County will review accrual listings to ensure accruals are complete.

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

Section II – Financial Statement Findings (Continued)

2024-005 LACK OF REVIEW OVER DISBURSEMENTS

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

Criteria or Specific Requirement: County management is responsible for establishing and maintaining internal controls, including proper review of disbursements prior to payment being made.

Condition: As part of the audit, key controls over significant audit areas are reviewed to ensure they are properly performed. We were not presented with documentation for one of the disbursements tested to show that the disbursement was reviewed by a department head prior to payment.

Cause: The County has a limited number of personnel and there was significant turnover at the County this year.

Effect: The potential exists that expenses could be occurring that are not proper as a key control is not in place.

Repeat Finding: Yes, 2023-005.

Recommendation: We recommend County implement procedures to ensure that employees are cross trained to ensure that all disbursements are reviewed prior to payment.

Views of Responsible Officials: There is no disagreement with the audit finding. The County will review accrual listings to ensure accruals are complete.

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

Section III – Findings and Questioned Costs – Major Federal Programs

2024-006

Federal Agency: U.S. Department of Health and Human Services

Federal Program Title: Medical Assistance

Assistance Listing Number: 93.778

Federal Award Identification and Year: 2405MN5ADM, 2405MN5MAP

Compliance Requirement Affected: Allowable Cost and Activity

Award Period: Year Ended December 31, 2024

Type of Finding: Material Weakness in Internal Control over Compliance and Other Matters

Criteria or Specific Requirement: In accordance with Uniform Guidance 2 CFR 200.516(a), management is responsible for establishing and maintaining internal controls, including proper review of disbursements prior to payment being made with federal funding.

Condition: As part of the audit, key controls over significant audit areas are reviewed to ensure they are properly performed. We were not presented with documentation for one of the forty disbursements tested to show that the disbursement was reviewed by a supervisor prior to payment.

Questioned Costs: None.

Context: During Allowable Cost testing it was noted that one of the forty transactions tested was not reviewed and approved by a supervisor.

Cause: The County has a limited number of personnel and there was significant turnover at the County.

Effect: The County controls are not operating as designed.

Repeat Finding: No.

Recommendation: We recommend the County implement procedures to ensure that all disbursements are reviewed and approved prior to payment.

Views of responsible officials: There is no disagreement with the audit finding.

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

Section IV – Other Item for Consideration – Minnesota Legal Compliance

2024-007 DITCH REVENUE FUND – CASH DEFICITS

Criteria: In accordance with state statutes, active ditch systems must maintain sufficient funds to pay for project costs.

Condition and Context: The County reported 17 of the 57 active ditch systems as having deficit cash balances as of December 31, 2024, totaling \$2,141,235.

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

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

Repeat Finding: Yes, 2023-006.

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

CLIENT RESPONSE:

The County will continue to monitor the individual ditch deficits and eliminate them when feasible.

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

Section V – Summary Schedule of Prior Year Audit Findings

2023-001 SEGREGATION OF DUTIES

See current year finding 2024-001

Reason for finding's recurrence: The County has not segregated duties due to it not being cost beneficial.

2023-002 AUDIT ADJUSTMENTS

See current year finding 2024-002

Reason for finding's recurrence: The County has a limited number of personnel and there were unique transactions in 2024 that needed to be adjusted.

2023-003 FINANCIAL REPORTING PROCESS

See current year finding 2024-003

Reason for finding's recurrence: The County has a limited number of personnel due to it not being cost beneficial.

2023-004 FORMAL POLICY OVER PROCEDURES

See current year finding 2024-004

Reason for finding's recurrence: The County has a limited number of personnel and relies on the data entered by departments into the general ledger system.

2023-005 LACK OF REVIEW OVER DISBURSEMENTS

See current year finding 2024-005

Reason for finding's recurrence: The County has a limited number of personnel and there was significant turnover at the County this year.

2023-006 DITCH SPECIAL REVENUE FUND – CASH DEFICITS

See current year finding 2024-007

Reason for finding's recurrence: The County did not eliminate ditch deficits as it was not feasible.

2023-007 COUNTY BUDGET

Resolution: During current year testing, no similar instances were noted.

2023-008 CONTRACTING AND BIDDING

Resolution: During current year testing, no similar instances were noted.

**SWIFT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024**

Federal Grantor Pass Through Agency Grant Program Title or Cluster Name	Federal Award Identification Number and Pass-Through Grantor ID	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Part of SNAP Cluster)	242MN101S2514	10.561	\$ 168,778	\$ -
U.S. Department of Justice				
Direct Award Bulletproof Vest Partnership Program	N/A	16.607	2,148	-
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation Minimum Penalties for Repeat Offenders for Driving While Intoxicated	A-ENFRC24-2024 -BENSONPD-035	20.608	4,105	-
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Human Services MaryLee Allen Promoting Safe and Stable Families Program	2301MNFPS	93.556	1,911	-
Temporary Assistance for Needy Families	2401MNTANF	93.558	29,296	-
Child Support Enforcement	2301MNCES	93.563	\$ 189,727	-
	2301MNCSES		<u>51,878</u>	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	2401MNRCA	93.566	1,309	-
Community-Based Child Abuse Prevention Grants	2302MNBCAP	93.590	2,355	-
Child Care and Development Block Grant (Part of CCDF Cluster)	2401MNCCDF	93.575	1,255	-
Stephanie Tubbs Jones Child Welfare Services Program	2301MNCWSS	93.645	409	-
Foster Care Title IV-E	2401MNFOST	93.658	74,757	-
Social Services Block Grant	2401MNSOSR	93.667	81,947	-

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

Federal Grantor Pass Through Agency Grant Program Title or Cluster Name	Federal Award Identification Number and Pass-Through Grantor ID	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
(Continued)				
Passed Through Minnesota Department of Human Services (Continued)				
Child Abuse and Neglect State Grants	2301MNNCAN	93.667	\$ 409	\$ -
Children's Health Insurance Program	2305MN5021	93.767	267	-
Medical Assistance Program (Part of Medicaid Cluster, Total \$679,178)	2405MN5ADM	93.778	\$ 673,363	-
	2405MN5MAP		<u>5,815</u>	<u>-</u>
Total Department of Health and Human Services			<u>679,178</u>	<u>-</u>
			1,114,698	-
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Public Safety				
Boat and Water Safety	R29G70CBLA22	97.012	22,220	-
Emergency Management Performance Grants	F-EMPG-2021-SWIFTCO-4224	97.042	<u>38,669</u>	<u>-</u>
Total Department of Homeland Security			<u>60,889</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 1,350,618</u>	<u>\$ -</u>

Notes:

- The schedule of expenditures of federal awards presents the federal award programs expended by Swift County. The County's reporting entity is defined in Note 1 to the financial statements. The schedule does not include \$390,694 in federal awards expended by the Swift County Housing and Redevelopment Authority, which has a separate audit.
- The accompanying schedule of expenditures of federal awards includes the federal grant activity of Swift County under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) from the Office of Management and Budget (OMB). Because the schedule presents only a selected portion of the operations of Swift County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Swift County.
- Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Swift County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Reconciliation to the Schedule of Intergovernmental Revenue:

Federal Grant Revenue per Schedule of Intergovernmental Revenue	\$ 1,349,065
Expenditures in the Schedule of Federal Expenditures, not included as Revenues Reported in the Schedule of Intergovernmental Revenue	(1,571)
Revenues included on the Schedule of Intergovernmental Revenue that are not considered Federal Grant Expenditures	<u>3,124</u>
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 1,350,618</u>



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of County Commissioners
Swift County
Benson, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Swift County (the County) as of and for the year ended December 31, 2024, (except for the Swift County Housing and Redevelopment Authority (HRA) which is as of and for the year ended June 30, 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 September 10, 2025. Our report includes references to other auditors who audited the financial statements of Swift County-Benson Hospital, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of compliance and other matters that are reported on separately by those auditors.

In connection with our audit, we noted that the County failed to comply with provisions of the miscellaneous provisions of *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, in so far as they relate to accounting matters as described in the schedule of findings and questioned costs as item 2024-007. Also, in connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the provisions of the depositories of public funds and public investments, conflicts of interest, public indebtedness, contracting – bid laws, and claims and disbursements sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit. 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 the responses.

Board of County Commissioners
Swift County

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Brainerd, Minnesota
September 10, 2025



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