

**SWIFT COUNTY
BENSON, MINNESOTA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



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 BENSON, MINNESOTA
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FINANCIAL SECTION

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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, 2023, (except for the Swift County Housing and Redevelopment Authority (HRA) which is as of and for the year ended June 30, 2023), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our report 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, 2023, (except for the Swift County Housing and Redevelopment Authority which is as of and for the year ended June 30, 2023) and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Swift County-Benson Hospital (the Hospital) which represents 90%, 32%, and 0% of the assets, net position and revenues of the aggregate discretely presented component units as of December 31, 2023, 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 Swift 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 Swift 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

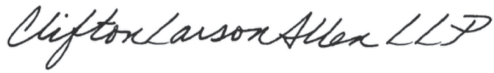
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of changes in the total OPEB liability, related ratios, and notes, schedule of the proportionate share of the net pension liability, schedule of contributions, and 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 – custodial funds, combining statement of changes in fiduciary net position – 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. In our opinion, the description of funds, combining statement of fiduciary net position – custodial funds, combining statement of changes in fiduciary net position – 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance. The separate report does not include the Hospital, which is audited by other auditors.



CliftonLarsonAllen LLP

Brainerd, Minnesota
September 11, 2024

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REQUIRED SUPPLEMENTARY INFORMATION

**SWIFT COUNTY
BENSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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, 2023. Since this information is designed to focus on the current-year's activities, resulting changes, and currently known facts, it should be read in conjunction with the County's financial statements (beginning on page 19).

Financial Highlights

Key financial highlights for 2023 include the following:

- Governmental activities' total net position is \$98,980,396, of which \$74,979,114 is net investment in capital assets, and \$5,459,901 is restricted for specific purposes.
- Swift County's governmental activities net position increased by \$6,640,804 for the year ended December 31, 2023. Net position of the County's discretely presented component units for 2023 decreased by \$14,148,837.
- The net cost of governmental activities was \$8,871,899 for the current fiscal year. The net cost was funded by general revenues and other items totaling \$15,512,703.
- Governmental funds' fund balances decreased by \$3,504,119.

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
BENSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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
BENSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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 121-125). 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 \$98,980,396 on December 31, 2023 (see Table A-1).

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

	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 34,466,737	\$ 43,192,747
Capital and Noncurrent Assets	85,828,352	77,239,478
Total Assets	<u>120,295,089</u>	<u>120,432,225</u>
Deferred Outflows of Resources	3,661,138	5,303,753
Current Liabilities	3,334,020	4,148,159
Long-Term Liabilities	17,473,633	28,987,004
Total Liabilities	<u>20,807,653</u>	<u>33,135,163</u>
Deferred Inflows of Resources	4,168,178	261,223
Net Position:		
Net Investment in Capital Assets	74,979,114	71,480,791
Restricted	5,459,901	4,849,892
Unrestricted	<u>18,541,381</u>	<u>16,008,909</u>
Total Net Position	<u>\$ 98,980,396</u>	<u>\$ 92,339,592</u>

**SWIFT COUNTY
BENSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Financial Analysis of the County as a Whole (Continued)

Changes in Net Position

The County-wide total revenues were \$30,907,224 for the year ended December 31, 2023. Property taxes and intergovernmental revenues accounted for 81% of total revenues for the year (see Table A-2).

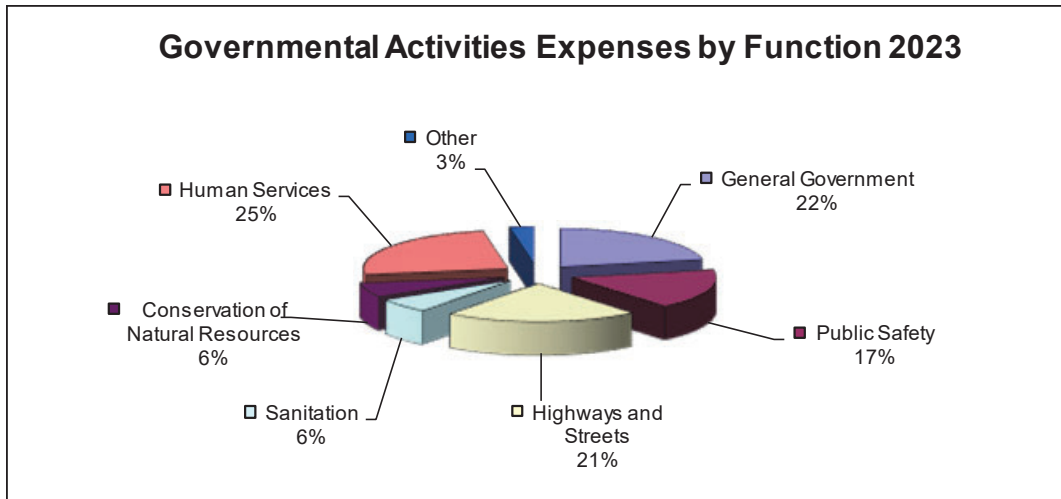
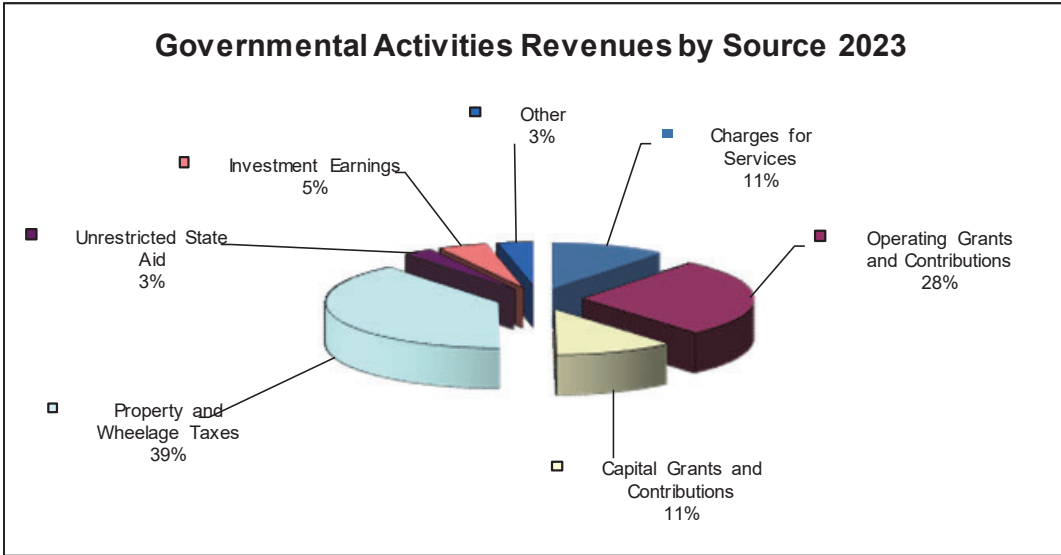
**Table A-2
Change in Net Position**

	Governmental Activities	
	2023	2022
REVENUES		
Program Revenues:		
Fees, Charges, Fines, and Other	\$ 3,315,468	\$ 3,186,748
Operating Grants and Contributions	8,632,538	6,048,019
Capital Grants and Contributions	3,446,515	3,911,198
General Revenues:		
Property Taxes	12,038,963	11,485,182
Unrestricted State Aid	860,704	881,648
Investment Earnings	1,428,831	(37,335)
Other	1,184,205	534,965
Total Revenues	<u>30,907,224</u>	<u>26,010,425</u>
EXPENSES		
General Government	5,296,106	5,645,676
Public Safety	4,131,316	3,173,536
Highways and Streets	5,225,577	5,684,559
Sanitation	1,472,870	1,886,145
Human Services	5,989,061	5,792,471
Health	314,268	121,416
Culture and Recreation	117,341	154,501
Conservation of Natural Resources	1,475,555	2,598,078
Economic Development	9,025	-
Interest	235,301	373,336
Total Expenses	<u>24,266,420</u>	<u>25,429,718</u>
CHANGE IN NET POSITION	6,640,804	580,707
Net Position - Beginning of Year	<u>92,339,592</u>	<u>91,758,885</u>
NET POSITION - END OF YEAR	<u>\$ 98,980,396</u>	<u>\$ 92,339,592</u>

**SWIFT COUNTY
BENSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Financial Analysis of the County as a Whole (Continued)

Changes in Net Position (Continued)



**SWIFT COUNTY
BENSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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 \$24,266,420.

- Some of the cost was paid by the users of the County's Programs (\$3,315,468).
- The federal and state governments subsidized certain programs with grants and contributions (\$12,079,053).
- The remainder of the County's costs, (\$8,871,899), however, was paid for by County taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with the \$12,162,449 of taxes, \$860,704 of state aid, and with \$2,489,550 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
	2023	2022		2023	2022	
GOVERNMENTAL ACTIVITIES						
General Government	\$ 5,296,106	\$ 5,645,676	(6.2)%	\$ (3,345,003)	\$ (4,483,327)	(25.4)%
Public Safety	4,131,316	3,173,536	30.2	(3,649,482)	(2,733,446)	33.5
Highways and Streets	5,225,577	5,684,559	(8.1)	2,292,113	572,635	300.3
Sanitation	1,472,870	1,886,145	(21.9)	(112,876)	(373,177)	(69.8)
Human Services	5,989,061	5,792,471	3.4	(2,855,725)	(2,819,549)	1.3
Health	314,268	121,416	158.8	(312,181)	(142,305)	119.4
Culture and Recreation	117,341	154,501	(24.1)	(1,028)	(828)	24.2
Conservation of Natural Resources	1,475,555	2,598,078	(43.2)	(650,276)	(1,939,249)	(66.5)
Economic Development	9,025	-	N/A	(2,140)	8,829	(124.2)
Interest and Fiscal Charges on Long-Term Liabilities	235,301	373,336	(37.0)	(235,301)	(373,336)	(37.0)
Total	<u>\$ 24,266,420</u>	<u>\$ 25,429,718</u>	(4.6)	<u>\$ (8,871,899)</u>	<u>\$ (12,283,753)</u>	27.8

**SWIFT COUNTY
BENSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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 \$32,815,978. Revenues for the County's governmental funds were \$30,027,484, while total expenditures were \$33,934,723. During 2023, the County also sold capital assets 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 increased by \$139,696 during 2023. This increase was primarily due to increase in tax revenues and investment earnings in the current year.

The Road and Bridge Fund had a total fund balance of \$11,645,819. This fund balance total is a \$676,346 increase from the prior year.

The Welfare Fund's fund balance increased by \$736,085, primarily due to an increase in intergovernmental for 2023.

The Revolving Loan Fund's fund balance increased by \$44,605 due to repayments received in the current year and minimal expenditures.

The Solid Waste Fund's fund balance increased by \$327,126, primarily due to an increase tax revenues and a decrease in expenditures.

The Ditch Fund's fund balance increased by \$255,524, due to an increase in assessments for future ditch projects.

The Opioid Settlement Fund's fund balance decreased by \$43,880 due to the County spending the settlement funds received.

The Debt Service Fund's fund balance decreased by \$5,625,135 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
BENSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

General Fund (Continued)

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

**Table A-4
General Fund Revenues**

	Year Ended		Change	
	December 31, 2023	December 31, 2022	Increase (Decrease)	Percent
Taxes	\$ 6,548,282	\$ 6,129,742	\$ 418,540	6.8 %
Licenses and Permits	4,505	4,080	425	10.4
Intergovernmental	2,165,323	2,425,992	(260,669)	(10.7)
Charges for Services	666,416	595,614	70,802	11.9
Investment Earnings	1,356,870	25,249	1,331,621	5,274.0
Miscellaneous and Other	728,943	500,188	228,755	45.7
Total General Fund Revenues	\$ 11,470,339	\$ 9,680,865	\$ 1,789,474	18.5

The following schedule presents a summary of General Fund Expenditures:

**Table A-5
General Fund Expenditures**

	Year Ended		Change	
	December 31, 2023	December 31, 2022	Increase (Decrease)	Percent
General Government	\$ 5,208,849	\$ 5,320,235	\$ (111,386)	(2.1)%
Public Safety	3,928,276	3,398,976	529,300	15.6
Health	241,416	121,416	120,000	98.8
Culture and Recreation	117,480	164,567	(47,087)	(28.6)
Conservation of Natural Resources	1,124,702	370,709	753,993	203.4
Total Expenditures	\$ 10,620,723	\$ 9,375,903	\$ 1,244,820	13.3

General Fund Budgetary Highlights

- Actual revenues were approximately \$2,880,000 more than expected, due primarily to receiving more investment earnings and tax revenues than budgeted for.
- The actual expenditures were approximately \$1,000,000 more than budget. This is primarily due paying for ditch redetermination expenses and building improvements that were not budgeted for.

**SWIFT COUNTY
BENSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Capital Assets and Debt Administration

Capital Assets

By the end of 2023, the County had invested approximately \$122,000,000 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 \$2,743,996.

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

	Governmental Activities		Percent Change
	2023	2022	
Land	\$ 2,771,394	\$ 2,771,394	-
Construction-in-Progress	1,478,590	7,516,380	(80.3)
Buildings	14,701,662	14,716,662	(0.1)
Machinery, Equipment, and Vehicles	10,077,367	9,685,307	4.0
Infrastructure	92,724,502	82,316,984	12.6
Less: Accumulated Depreciation	(42,355,520)	(40,367,249)	4.9
Total	<u>\$ 79,397,995</u>	<u>\$ 76,639,478</u>	3.6

Debt Administration

At year-end, the County's outstanding debt was \$10,834,449, which had a decrease of \$6,290,780 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**

	2023	2022	Percent Change
GOVERNMENTAL ACTIVITIES			
General Obligation Abatement Bonds	\$ -	\$ 6,190,000	(100.0)%
General Obligation Capital Improvement Plan Bonds	4,150,000	4,365,000	(4.9)
General Obligation Taxable Crossover Refunding Bonds	6,115,000	6,115,000	-
Clean Water Partnership Loans	569,449	455,229	25.1
Total	<u>\$ 10,834,449</u>	<u>\$ 17,125,229</u>	(36.7)
DISCRETE COMPONENT UNITS			
Swift County Housing and Redevelopment Authority	\$ 1,513,193	\$ 1,649,979	(8.3)
Swift County-Benson Hospital	14,422,065	17,778,751	(18.9)
Total	<u>\$ 15,935,258</u>	<u>\$ 19,428,730</u>	(18.0)

**SWIFT COUNTY
BENSON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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. Due to the declaration of nation and local emergencies by the President of the United States and the Governor of Minnesota related to the COVID-19 pandemic there has been significant volatility in economic conditions and unemployment rates. The long-term impact of the pandemic on revenues and expenditures is unknown at this time. 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.

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BASIC FINANCIAL STATEMENTS

**SWIFT COUNTY
BENSON, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Primary Government	Discretely Presented Component Units	Total Reporting Entity
ASSETS			
Cash and Pooled Investments	\$ 26,965,692	\$ 893,109	\$ 27,858,801
Petty Cash and Change Funds	1,675	-	1,675
Investments - Unrestricted	-	35,531	35,531
Taxes Receivable - Delinquent	90,950	-	90,950
Special Assessments Receivable - Delinquent	16,838	-	16,838
Special Assessments Receivable - Noncurrent	725,583	-	725,583
Accounts Receivable - Net	235,170	85,981	321,151
Loans Receivable - Current	729,647	8,290	737,937
Lease Receivable - Current	-	809,863	809,863
Due from Component Unit	1,006,546	-	1,006,546
Accrued Interest Receivable	96,204	-	96,204
Due from Other Governments	3,748,342	-	3,748,342
Prepaid Items	156,809	-	156,809
Supplies	693,281	-	693,281
Restricted Assets:			
Cash and Investments	600,000	1,180,554	1,780,554
Loans Receivable - Noncurrent	5,830,357	29,090	5,859,447
Lease Receivable - Noncurrent	-	11,803,475	11,803,475
Capital Assets - Nondepreciable:			
Land	2,771,394	905,894	3,677,288
Construction-in-Progress	1,478,590	50,698	1,529,288
Depreciable Capital Assets - Net of Depreciation:			
Buildings	9,719,232	15,321,923	25,041,155
Improvements Other than Buildings	-	143,809	143,809
Machinery, Vehicles, Furniture, and Equipment	3,417,281	-	3,417,281
Infrastructure	62,011,498	-	62,011,498
Total Assets	<u>120,295,089</u>	<u>31,268,217</u>	<u>151,563,306</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	3,619,738	-	3,619,738
Loss on Refunding	-	218,920	218,920
Other Postemployment Benefits Payable Related	41,400	-	41,400
Total Deferred Outflows of Resources	<u>3,661,138</u>	<u>218,920</u>	<u>3,880,058</u>

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BENSON, MINNESOTA
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023**

	Primary Government	Discretely Presented Component Units	Total Reporting Entity
LIABILITIES			
Accounts Payable	\$ 792,852	\$ 52,888	\$ 845,740
Salaries Payable	355,255	-	355,255
Accrued Payroll Taxes	54,722	-	54,722
Contracts Payable	195,162	-	195,162
Due to Other Governments	80,020	14,782	94,802
Accrued Interest Payable	93,186	142,495	235,681
Unearned Revenue	51,840	-	51,840
Customer Deposits - Current	-	28,051	28,051
Custodial Deposits	600,000	-	600,000
Compensated Absences Payable - Due Within One Year	412,651	-	412,651
General Obligation Bonds Payable - Due Within One Year	625,000	715,000	1,340,000
Due to Primary Government - Due Within One Year	-	102,362	102,362
Loans Payable - Due Within One Year	31,932	237,046	268,978
Total Other Postemployment Benefits Payable - Due Within One Year	41,400	-	41,400
Compensated Absences Payable - Due in More than One Year	1,237,951	-	1,237,951
General Obligation Bonds Payable - Due in More than One Year	9,713,719	11,891,495	21,605,214
Due to Primary Government - Due in More than One Year	-	896,887	896,887
Loans Payable - Due in More than One Year	537,517	2,672,468	3,209,985
Total Other Postemployment Benefits Payable - Due in More than One Year	169,025	-	169,025
Net Pension Liability - Due in More than One Year	5,815,421	-	5,815,421
Total Liabilities	20,807,653	16,753,474	37,561,127
DEFERRED INFLOWS OF RESOURCES			
Pension Related	4,082,307	12,613,338	16,695,645
Property Taxes Collected in Advance	17,915	-	17,915
Other Postemployment Benefits Payable Related	67,956	-	67,956
Lease Revenue	-	12,613,338	12,613,338
Total Deferred Inflows of Resources	4,168,178	12,613,338	16,781,516
NET POSITION			
Net Investment in Capital Assets	74,979,114	125,986	75,105,100
Restricted for:			
Debt Service	711,324	-	711,324
Recorder Equipment	77,107	-	77,107
E-911 Program	423,691	-	423,691
Transportation	1,819,763	-	1,819,763
Human Services	127,679	-	127,679
Economic Development Loans	1,122,106	-	1,122,106
Ditches	971,463	-	971,463
Opioid Remediation	206,768	-	206,768
Hospice	-	1,152,503	1,152,503
Unrestricted	18,541,381	841,836	19,383,217
Total Net Position	\$ 98,980,396	\$ 2,120,325	\$ 101,100,721

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BENSON, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Expenses	Program Revenues		
		Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
General Government	\$ 5,296,106	\$ 1,117,200	\$ 833,903	\$ -
Public Safety	4,131,316	121,297	357,458	3,079
Highways and Streets	5,225,577	105,288	4,434,870	2,977,532
Sanitation	1,472,870	1,287,554	72,440	-
Human Services	5,989,061	492,122	2,641,214	-
Health	314,268	-	2,087	-
Culture and Recreation	117,341	22,887	-	93,426
Conservation of Natural Resources	1,475,555	162,235	290,566	372,478
Economic Development	9,025	6,885	-	-
Interest	235,301	-	-	-
Total Governmental Activities	<u>24,266,420</u>	<u>3,315,468</u>	<u>8,632,538</u>	<u>3,446,515</u>
DISCRETE COMPONENT UNITS				
Swift County - Housing and Redevelopment Authority	1,050,685	653,486	658,933	-
Swift County - Benson Hospital	1,701,245	990,928	-	-
Total Discretely Presented Component Units	<u>2,751,930</u>	<u>1,644,414</u>	<u>658,933</u>	<u>-</u>
Total Reporting Entity	<u>\$ 27,018,350</u>	<u>\$ 4,959,882</u>	<u>\$ 9,291,471</u>	<u>\$ 3,446,515</u>

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BENSON, MINNESOTA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Discretely Presented Component Units	Total
FUNCTIONS/PROGRAMS			
PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES			
General Government	\$ (3,345,003)	\$ -	\$ (3,345,003)
Public Safety	(3,649,482)	-	(3,649,482)
Highways and Streets	2,292,113	-	2,292,113
Sanitation	(112,876)	-	(112,876)
Human Services	(2,855,725)	-	(2,855,725)
Health	(312,181)	-	(312,181)
Culture and Recreation	(1,028)	-	(1,028)
Conservation of Natural Resources	(650,276)	-	(650,276)
Economic Development	(2,140)	-	(2,140)
Interest	(235,301)	-	(235,301)
Total Governmental Activities	<u>(8,871,899)</u>	<u>-</u>	<u>(8,871,899)</u>
DISCRETE COMPONENT UNITS			
Swift County - Housing and Redevelopment Authority	-	261,734	261,734
Swift County - Benson Hospital	-	(710,317)	(710,317)
Total Discretely Presented Component Units	<u>-</u>	<u>(448,583)</u>	<u>(448,583)</u>
Total Reporting Entity	(8,871,899)	(448,583)	(9,320,482)
GENERAL REVENUES			
Property Taxes	12,038,963	-	12,038,963
Wheelage Tax	110,427	-	110,427
Mortgage and Registry Deed Taxes	13,059	-	13,059
Payments in Lieu of Tax	141,677	-	141,677
Rent	71,667	-	71,667
Insurance Dividends	16,653	-	16,653
Grants and Contributions Not Restricted for a Particular Purpose	860,704	-	860,704
Investment Earnings	1,428,831	485,175	1,914,006
Special Items	-	(16,166,824)	(16,166,824)
Miscellaneous	814,061	1,981,395	2,795,456
Gain on Sale of Capital Assets	16,661	-	16,661
Total General Revenues	<u>15,512,703</u>	<u>(13,700,254)</u>	<u>1,812,449</u>
CHANGE IN NET POSITION	6,640,804	(14,148,837)	(7,508,033)
Net Position - Beginning of Year	<u>92,339,592</u>	<u>16,269,162</u>	<u>108,608,754</u>
NET POSITION - END OF YEAR	<u>\$ 98,980,396</u>	<u>\$ 2,120,325</u>	<u>\$ 101,100,721</u>

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BENSON, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

ASSETS	General	Road and Bridge	Welfare	Revolving Loan	Solid Waste
Cash and Pooled Investments	\$ 5,369,609	\$ 11,181,229	\$ 5,534,157	\$ 951,977	\$ 990,762
Petty Cash and Change Funds	1,600	-	25	-	50
Restricted Cash	-	-	-	-	-
Taxes Receivable - Delinquent	47,993	14,365	23,611	-	2,006
Special Assessments Receivable:					
Delinquent	-	-	-	-	15,554
Noncurrent	-	-	-	-	414,583
Accounts Receivable - Net	59,430	13,013	119,066	-	43,164
Accrued Interest Receivable	96,204	-	-	-	-
Loans Receivable	538,084	-	1,791	170,129	-
Due from Component Unit	1,006,546	-	-	-	-
Due from Other Funds	1,756,773	-	-	-	-
Due from Other Governments	101,080	2,934,138	506,356	-	-
Prepaid Items	64,658	22,599	62,946	-	6,606
Supplies	-	693,281	-	-	-
Total Assets	\$ 9,041,977	\$ 14,858,625	\$ 6,247,952	\$ 1,122,106	\$ 1,472,725
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 388,338	\$ 9,791	\$ 125,810	\$ -	\$ 94,729
Salaries Payable	167,019	56,597	120,311	-	11,328
Accrued Payroll Taxes	25,864	8,372	18,258	-	2,228
Contracts Payable	-	195,162	-	-	-
Due to Other Funds	-	-	3,287	-	-
Due to Other Governments	65,131	-	403	-	-
Custodial Deposits	-	-	-	-	-
Unearned Revenue	51,840	-	-	-	-
Total Liabilities	698,192	269,922	268,069	-	108,285
DEFERRED INFLOWS OF RESOURCES					
Unavailable Taxes	47,993	14,365	23,611	-	17,560
Unavailable Special Assessments	-	-	-	-	414,583
Unavailable Grants	-	2,925,795	72,921	-	-
Unavailable Loans Receivable	-	-	-	179,153	-
Property Taxes Collected in Advance	9,545	2,724	4,520	-	538
Total Deferred Inflows of Resources	57,538	2,942,884	101,052	179,153	432,681
FUND BALANCES					
Nonspendable:					
Prepaid Items	64,658	22,599	62,946	-	6,606
Supplies	-	693,281	-	-	-
Loans Receivable	1,006,547	-	-	-	-
Restricted:					
Recorder Equipment	77,107	-	-	-	-
E-911	423,691	-	-	-	-
Future Loans	-	-	-	942,953	-
Ditches	-	-	-	-	-
Debt Service	-	-	-	-	-
MA Renewals	-	-	54,758	-	-
Committed:					
Road and Bridge	-	5,480,398	-	-	-
Welfare Programs	-	-	5,761,127	-	-
Solid Waste	-	-	-	-	925,153
Budgeted Spend Down	-	5,449,541	-	-	-
Unassigned	6,714,244	-	-	-	-
Total Fund Balances	8,286,247	11,645,819	5,878,831	942,953	931,759
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,041,977	\$ 14,858,625	\$ 6,247,952	\$ 1,122,106	\$ 1,472,725

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BENSON, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023**

ASSETS	Ditch	Opioid Settlement	Debt Service	Total Governmental Funds
Cash and Pooled Investments	\$ -	\$ 14,486	\$ 1,071,098	\$ 25,113,318
Petty Cash and Change Funds	-	-	-	1,675
Restricted Cash	-	-	600,000	600,000
Taxes Receivable - Delinquent	-	-	2,975	90,950
Special Assessments Receivable:				
Delinquent	1,284	-	-	16,838
Noncurrent	311,000	-	-	725,583
Accounts Receivable - Net	-	-	-	234,673
Accrued Interest Receivable	-	-	-	96,204
Loans Receivable	-	-	5,850,000	6,560,004
Due from Component Unit	-	-	-	1,006,546
Due from Other Funds	-	-	-	1,756,773
Due from Other Governments	-	206,768	-	3,748,342
Prepaid Items	-	-	-	156,809
Supplies	-	-	-	693,281
Total Assets	\$ 312,284	\$ 221,254	\$ 7,524,073	\$ 40,800,996
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 35,655	\$ -	\$ 1,000	\$ 655,323
Salaries Payable	-	-	-	355,255
Accrued Payroll Taxes	-	-	-	54,722
Contracts Payable	-	-	-	195,162
Due to Other Funds	1,753,486	14,486	-	1,771,259
Due to Other Governments	-	-	-	65,534
Custodial Deposits	-	-	600,000	600,000
Unearned Revenue	-	-	-	51,840
Total Liabilities	1,789,141	14,486	601,000	3,749,095
DEFERRED INFLOWS OF RESOURCES				
Unavailable Taxes	1,284	-	2,975	107,788
Unavailable Special Assessments	311,000	-	-	725,583
Unavailable Grants	-	206,768	-	3,205,484
Unavailable Loans Receivable	-	-	-	179,153
Property Taxes Collected in Advance	-	-	588	17,915
Total Deferred Inflows of Resources	312,284	206,768	3,563	4,235,923
FUND BALANCES				
Nonspendable:				
Prepaid Items	-	-	-	156,809
Supplies	-	-	-	693,281
Loans Receivable	-	-	-	1,006,547
Restricted:				
Recorder Equipment	-	-	-	77,107
E-911	-	-	-	423,691
Future Loans	-	-	-	942,953
Ditches	660,463	-	-	660,463
Debt Service	-	-	6,919,510	6,919,510
MA Renewals	-	-	-	54,758
Committed:				
Road and Bridge	-	-	-	5,480,398
Welfare Programs	-	-	-	5,761,127
Solid Waste	-	-	-	925,153
Budgeted Spend Down	-	-	-	5,449,541
Unassigned	(2,449,604)	-	-	4,264,640
Total Fund Balances	(1,789,141)	-	6,919,510	32,815,978
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 312,284	\$ 221,254	\$ 7,524,073	\$ 40,800,996

See accompanying Notes to Basic Financial Statements.

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

Total Fund Balance - Governmental Funds (Governmental Funds Balance Sheet)		\$ 32,815,978
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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.		79,397,995
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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	\$ (5,815,421)	
Deferred Inflows of Resources - Pension Related	(4,082,307)	
Deferred Outflows of Resources - Pension Related	<u>3,619,738</u>	(6,277,990)

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	(210,425)	
Deferred Inflows of Resources - OPEB Related	(67,956)	
Deferred Outflows of Resources - OPEB Related	<u>41,400</u>	(236,981)

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	107,788	
Special Assessments	725,583	
Loans Receivable	179,153	
Grant Related	<u>3,205,484</u>	4,218,008

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:

1,715,342

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	(10,265,000)	
Premium on General Obligation Bonds	(73,719)	
Loans Payable	(569,449)	
Compensated Absences	(1,650,602)	
Accrued Interest Payable	<u>(93,186)</u>	<u>(12,651,956)</u>

Net Position of Governmental Activities (Statement of Net Position)		<u>\$ 98,980,396</u>
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See accompanying Notes to Basic Financial Statements.

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**SWIFT COUNTY
BENSON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Road and Bridge	Welfare	Revolving Loan	Solid Waste
REVENUES					
Taxes	\$ 6,548,282	\$ 1,897,195	\$ 3,001,411	\$ -	\$ 351,227
Special Assessments	-	-	-	-	329,221
Licenses and Permits	4,505	-	-	-	-
Intergovernmental	2,165,323	6,486,086	2,851,648	-	98,279
Charges for Services	666,416	63,459	456,017	-	776,174
Fines and Forfeits	9,365	-	-	-	-
Gifts and Contributions	13,375	-	88,757	-	-
Interest on Investments	1,356,870	-	-	6,885	-
Miscellaneous	706,203	41,931	261,735	36,083	106,301
Total Revenues	11,470,339	8,488,671	6,659,568	42,968	1,661,202
EXPENDITURES					
Current:					
General Government	5,208,849	-	-	-	-
Public Safety	3,928,276	-	-	-	-
Highways and Streets	-	8,301,146	-	-	-
Sanitation	-	-	-	-	1,702,698
Human Services	-	-	6,101,707	-	-
Health	241,416	-	-	-	-
Culture and Recreation	117,480	-	-	-	-
Conservation of Natural Resources	1,124,702	-	-	-	-
Economic Development	-	-	-	9,025	-
Debt Service:					
Principal	-	-	-	-	31,932
Interest	-	-	-	-	-
Administrative (Fiscal) Charges	-	-	-	-	-
Total Expenditures	10,620,723	8,301,146	6,101,707	9,025	1,734,630
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	849,616	187,525	557,861	33,943	(73,428)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	464,718	178,016	10,662	-
Transfers Out	(715,666)	-	-	-	-
Issuance of Loans	-	-	-	-	146,152
Insurance Proceeds	-	-	-	-	254,402
Proceeds from Sale of Assets	5,746	24,103	208	-	-
Total Other Financing Sources	(709,920)	488,821	178,224	10,662	400,554
NET CHANGE IN FUND BALANCE	139,696	676,346	736,085	44,605	327,126
Fund Balance - Beginning of Year	8,146,551	10,969,473	5,142,746	898,348	604,633
FUND BALANCE - END OF YEAR	\$ 8,286,247	\$ 11,645,819	\$ 5,878,831	\$ 942,953	\$ 931,759

See accompanying Notes to Basic Financial Statements.

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

	Ditch	Opioid Settlement	Debt Service	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 385,645	\$ 12,183,760
Special Assessments	603,608	-	-	932,829
Licenses and Permits	-	-	-	4,505
Intergovernmental	-	-	28,255	11,629,591
Charges for Services	-	-	-	1,962,066
Fines and Forfeits	-	-	-	9,365
Gifts and Contributions	-	-	-	102,132
Interest on Investments	-	-	71,961	1,435,716
Miscellaneous	6,846	14,486	593,935	1,767,520
Total Revenues	<u>610,454</u>	<u>14,486</u>	<u>1,079,796</u>	<u>30,027,484</u>
EXPENDITURES				
Current:				
General Government	-	-	-	5,208,849
Public Safety	-	-	-	3,928,276
Highways and Streets	-	-	-	8,301,146
Sanitation	-	-	-	1,702,698
Human Services	-	-	-	6,101,707
Health	-	72,852	-	314,268
Culture and Recreation	-	-	-	117,480
Conservation of Natural Resources	354,930	-	-	1,479,632
Economic Development	-	-	-	9,025
Debt Service:				
Principal	-	-	6,405,000	6,436,932
Interest	-	-	332,720	332,720
Administrative (Fiscal) Charges	-	-	1,990	1,990
Total Expenditures	<u>354,930</u>	<u>72,852</u>	<u>6,739,710</u>	<u>33,934,723</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	255,524	(58,366)	(5,659,914)	(3,907,239)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	34,779	688,175
Transfers Out	-	-	-	(715,666)
Issuance of Loans	-	-	-	146,152
Insurance Proceeds	-	-	-	254,402
Proceeds from Sale of Assets	-	-	-	30,057
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>34,779</u>	<u>403,120</u>
NET CHANGE IN FUND BALANCE	255,524	(58,366)	(5,625,135)	(3,504,119)
Fund Balance - Beginning of Year	<u>(2,044,665)</u>	<u>58,366</u>	<u>12,544,645</u>	<u>36,320,097</u>
FUND BALANCE - END OF YEAR	<u>\$ (1,789,141)</u>	<u>\$ -</u>	<u>\$ 6,919,510</u>	<u>\$ 32,815,978</u>

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BENSON, MINNESOTA
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, 2023**

Net Changes in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ (3,504,119)

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. 863,657

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	\$ 5,515,909	
Net Book Value of Assets Disposed of	(13,396)	
Current Year Depreciation	<u>(2,743,996)</u>	2,758,517

Loan proceeds provide current financial resources to government funds, but issuing debt increases long-term liabilities in the statement of net assets. (146,152)

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	5,070,801	
Change in Net Pension Liability - Deferred Outflows	(3,917,088)	
Change in Net Pension Liability - Deferred Inflows	<u>(1,671,914)</u>	(518,201)

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>6,405,000</u>	6,436,932

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. 570,851

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	80,384	
Amortization of Discounts and Premiums	18,530	
Change in Compensated Absences	60,358	
Change in Total Other Postemployment Benefits	(11,308)	
Change in Total Other Postemployment Benefits - Deferred Outflows	29,299	
Change in Total Other Postemployment Benefits - Deferred Inflows	<u>2,056</u>	<u>179,319</u>

Change in Net Position of Governmental Activities (Statement of Activities) \$ 6,640,804

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
 BENSON, MINNESOTA
 STATEMENT OF NET POSITION –
 INTERNAL SERVICE FUND
 DECEMBER 31, 2023**

	<u>Self-Insurance</u>
ASSETS	
Cash and Pooled Investments	\$ 1,852,374
Accounts Receivable	497
Total Assets	1,852,871
 LIABILITIES	
Accounts Payable	21,642
Incurred but Not Reported Payable	115,887
Total Liabilities	137,529
 NET POSITION	
Unrestricted	\$ 1,715,342

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
 BENSON, MINNESOTA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
 INTERNAL SERVICE FUND
 YEAR ENDED DECEMBER 31, 2023**

	<u>Self-Insurance</u>
OPERATING REVENUES	
Premiums	\$ 1,768,939
OPERATING EXPENSES	
Administrative and Fiscal Services	414,678
Other Services and Charges	810,901
Total Operating Expenses	1,225,579
GAIN BEFORE TRANSFERS	543,360
TRANSFERS IN	27,491
CHANGE IN NET POSITION	570,851
Net Position - Beginning of Year	1,144,491
NET POSITION - END OF YEAR	\$ 1,715,342

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BENSON, MINNESOTA
STATEMENT OF CASH FLOWS –
INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2023**

	<u>Self-Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Internal Services Provided	\$ 1,811,100
Payments to Suppliers	(414,678)
Payments for Claims	(926,964)
Net Cash Provided by Operating Activities	469,458
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer of Interest Received	27,491
 NET INCREASE IN CASH AND CASH EQUIVALENTS	496,949
 Cash and Cash Equivalents - Beginning of Year	1,355,425
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,852,374
 RECONCILIATION OF OPERATING GAIN TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Gain	\$ 543,360
Adjustments to Reconcile Operating Gain to Net Cash Provided by Operating Activities:	
Increase in Accounts Receivable	42,161
Decrease in Accounts Payable	(116,063)
Net Cash Provided by Operating Activities	\$ 469,458

See accompanying Notes to Basic Financial Statements.

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**SWIFT COUNTY
BENSON, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and Pooled Investments	\$ 37,922	\$ 926,502
Due From Other Governments	-	58,946
Taxes For Other Governments	-	246,170
Total Assets	37,922	1,231,618
LIABILITIES		
Due to Others	-	604,398
Due to Other Governments	-	284,200
Total Liabilities	-	888,598
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Collected for Subsequent Period	-	13,674
NET POSITION		
Restricted for:		
Individuals, Organizations, and Other Governments	\$ 37,922	\$ 329,346

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BENSON, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Contributions - Individuals	\$ 204,038	\$ 5,376
Intergovernmental	-	26,950
Fines and Forfeits	-	1,098
Property Tax Collections for Other Governments	-	11,469,125
License and Fees Collected for State	-	667,912
Miscellaneous	-	44,040
Total Additions	204,038	12,214,501
DEDUCTIONS		
Beneficiary Payments to Individuals	204,902	5,450
Payments of Property Tax to Other Governments	-	11,515,594
Payments to State	-	499,301
Payments to Other Entities	-	177,084
Total Deductions	204,902	12,197,429
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(864)	17,072
Fiduciary Net Position - Beginning of Year	38,786	312,274
FIDUCIARY NET POSITION - END OF YEAR	\$ 37,922	\$ 329,346

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BENSON, MINNESOTA
STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2023**

	Swift County Housing and Redevelopment Authority	Swift County-Benson Hospital	Total
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 874,780	\$ 18,329	\$ 893,109
Accounts Receivable - Net	80,238	5,743	85,981
Lease Receivable	-	809,863	809,863
Loans Receivable - Current	8,290	-	8,290
Investments - Unrestricted	35,531	-	35,531
Total Current Assets	<u>998,839</u>	<u>833,935</u>	<u>1,832,774</u>
RESTRICTED ASSETS			
Cash and Investments	533,582	646,972	1,180,554
NONCURRENT ASSETS			
Capital Assets:			
Land	25,000	880,894	905,894
Construction-in-Progress	50,698	-	50,698
Buildings (Net of Depreciation)	1,428,599	13,893,324	15,321,923
Land Improvements (Net of Depreciation)	-	143,809	143,809
Loans Receivable - Noncurrent	29,090	-	29,090
Lease Receivable - Noncurrent	-	11,803,475	11,803,475
Total Noncurrent Assets	<u>1,533,387</u>	<u>26,721,502</u>	<u>28,254,889</u>
Total Assets	3,065,808	28,202,409	31,268,217
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	-	218,920	218,920
CURRENT LIABILITIES			
Accounts Payable	52,888	-	52,888
Due to Other Governments	14,782	-	14,782
Accrued Interest	12,125	130,370	142,495
Revenue Bonds Payable - Current	135,000	580,000	715,000
Due to Primary Government - Current	-	102,362	102,362
Loans Payable - Current	-	237,046	237,046
Customer Deposits	28,051	-	28,051
Total Current Liabilities	<u>242,846</u>	<u>1,049,778</u>	<u>1,292,624</u>
NONCURRENT LIABILITIES			
Revenue Bonds Payable - Long Term	1,378,193	10,513,302	11,891,495
Due to Primary Government - Long Term	-	896,887	896,887
Loans Payable - Long Term	-	2,672,468	2,672,468
Total Noncurrent Liabilities	<u>1,378,193</u>	<u>14,082,657</u>	<u>15,460,850</u>
Total Liabilities	1,621,039	15,132,435	16,753,474
DEFERRED INFLOWS OF RESOURCES			
Leases	-	12,613,338	12,613,338
NET POSITION			
Net Investment in Capital Assets	(8,896)	134,882	125,986
Restricted	505,531	646,972	1,152,503
Unrestricted	948,134	(106,298)	841,836
Total Net Position	<u>\$ 1,444,769</u>	<u>\$ 675,556</u>	<u>\$ 2,120,325</u>

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
 BENSON, MINNESOTA
 STATEMENT OF ACTIVITIES –
 DISCRETELY PRESENTED COMPONENT UNITS
 YEAR ENDED DECEMBER 31, 2023**

COMPONENT UNITS	Program Revenues			
	Expenses	Fees, Charges, Fines and Other	Operating Grants and Contributions	Capital Grants and Contributions
Housing and Redevelopment Authority	\$ 1,050,685	\$ 653,486	\$ 658,933	\$ -
Swift County-Benson Hospital	1,701,245	990,928	-	-
Total Component Units	\$ 2,751,930	\$ 1,644,414	\$ 658,933	\$ -

See accompanying Notes to Basic Financial Statements.

**SWIFT COUNTY
BENSON, MINNESOTA
STATEMENT OF ACTIVITIES –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Net Expense (Revenue) and Changes in Net Position		
	Housing and Redevelopment Authority	Swift County-Benson Hospital	Total
COMPONENT UNITS			
Housing and Redevelopment Authority	\$ 261,734	\$ -	\$ 261,734
Swift County-Benson Hospital	-	(710,317)	(710,317)
Total Component Units	261,734	(710,317)	(448,583)
GENERAL REVENUES			
Investment Earnings	9,298	475,877	485,175
Special Items (Note 9B)	-	(16,166,824)	(16,166,824)
Miscellaneous	56,973	1,924,422	1,981,395
Total General Revenues	66,271	(13,766,525)	(13,700,254)
CHANGE IN NET POSITION	328,005	(14,476,842)	(14,148,837)
Net Position - Beginning of Year	1,116,764	15,152,398	16,269,162
NET POSITION - END OF YEAR	<u>\$ 1,444,769</u>	<u>\$ 675,556</u>	<u>\$ 2,120,325</u>

See accompanying Notes to Basic Financial Statements.

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**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

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, 2023, year end.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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.

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
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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, 2023, 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
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or 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 2016A tax abatement bond, 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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual paid time off, vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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 four 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 type occurs because the County collected property taxes prior to the year they were levied for and, therefore, the County will report deferred inflows for these items.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Fund Balance and Net Position (Continued)

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.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance

The County has deficit fund balance at December 31, 2023, as follows:

Ditch Fund	<u>\$ 1,789,141</u>
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The County intends to fund these deficits 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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Governmental Activities:	
Cash and Pooled Investments	\$ 26,965,692
Petty Cash and Change Funds	1,675
Restricted Cash and Investments	600,000
Fiduciary Funds	964,424
Total Cash and Investments	\$ 28,531,791

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, 2023, 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;

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Custodial Credit Risk – Deposits (Continued)

- (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;
- (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, 2023, the County had the following investments:

Investment Type	Carrying Value	Less Than 1 Year	1-5 Years	6-10 Years
U.S. Government Securities Mutual Fund	\$ 357,879	\$ 357,879	\$ -	\$ -
U.S. Government Instruments	495,868	495,868	-	-
Negotiable Certificates of Deposit	5,848,052	5,167,052	681,000	-
MAGIC External Investment Pool	19,631,946	19,631,946	-	-
Total	<u>\$ 26,333,745</u>	<u>\$ 25,652,745</u>	<u>\$ 681,000</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, 2023, the County's U.S. government securities mutual funds through Franklin Templeton Investments were rated AAA, through inquiry of customer service representatives. The government securities money market fund held with Wells Fargo was rated AAA by S&P. The negotiable certificates of deposit were not rated.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

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, 2023, 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.

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Fair Value Measurement (Continued)

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:				
Negotiable Certificates of Deposit	\$ -	\$ 5,848,052	\$ -	\$ 5,848,052
U.S. Government Instruments	-	495,868	-	495,868
U.S. Government Securities Mutual Fund	-	357,879	-	357,879
Total Investments by Fair Value Level	<u>\$ -</u>	<u>\$ 6,701,799</u>	<u>\$ -</u>	6,701,799
Investments Measured at Amortized Costs:				
MAGIC Portfolio				17,631,946
Investments Measured at NAV:				
MAGIC TERM				<u>2,000,000</u>
Total Investments				26,333,745
Deposits and Cash on Hand				<u>2,198,046</u>
Total				<u>\$ 28,531,791</u>

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 fund currently consists of MAGIC Portfolio and the MAGIC Term Series.

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Fair Value Measurement (Continued)

Shares of MAGIC Term Series are valued at a net asset value (NAV). Shares are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely they must provide notice at least seven days prior to the premature redemption date. The value of premature redemption is equal to the original price for such share, plus dividends thereon at the projected yield less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

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 through 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.

3. Receivables

Receivables at December 31, 2023, for the County, including any applicable allowances for uncollectible accounts, are as follows:

	Total Receivables	Amounts Not Scheduled for Collection in Subsequent Year
Taxes	\$ 90,950	\$ -
Special Assessments	742,421	-
Accounts	235,170	-
Loans	729,647	5,830,357
Due from Component Unit	1,006,546	999,249
Interest	96,204	-
Due from Other Governments	3,748,342	-
Total	\$ 6,649,280	\$ 6,829,606

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2023, 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	\$ -	\$ -	\$ 2,771,394
Construction-in-Progress	7,516,380	4,369,728	10,407,518	1,478,590
Total Capital Assets, Not Being Depreciated:	10,287,774	4,369,728	10,407,518	4,249,984
Capital Assets, Being Depreciated:				
Buildings	14,716,662	-	15,000	14,701,662
Machinery, Furniture, and Equipment	9,685,307	1,146,181	754,121	10,077,367
Infrastructure	82,316,984	10,407,518	-	92,724,502
Total Capital Assets, Being Depreciated	106,718,953	11,553,699	769,121	117,503,531
Less Accumulated Depreciation for:				
Buildings	4,720,441	276,989	15,000	4,982,430
Machinery, Furniture, and Equipment	6,566,734	834,077	740,725	6,660,086
Infrastructure	29,080,074	1,632,930	-	30,713,004
Total Accumulated Depreciation	40,367,249	2,743,996	755,725	42,355,520
Total Capital Assets, Being Depreciated, Net	66,351,704	8,809,703	13,396	75,148,011
Governmental Activities Capital Assets, Net	<u>\$ 76,639,478</u>	<u>\$ 13,179,431</u>	<u>\$ 10,420,914</u>	<u>\$ 79,397,995</u>

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

Government-Type Activities:	
General Government	\$ 277,848
Public Safety	226,760
Highways and Streets, Including Depreciation of Infrastructure Assets	2,149,697
Human Services	33,683
Sanitation	42,855
Conservation of Natural Resources	1,578
Culture and Recreation	11,575
Total Depreciation Expense - Governmental Activities	<u>\$ 2,743,996</u>

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Interfund Receivables, Payables, and Transfers

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

1. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Welfare Fund	\$ 3,287	Reimbursement for Services
	Ditch Fund	1,753,486	Ditch Expenditure Reimbursement and to Cover Negative Cash
Total		<u>\$ 1,756,773</u>	

2. Interfund Transfers

Transfer In	Transfer Out	Amount	Purpose
Road and Bridge Fund	General Fund	\$ 464,718	Transfer for Operations
Welfare Fund	General Fund	178,016	Transfer for Operations
Revolving Loan Fund	General Fund	10,662	Transfer for Operations
Self-Insurance Fund	General Fund	27,491	Transfer for Interest Earnings
Debt Service Fund	General Fund	34,779	Transfer for Operations
Total		<u>\$ 715,666</u>	

The Due from Component Unit/Due to Primary Government as of December 31, 2023 is between Swift County and the Swift County-Benson Hospital is \$999,249. 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 \$102,362. The amount due in more than one year is \$896,887. The remaining amount is due from the Swift County HRA which reports on a June 30 year-end.

C. Liabilities

1. Long-Term Debt

Governmental Activities

Types of Indebtedness	Final Maturity	Installment Amounts	Interest Rates	Original Issued Amount	Outstanding Balance December 31, 2023
General Obligation Bonds:					
2017A Capital Improvement Bonds	2038	\$125,000 to \$340,000	3.00% to 3.25%	\$ 5,105,000	\$ 4,150,000
General Obligation Bonds:					
2021A Taxable Crossover Refunding Bonds	2037	\$400,000 to \$490,000	2.00%	6,115,000	6,115,000
Total Indebtedness				<u>\$ 11,220,000</u>	<u>\$ 10,265,000</u>

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Liabilities (Continued)

2. Debt Service Requirements

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

Year Ending December 31,	2017A G.O. Capital Improvement Plan Bonds		2021A G.O. Crossover Taxable Refunding Bonds		Loans Payable Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 225,000	\$ 122,381	\$ 400,000	\$ 98,753	31,932	-
2025	230,000	115,556	405,000	96,134	31,932	-
2026	235,000	108,581	410,000	92,668	31,932	-
2027	245,000	101,381	410,000	88,363	66,932	-
2028	250,000	93,956	420,000	83,065	66,932	-
2029-2033	1,370,000	350,531	2,170,000	311,045	339,789	-
2034-2038	1,255,000	122,195	1,900,000	87,175	-	-
2039	340,000	5,525	-	-	-	-
Total	<u>\$ 4,150,000</u>	<u>\$ 1,020,106</u>	<u>\$ 6,115,000</u>	<u>\$ 857,203</u>	<u>\$ 569,449</u>	<u>\$ -</u>

3. Changes in Long-Term Liabilities

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

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2016A General Obligation					
Abatement Bonds	\$ 6,190,000	\$ -	\$ 6,190,000	\$ -	\$ -
Premium	9,210	-	9,210	-	-
Total 2016A General Obligation					
Abatement Bonds	6,199,210	-	6,199,210	-	-
2017A General Obligation					
Capital Improvement Bonds	4,365,000	-	215,000	4,150,000	225,000
Premium	83,039	-	9,320	73,719	-
Total 2017A General Obligation					
Capital Improvement Bonds	4,448,039	-	224,320	4,223,719	225,000
2021A General Obligation Taxable					
Crossover Refunding Bonds	6,115,000	-	-	6,115,000	400,000
Subtotal Bonds Payable	16,762,249	-	6,423,530	10,338,719	625,000
Loans Payable - Direct Borrowings	455,229	146,152	31,932	569,449	31,932
Compensated Absences	1,710,960	831,136	891,494	1,650,602	412,651
Governmental Activity					
Long-Term Liabilities	<u>\$ 18,928,438</u>	<u>\$ 977,288</u>	<u>\$ 7,346,956</u>	<u>\$ 12,558,770</u>	<u>\$ 1,069,583</u>

The loans payable are liquidated by the Solid Waste Fund and compensated absences are liquidated by the General Fund, Road and Bridge Fund, and Welfare Fund.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Liabilities (Continued)

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 \$569,449 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.

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). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

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

2. Public Employees Police and Fire Plan

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

A. Pension Description (Continued)

3. Local Government Correctional Plan

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

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

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

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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

3. Correctional Plan Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. The annuity accrual rate is 1.9% of average salary for each year of service in that plan. For Correctional Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

C. Contributions

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

1. General Employees Plan Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2023, were \$480,627. The County's contributions were equal to the required contributions as set by state statute.

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 2023 and the County was required to contribute 17.70% for Police and Fire Plan members. The County contributions to the Police and Fire Fund for the year ended December 31, 2023, were \$175,375. The County's contributions were equal to the required contributions as set by state statute.

3. Correctional Plan Contributions

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2023 and the County was required to contribute 8.75% for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2023, were \$62,314. The County's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2023, the County reported a liability of \$4,473,510 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the County totaled \$123,461.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The county's proportionate share was .08% at the end of the measurement period and .0847% for the beginning of the period.

County's Proportionate Share of the Net Pension Liability	\$ 4,473,510
State's Proportionate Share of the Net Pension Liability Associated with the County	123,461
Total	<u>\$ 4,596,971</u>

For the year ended December 31, 2023, the County recognized pension expense of \$765,258 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$555 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

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

Description	Swift County	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 146,912	\$ 30,817
Changes in Actuarial Assumptions	724,198	1,226,152
Difference Between Projected and Actual Earnings on Pension Plan Investments	-	167,294
Changes in Proportion	125,548	212,941
Subsequent Contributions Paid to PERA Subsequent to the Measurement Date	248,960	-
Total	<u>\$ 1,245,618</u>	<u>\$ 1,637,204</u>

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

The \$248,960 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>County Pension Expense Amount</u>
2024	\$ 136,682
2025	(713,647)
2026	33,466
2027	(97,047)

2. Police and Fire Fund Pension Costs

At December 31, 2023, the County reported a liability of \$1,212,263 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was .0702% at the end of the measurement period and .0744% for the beginning of the period.

The state of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% 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 \$48,812.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	\$ 1,212,263
State's Proportionate Share of the Net Pension Liability Associated with the County	48,812
Total	<u>\$ 1,261,075</u>

The state of Minnesota is included as a nonemployer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2023, the County recognized pension expense of \$389,576 for its proportionate share of the Police and Fire Plan's pension expense. The County also recognized \$(2,940) as grant revenue and pension expense for its proportionate share of the state of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

The state of Minnesota is not included as a nonemployer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County recognized \$6,318 for the year ended December 31, 2023, as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 334,262	\$ -
Changes in Actuarial Assumptions	1,406,732	1,704,455
Difference Between Projected and Actual Earnings on Pension Plan Investments	-	58,195
Changes in Proportion	130,725	63,030
County Contributions Paid to PERA Subsequent to the Measurement Date	100,890	-
Total	<u>\$ 1,972,609</u>	<u>\$ 1,825,680</u>

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

The \$100,890 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 82,880
2025	33,518
2026	306,373
2027	(65,519)
2028	(311,213)

3. Correctional Plan Pension Costs

At December 31, 2023, the County reported a liability of \$129,648 for its proportionate share of the Correctional Plan's net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension asset was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was .2868% at the end of the measurement period and .2829% for the beginning of the period.

For the year ended December 31, 2023 the County recognized pension expense of \$113,766 for its proportionate share of the Correctional Plan's pension expense.

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

3. Correctional Plan Pension Costs (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 49,934	\$ 11,385
Changes in Actuarial Assumptions	308,699	591,469
Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	16,567
Changes in Proportion Contributions Paid to PERA and Proportionate Share of Contributions	9,546	2
County Contributions Paid to PERA Subsequent to the Measurement Date	33,332	-
Total	<u>\$ 401,511</u>	<u>\$ 619,423</u>

The \$33,332 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2024	\$ 7,269
2025	(308,895)
2026	64,070
2027	(13,688)

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.

	General Employee Fund	Police and Fire Fund	Correctional Fund	Total
Net Pension Liability	\$ 4,473,510	\$ 1,212,263	129,648	\$ 5,815,421
Deferred Outflows of Resources Related to Pension	1,245,618	1,972,609	401,511	3,619,738
Deferred Inflows of Resources Related to Pension	1,637,204	1,825,680	619,423	4,082,307
Pension Expense	765,813	386,636	113,766	1,266,215

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

E. Long-Term Expected Return on Investment

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

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

F. Actuarial Methods and Assumptions

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

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

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

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

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

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

General Employees Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

Police and Fire Fund (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 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

Correctional Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, 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 (asset) would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis						
<i>Net Pension Liability (Asset) at Different Discount Rates</i>						
	General Employee Fund		Police and Fire Fund		Correctional Fund	
1% Lower	6.00 %	\$ 7,913,999	6.00 %	\$ 2,405,274	6.00 %	\$ 683,390
Current Discount Rate	7.00	4,473,510	7.00	1,212,263	7.00	129,648
1% Higher	8.00	1,643,578	8.00	231,448	8.00	(312,167)

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 DEFINED CONTRIBUTION PLAN (CONTINUED)

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (0.25%) of the assets in each member's account annually.

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

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

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Actuarial Methods and Assumptions

The County's OPEB liability was measured as of January 1, 2023, and the total OPEB liability was determined by an actuarial valuation as of January 1, 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	6.5% 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, the following assumption changes have been made:

- 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 inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.
- The retirement and withdrawal rates for nonpublic-safety employees were updated to reflect the latest experience study.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Changes in Total OPEB Liability

	Total OPEB Liability
Balance as of January 1, 2023	\$ 199,117
Changes for the Year:	
Service Cost	17,397
Interest	4,162
Changes in Assumptions	(21,221)
Differences Between Expected and Actual Experience	27,868
Benefit Payments	(16,898)
Net Change in Total OPEB Liability	11,308
Balance as of December 31, 2023	\$ 210,425

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	\$ 224,606	\$ 210,425	\$ 197,209

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 (5.50% decreasing to 4.0% over 5 years) or 1% higher (7.50% decreasing to 6.0% over 5 years) than the current health care costs trend rates:

	1% Decrease (5.50% Decreasing to 4.00% over 5 Years)	Current Trend Rates (6.50% Decreasing to 5.00% over 5 Years)	1% Increase (7.50% Decreasing to 6.00% over 5 Years)
Medical Trend Rate	\$ 191,223	\$ 210,425	\$ 233,096

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Changes in Total OPEB Liability (Continued)

For the year ended December 31, 2023, the County recognized OPEB expense of \$2,472. 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	\$ 620	\$ 19,473
Liability Gain or Loss	23,886	48,483
County Contributions Subsequent to the Measurement Date	16,894	-
Total	\$ 41,400	\$ 67,956

The \$16,894 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	OPEB Expense Amount
2024	\$ (19,087)
2025	(19,081)
2026	(8,129)
2027	950
2028	950
Thereafter	947
Total	\$ (43,450)

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 RISK MANAGEMENT (CONTINUED)

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

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

On 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,	
	2023	2022
Incurring But Not Reported - Beginning of Year	\$ 20,220	\$ 20,592
Incurred Claims	1,053,225	1,376,901
Claims Payments	(957,558)	(1,377,273)
Incurring But Not Reported - End of Year	<u>\$ 115,887</u>	<u>\$ 20,220</u>

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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.

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, 2023.

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, 2023:

	<u>Carrying Amount</u>
Insured or Collateralized with Securities Held by the HRA or its Agent in the HRA's Name	<u>\$ 1,443,893</u>

Restricted Assets

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

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

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 1.0% to 3.5%. At June 30, 2023 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	<u>\$ 43,651</u>	<u>\$ 5,804</u>	<u>\$ 12,075</u>	<u>\$ 37,380</u>

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, 2023, was as follows:

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Construction in Progress	10,597	67,207	(27,106)	50,698
Total Capital Assets Not Being Depreciated	35,597	67,207	(27,106)	75,698
Capital Assets Being Depreciated:				
Buildings	3,558,539	27,106	-	3,585,645
Machinery, Furniture, and Equipment	1,500	-	-	1,500
Total Capital Assets Being Depreciated	3,560,039	27,106	-	3,587,145
Less Accumulated Depreciation for:				
Buildings	2,037,564	119,482	-	2,157,046
Machinery, Furniture, and Equipment	1,500	-	-	1,500
Total Accumulated Depreciation	2,039,064	119,482	-	2,158,546
 Total Capital Assets, Depreciated, Net	 1,520,975	 (92,376)	 -	 1,428,599
 Total Capital Assets, Net	 \$ 1,556,572	 \$ (25,169)	 \$ (27,106)	 \$ 1,504,297

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

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

Long-Term Debt

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>June 30, 2023</u>
Limited Tax Housing and Development Revenue Refunding Bonds, Series 2022	2033	0.5-3.2%	<u>\$ 1,455,000</u>

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>
2024	\$ 135,000	\$ 29,100	\$ 164,100
2025	140,000	6,400	146,400
2026	135,000	23,600	158,600
2027	140,000	20,900	160,900
2028-2033	905,000	64,400	969,400
Total	<u>\$ 1,455,000</u>	<u>\$ 144,400</u>	<u>\$ 1,599,400</u>

Loans

During the year the HRA borrowed from the County \$64,021. This is in addition to previous loans issued and paid back. The loan is non-interest bearing and related to timing of cashflows from federal reimbursements.

<u>Beginning Balance</u>	<u>Additions</u>	<u>Repayments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>\$ 64,021</u>	<u>\$ -</u>	<u>\$ 64,021</u>	<u>\$ -</u>	<u>\$ -</u>

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

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

Economic Dependency

The programs of the HRA are economically dependent on annual contributions and grants from the U.S. Department of Housing and Urban Development (HUD). The HRA operates at a loss prior to receiving contributions and grants from HUD.

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.

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, 2023.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

B. Swift County-Benson Hospital (Continued)

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.

Net Resident Service Revenues

Resident service revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing care to residents of the senior living facility. These amounts are established at billing rates and are due from residents and third-party payors under the elderly waiver program.

Deposits

Deposits are reported in the following statement of net position captions at December 31, 2023:

Deposits	\$ 18,329
Investments	646,972
Total	<u><u>\$ 665,301</u></u>

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

B. Swift County-Benson Hospital (Continued)

Lease Agreements

Prior to January 1, 2023, the Hospital operated a 25-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 net transfer of these assets and liabilities of \$16,166,824 is reported as a special item on the statement of revenues, expenses and changes in net position.

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, 2023, the Hospital recognized lease revenue of \$715,579 and interest revenue of \$475,877.

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:

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

B. Swift County-Benson Hospital (Continued)

Lease Agreements (Continued)

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 809,863	\$ 489,791
2025	846,631	456,733
2026	879,417	422,268
2027	908,817	386,541
2028	946,359	349,524
2029-2033	5,056,507	1,075,243
2034-2038	1,422,538	493,740
2039-2043	1,681,238	188,705
2044	61,968	310
Total	<u>\$ 12,613,338</u>	<u>\$ 3,862,855</u>

Capital Assets

A summary of capital assets at December 31, 2023, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 880,894	\$ -	\$ -	\$ 880,894
Construction-in-Progress	301,923	-	301,923	-
Total Capital Assets Not Being Depreciated	1,182,817	-	301,923	880,894
Capital Assets Being Depreciated:				
Buildings and Fixed Equipment	29,579,942	-	1,040,423	28,539,519
Movable Equipment and Ambulances	5,424,081	-	5,424,081	-
Land Improvements	472,861	-	-	472,861
Total Capital Assets Being Depreciated	35,476,884	-	6,464,504	29,012,380
Less Accumulated Depreciation for:				
Buildings and Fixed Equipment	14,594,612	1,078,860	1,027,277	14,646,195
Movable Equipment and Ambulances	3,465,036	7,589	3,472,625	-
Land Improvements	310,535	18,517	-	329,052
Total Accumulated Depreciation	<u>18,370,183</u>	<u>1,104,966</u>	<u>4,499,902</u>	<u>14,975,247</u>
Total Capital Assets, Depreciated, Net	<u>\$ 17,106,701</u>	<u>\$ (1,104,966)</u>	<u>\$ 1,964,602</u>	<u>\$ 14,037,133</u>
Right-to-Use Assets:				
Equipment	\$ 1,080,670	\$ -	\$ 1,080,670	\$ -
Less Accumulated Amortization for:				
Equipment	286,508	-	286,508	-
Right-to-Use Assets, Net	<u>\$ 794,162</u>	<u>\$ -</u>	<u>\$ 794,162</u>	<u>\$ -</u>
Total Capital Assets, Net	<u>\$ 19,083,680</u>	<u>\$ (1,104,966)</u>	<u>\$ 3,060,687</u>	<u>\$ 14,918,027</u>

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

B. Swift County-Benson Hospital (Continued)

Long-Term Debt

The following is a summary of transactions related to long-term debt for the year ended December 31, 2023:

	Balance January 1, 2023	Additions	Payments	Balance December 31, 2023	Amounts Due Within One Year
2020A Revenue Bonds	\$ 6,980,000	-	\$ 270,000	\$ 6,710,000	\$ 285,000
2021A Revenue Refunding Bonds	4,035,000	-	260,000	3,775,000	295,000
Loan from Swift County - Direct					
Borrowing	1,099,586	-	100,337	999,249	102,362
Sonsteg Foundation Loan - Direct					
Borrowing	699,174	-	52,611	646,563	54,449
REED Loan - Direct Borrowing	870,051	-	38,173	831,878	39,811
City of Benson					
Appropriation	1,571,073	-	140,000	1,431,073	142,786
CentraCare Health Loan - Direct					
Borrowing	1,600,000	-	1,600,000	-	-
Accrued Interest	324,422	-	324,422	-	-
Bond Premium	653,629	-	45,327	608,302	-
Total Noncurrent Liabilities	<u>\$ 17,832,935</u>	<u>\$ -</u>	<u>\$ 2,830,870</u>	<u>\$ 15,002,065</u>	<u>\$ 919,408</u>

The terms and due dates of the Hospital's long-term debt at December 31, 2023, 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.
- 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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 DISCRETE COMPONENT UNITS (CONTINUED)

B. Swift County-Benson Hospital (Continued)

Long-Term Debt (Continued)

- 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.
- CentraCare Health Loan – Principal and interest was due on January 1, 2023. Interest accrues at 6% per year with the accrued interest reported in long-term debt. On January 1, 2023, CentraCare forgave the principal of \$1,600,000 loan and accrued interest of \$324,422. The Hospital recognized loan forgiveness of \$1,924,422 during the year ended December 31, 2023, and recorded revenue for the forgiveness in nonoperating revenues on the statement of revenues, expenses and changes in net position.

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

<u>Year Ending December 31,</u>	<u>Long-Term Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 919,408	\$ 370,198
2025	948,680	340,899
2026	982,543	310,662
2027	1,011,655	279,375
2028	1,035,978	244,752
2029-2033	5,515,499	689,304
2034-2038	1,905,000	315,856
2039-2043	1,710,000	143,480
2044	365,000	4,334
Total	<u>\$ 14,393,763</u>	<u>\$ 2,698,860</u>

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 2023 was \$121,416. 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, 2023, 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
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 2023, Swift County did not contribute any funds 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 \$34,251 funds to the entity for the year ended December 31, 2023. 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
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 \$18,308 of funds to Prairie Waters for the year ended December 31, 2023. 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
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023. 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 \$88,853 to Counties Providing Technology for the year ended December 31, 2023. 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
BENSON, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 2023, 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 \$56,569 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 \$151,057 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.

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

**SWIFT COUNTY
BENSON, MINNESOTA
BUDGETARY COMPARISON SCHEDULE –
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,191,295	\$ 6,191,295	\$ 6,548,282	\$ 356,987
Licenses and Permits	4,020	4,020	4,505	485
Intergovernmental	1,526,655	1,526,655	2,165,323	638,668
Charges for Services	570,752	454,318	666,416	212,098
Fines and Forfeits	-	-	9,365	9,365
Gifts and Contributions	-	-	13,375	13,375
Investment Earnings	50,000	50,000	1,356,870	1,306,870
Miscellaneous	567,535	364,300	706,203	341,903
Total Revenues	8,910,257	8,590,588	11,470,339	2,879,751
EXPENDITURES				
CURRENT				
GENERAL GOVERNMENT				
Commissioners	261,705	261,705	273,416	(11,711)
Law Library	15,000	15,000	10,160	4,840
County Administration	443,486	443,486	405,111	38,375
County Auditor	324,189	324,189	378,631	(54,442)
County Treasurer	241,171	241,171	314,861	(73,690)
County Assessor	317,343	317,343	371,244	(53,901)
Elections	10,970	10,970	19,557	(8,587)
Data Processing	91,000	91,000	122,810	(31,810)
Attorney	591,571	591,571	460,272	131,299
Recorder	353,063	353,063	392,577	(39,514)
Planning and Zoning	92,528	92,528	103,578	(11,050)
Buildings and Plant	1,101,687	1,101,687	365,828	735,859
Technology	390,697	390,697	397,034	(6,337)
Veterans Service Officer	209,512	209,512	192,025	17,487
Appropriations - General Government	520,788	520,788	402,870	117,918
Other General Government	426,106	93,186	998,875	(905,689)
Total General Government	5,390,816	5,057,896	5,208,849	(150,953)
PUBLIC SAFETY				
Sheriff	1,853,688	1,853,688	1,923,899	(70,211)
Coroner	15,000	15,000	10,765	4,235
E-911 System	327,000	327,000	263,269	63,731
Restorative Justice Coordinator	117,564	117,564	119,194	(1,630)
Emergency Management	96,659	96,659	100,809	(4,150)
County Jail	1,124,437	1,124,437	1,168,890	(44,453)
Community Corrections	341,450	341,450	341,450	-
Total Public Safety	3,875,798	3,875,798	3,928,276	(52,478)

See accompanying Notes to Required Supplementary Information.

**SWIFT COUNTY
BENSON, MINNESOTA
BUDGETARY COMPARISON SCHEDULE –
GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
CURRENT (CONTINUED)				
HEALTH				
Countryside Health Service	\$ 121,416	\$ 121,416	\$ 121,416	\$ -
Ambulance	40,000	40,000	120,000	(80,000)
Total Health	<u>161,416</u>	<u>161,416</u>	<u>241,416</u>	<u>(80,000)</u>
CULTURE AND RECREATION				
Parks	102,016	102,016	117,480	(15,464)
CONSERVATION OF NATURAL RESOURCES				
County Extension	189,562	180,708	163,657	17,051
Parks and Drainage	219,183	219,183	941,384	(722,201)
Agricultural Inspection	14,175	14,175	13,500	675
Predator Control	10,000	10,000	6,161	3,839
Total Conservation of Natural Resources	<u>432,920</u>	<u>424,066</u>	<u>1,124,702</u>	<u>(700,636)</u>
Total Expenditures	<u>9,962,966</u>	<u>9,621,192</u>	<u>10,620,723</u>	<u>(999,531)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,052,709)	(1,030,604)	849,616	1,880,220
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(715,666)	(715,666)
Proceeds from Sale of Assets	-	-	5,746	5,746
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(709,920)</u>	<u>(709,920)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,052,709)</u>	<u>\$ (1,030,604)</u>	139,696	<u>\$ 1,170,300</u>
Fund Balance - Beginning of Year			<u>8,146,551</u>	
FUND BALANCE - END OF YEAR			<u>\$ 8,286,247</u>	

See accompanying Notes to Required Supplementary Information.

**SWIFT COUNTY
BENSON, MINNESOTA
BUDGETARY COMPARISON SCHEDULE –
ROAD AND BRIDGE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,936,661	\$ 1,936,661	\$ 1,897,195	\$ (39,466)
Intergovernmental	4,148,259	4,148,259	6,486,086	2,337,827
Charges for Services	18,000	18,000	63,459	45,459
Investment Earnings	10,000	10,000	-	(10,000)
Miscellaneous	25,000	25,000	41,931	16,931
Total Revenues	<u>6,137,920</u>	<u>6,137,920</u>	<u>8,488,671</u>	<u>2,350,751</u>
EXPENDITURES				
CURRENT				
HIGHWAYS AND STREETS				
Administration	496,117	496,117	318,823	177,294
Engineering	165,853	165,853	139,744	26,109
Shared County Engineer	-	-	21,910	(21,910)
Maintenance	2,343,632	2,343,632	2,104,663	238,969
Construction	2,665,185	2,665,185	4,089,296	(1,424,111)
Equipment and Maintenance Shops	6,352,830	6,352,830	1,117,635	5,235,195
Other - Highways and Streets	<u>695,762</u>	<u>695,762</u>	<u>509,075</u>	<u>186,687</u>
Total Highways and Streets	<u>12,719,379</u>	<u>12,719,379</u>	<u>8,301,146</u>	<u>4,418,233</u>
EXCESS OF REVENUES OVER EXPENDITURES	(6,581,459)	(6,581,459)	187,525	6,768,984
OTHER FINANCING SOURCES				
Transfers In	-	-	464,718	464,718
Proceeds from Sale of Assets	-	-	24,103	24,103
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>488,821</u>	<u>488,821</u>
NET CHANGE IN FUND BALANCE	<u>\$ (6,581,459)</u>	<u>\$ (6,581,459)</u>	676,346	<u>\$ 7,257,805</u>
Fund Balance - Beginning of Year			<u>10,969,473</u>	
FUND BALANCE - END OF YEAR			<u>\$ 11,645,819</u>	

See accompanying Notes to Required Supplementary Information.

**SWIFT COUNTY
BENSON, MINNESOTA
BUDGETARY COMPARISON SCHEDULE –
WELFARE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,024,299	\$ 3,024,299	\$ 3,001,411	\$ (22,888)
Intergovernmental	2,794,441	2,794,441	2,851,648	57,207
Charges for Services	480,785	480,785	456,017	(24,768)
Gifts and Contributions	14,000	14,000	88,757	74,757
Investment Earnings	150,000	150,000	-	(150,000)
Miscellaneous	4,500	4,500	261,735	257,235
Total Revenues	<u>6,468,025</u>	<u>6,468,025</u>	<u>6,659,568</u>	<u>191,543</u>
EXPENDITURES				
CURRENT				
HUMAN SERVICES				
Income Maintenance	1,495,635	1,495,635	1,833,366	(337,731)
Social Services	4,987,390	4,987,390	4,268,341	719,049
Total Expenditures	<u>6,483,025</u>	<u>6,483,025</u>	<u>6,101,707</u>	<u>381,318</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(15,000)	(15,000)	557,861	572,861
OTHER FINANCING SOURCES				
Transfers In	-	-	178,016	178,016
Proceeds from Sale of Assets	-	-	208	208
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>178,224</u>	<u>178,224</u>
NET CHANGE IN FUND BALANCE	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	736,085	<u>\$ 751,085</u>
Fund Balance - Beginning of Year			<u>5,142,746</u>	
FUND BALANCE - END OF YEAR			<u>\$ 5,878,831</u>	

See accompanying Notes to Required Supplementary Information.

**SWIFT COUNTY
BENSON, MINNESOTA
BUDGETARY COMPARISON SCHEDULE –
SOLID WASTE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 385,000	\$ 385,000	\$ 351,227	\$ (33,773)
Special Assessments	295,000	295,000	329,221	34,221
Intergovernmental	55,950	55,950	98,279	42,329
Charges for Services	605,000	605,000	776,174	171,174
Miscellaneous	93,200	93,200	106,301	13,101
Total Revenues	<u>1,434,150</u>	<u>1,434,150</u>	<u>1,661,202</u>	<u>227,052</u>
EXPENDITURES				
CURRENT				
SANITATION				
Solid Waste	1,454,041	1,454,041	1,702,698	(248,657)
DEBT SERVICE				
Principal	<u>-</u>	<u>-</u>	<u>31,932</u>	<u>(31,932)</u>
Total Expenditures	<u>1,454,041</u>	<u>1,454,041</u>	<u>1,734,630</u>	<u>(280,589)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(19,891)	(19,891)	(73,428)	(53,537)
OTHER FINANCING SOURCES				
Loan Proceeds	-	-	146,152	146,152
Insurance Proceeds	<u>-</u>	<u>-</u>	<u>254,402</u>	<u>254,402</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>400,554</u>	<u>400,554</u>
NET CHANGE IN FUND BALANCE	<u>\$ (19,891)</u>	<u>\$ (19,891)</u>	327,126	<u>\$ 347,017</u>
Fund Balance - Beginning of Year			<u>604,633</u>	
FUND BALANCE - END OF YEAR			<u>\$ 931,759</u>	

See accompanying Notes to Required Supplementary Information.

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

Measurement Date	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018
Total OPEB Liability:						
Service Cost	\$ 17,397	\$ 18,941	\$ 18,389	\$ 16,083	\$ 15,615	\$ 21,378
Interest	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	(16,898)	(24,413)	(7,843)	(5,366)	(8,584)	(3,937)
Net Change in Total OPEB Liability	11,308	(1,327)	(2,666)	18,252	(61,195)	25,365
Total OPEB Liability - Beginning	199,117	200,444	203,110	184,858	246,053	220,688
Total OPEB Liability - Ending	\$ 210,425	\$ 199,117	\$ 200,444	\$ 203,110	\$ 184,858	\$ 246,053
Covered Employee Payroll	\$ 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%	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.

**SWIFT COUNTY
BENSON, MINNESOTA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET) LAST TEN FISCAL YEARS**

Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
County - General Employees Retirement Plan:					
County's Portion of the Net Pension Liability	0.080 %	0.085 %	0.083 %	0.078 %	0.074 %
County's Proportionate Share of the Net Pension Liability	\$ 4,473,510	\$ 6,708,268	\$ 3,531,660	\$ 4,682,452	\$ 4,085,765
State's Proportionate Share of the Net Pension Liability Associated with the County	123,461	196,479	107,817	144,375	126,994
County's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability	<u>\$ 4,596,971</u>	<u>\$ 6,904,747</u>	<u>\$ 3,639,477</u>	<u>\$ 4,826,827</u>	<u>\$ 4,212,759</u>
County's Covered Payroll	\$ 6,125,350	\$ 6,105,743	\$ 5,954,065	\$ 5,567,148	\$ 5,229,794
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	73.03 %	109.87 %	59.32 %	84.11 %	78.12 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.10 %	76.70 %	87.00 %	79.06 %	80.20 %
Public Employees Police and Fire Plan:					
County's Portion of the Net Pension Liability	0.070 %	0.074 %	0.063 %	0.065 %	0.062 %
County's Proportionate Share of the Net Pension Liability	\$ 1,212,263	\$ 3,237,594	\$ 487,837	\$ 850,179	\$ 654,730
State's Proportionate Share of the Net Pension Liability Associated with the County	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>\$ 1,261,075</u>	<u>\$ 3,378,939</u>	<u>\$ 509,755</u>	<u>\$ 870,202</u>	<u>\$ 654,730</u>
County's Covered Payroll	\$ 890,028	\$ 874,234	\$ 746,908	\$ 728,465	\$ 648,961
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	136.21%	370.33%	65.31%	116.71%	100.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.50%	70.50%	93.70%	87.19%	89.30%
Public Employees Correctional Plan:					
County's Portion of the Net Pension Liability	0.287%	0.283%	0.272%	0.250%	0.249%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 129,648	\$ 940,360	\$ (44,732)	\$ 67,860	\$ 34,515
County's Covered Payroll	\$ 649,811	\$ 600,428	\$ 602,037	\$ 543,644	\$ 531,681
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	19.95%	156.61%	7.43%	12.48%	6.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	95.90%	74.60%	101.60%	96.67%	98.20%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying Notes to Required Supplementary Information.

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

Measurement Date	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	0.077 %	0.073 %	0.071 %	0.070 %
County's Proportionate Share of the Net Pension Liability	\$ 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	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>\$ 4,383,097</u>	<u>\$ 4,731,822</u>	<u>\$ 5,897,051</u>	<u>\$ 3,607,033</u>
County's Covered Payroll	\$ 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	82.57 %	99.06 %	131.94 %	86.42 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.50 %	75.90 %	68.91 %	78.20 %
Public Employees Police and Fire Plan:				
County's Portion of the Net Pension Liability	0.058 %	0.057 %	0.059 %	0.060 %
County's Proportionate Share of the Net Pension Liability	\$ 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>\$ 619,286</u>	<u>\$ 769,568</u>	<u>\$ 2,367,773</u>	<u>\$ 681,740</u>
County's Covered Payroll	\$ 612,358	\$ 587,344	\$ 564,970	\$ 590,331
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	101.13%	131.03%	419.10%	115.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.80%	85.40%	63.90%	86.60%
Public Employees Correctional Plan:				
County's Portion of the Net Pension Liability	0.248%	0.250%	0.250%	0.250%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 40,741	\$ 712,503	\$ 913,285	\$ 38,650
County's Covered Payroll	\$ 505,818	\$ 502,917	\$ 465,900	\$ 444,680
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	8.05%	141.67%	196.03%	8.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	97.60%	67.90%	58.20%	96.90%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying Notes to Required Supplementary Information.

**SWIFT COUNTY
BENSON, MINNESOTA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019
County - General Employees Retirement Plan:					
Statutorily Required Contribution	\$ 480,627	\$ 456,275	\$ 456,077	\$ 454,308	\$ 399,478
Contributions in Relation to the Required Contribution	(480,627)	(456,275)	(456,077)	(454,308)	(399,478)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 6,408,360	\$ 6,083,667	\$ 6,081,028	\$ 6,057,442	\$ 5,326,374
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	\$ 175,375	\$ 159,769	\$ 143,608	\$ 135,154	\$ 117,220
Contributions in Relation to the Required Contribution	(175,375)	(159,769)	(143,608)	(135,154)	(117,220)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 990,819	\$ 902,650	\$ 811,350	\$ 763,582	\$ 691,566
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	17.70%	17.70%	16.95%
Public Employees Correctional Plan:					
Statutorily Required Contribution	\$ 62,314	\$ 53,865	\$ 52,367	\$ 52,609	\$ 45,669
Contributions in Relation to the Required Contribution	(62,314)	(53,865)	(52,367)	(52,609)	(45,669)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 712,160	\$ 615,600	\$ 598,480	\$ 601,245	\$ 521,925
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
BENSON, MINNESOTA
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS**

	2018	2017	2016	2015	2014
County - General Employees Retirement Plan:					
Statutorily Required Contribution	\$ 387,832	\$ 371,985	\$ 343,962	\$ 313,896	\$ 281,024
Contributions in Relation to the Required Contribution	(387,832)	(371,985)	(343,962)	(313,896)	(281,024)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 5,171,093	\$ 4,959,798	\$ 4,586,154	\$ 4,185,281	\$ 3,876,191
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.25%
Public Employees Police and Fire Plan:					
Statutorily Required Contribution	\$ 102,343	\$ 95,008	\$ 95,222	\$ 86,093	\$ 86,970
Contributions in Relation to the Required Contribution	(102,343)	(95,008)	(95,222)	(86,093)	(86,970)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 631,748	\$ 586,399	\$ 587,789	\$ 531,442	\$ 568,431
Contributions as a Percentage of Covered Payroll	16.20%	16.20%	16.20%	16.20%	15.30%
Public Employees Correctional Plan:					
Statutorily Required Contribution	\$ 46,685	\$ 43,549	\$ 42,772	\$ 40,809	\$ 34,503
Contributions in Relation to the Required Contribution	(46,685)	(43,549)	(42,772)	(40,809)	(34,503)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 533,539	\$ 497,699	\$ 488,819	\$ 466,383	\$ 394,318
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
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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, 2023:

	Expenditures	Final Budget	Excess
General Fund	\$ 10,620,723	\$ 9,621,192	\$ 999,531
Special Revenue Funds:			
Solid Waste	1,734,630	1,454,041	280,589

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:

A. General Employees Fund

2023

Changes in Actuarial Assumptions:

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

A. General Employees Fund (Continued)

2023 (Continued)

Changes in Plan Provisions:

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

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

A. General Employees Fund (Continued)

2020

Changes in Actuarial Assumptions:

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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

A. General Employees Fund (Continued)

2020 (Continued)

Changes in Plan Provisions:

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

2019

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, 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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

A. General Employees Fund (Continued)

2018 (Continued)

Changes in Plan Provisions (Continued):

- 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.
- 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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

A. General Employees Fund (Continued)

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.

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

B. Police and Fire Fund

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%.

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

B. Police and Fire Fund (Continued)

2021

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- 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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

B. Police and Fire Fund (Continued)

2020

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

B. Police and Fire Fund (Continued)

2018 (Continued)

Changes in Plan Provisions 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%.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

B. Police and Fire Fund (Continued)

2017 (Continued)

Changes in Actuarial Assumptions Continued:

- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1% 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

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

B. Police and Fire Fund (Continued)

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%.

C. Correctional Fund

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

C. Correctional Fund (Continued)

2022 (Continued)

- 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.

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

C. Correctional Fund (Continued)

2021 (Continued)

- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85% to 75%.
- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

C. Correctional Fund (Continued)

2018 (Continued)

- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed postretirement benefit increase was changed from 2.50% per year to 2% per year.

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, 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).

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

C. Correctional Fund (Continued)

2017 (Continued)

- The Combined Service Annuity (CSA) load was 30% for vested and nonvested, deferred members. The CSA has been changed to 35% for vested members and 1% for nonvested members.
- The Single Discount Rate was changed from 5.31% per annum to 5.96% per annum.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2016

Changes 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.

**SWIFT COUNTY
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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:

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
BENSON, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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%.

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SUPPLEMENTARY INFORMATION

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**SWIFT COUNTY
BENSON, MINNESOTA
DESCRIPTION OF FUNDS
DECEMBER 31, 2023**

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
BENSON, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION—
FIDUCIARY FUNDS – CUSTODIAL FUNDS
DECEMBER 31, 2023**

	Custodial Funds						
	Towns and Cities	School Districts	Region 6W	Minnesota River Watershed	Rural Development Authority	State Revenue	Other Custodial
ASSETS							
Cash and Cash Equivalents	\$ 108,097	\$ 83,093	\$ 1,738	\$ 484	\$ 5,088	\$ 94,857	\$ 597,217
Due from Other Governments	-	-	-	-	-	-	-
Taxes for Other Governments	161,887	64,939	633	-	2,938	15,773	-
Total Assets	<u>269,984</u>	<u>148,032</u>	<u>2,371</u>	<u>484</u>	<u>8,026</u>	<u>110,630</u>	<u>597,217</u>
LIABILITIES							
Due to Others	-	-	-	-	-	-	597,217
Due to Other Governments	101,752	76,769	970	484	4,851	94,857	-
Total Liabilities	<u>101,752</u>	<u>76,769</u>	<u>970</u>	<u>484</u>	<u>4,851</u>	<u>94,857</u>	<u>597,217</u>
DEFERRED INFLOWS OF RESOURCES							
Property Taxes Collected for Subsequent Period	<u>6,345</u>	<u>6,324</u>	<u>768</u>	<u>-</u>	<u>237</u>	<u>-</u>	<u>-</u>
NET POSITION							
Restricted for:							
Individuals, Organizations, and Other Governments	<u>\$ 161,887</u>	<u>\$ 64,939</u>	<u>\$ 633</u>	<u>\$ -</u>	<u>\$ 2,938</u>	<u>\$ 15,773</u>	<u>\$ -</u>

**SWIFT COUNTY
BENSON, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION—
FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)
DECEMBER 31, 2023**

	Custodial Funds					Total Custodial Funds
	Forfeiture	Estate Recoveries	Jail Inmate	Northern Lights Snowmobile	Civil Process	
ASSETS						
Cash and Cash Equivalents	\$ 19,916	\$ 8,633	\$ 198	\$ -	\$ 7,181	\$ 926,502
Due from Other Governments	-	58,946	-	-	-	58,946
Taxes for Other Governments	-	-	-	-	-	246,170
Total Assets	<u>19,916</u>	<u>67,579</u>	<u>198</u>	<u>-</u>	<u>7,181</u>	<u>1,231,618</u>
LIABILITIES						
Due to Others	-	-	-	-	7,181	604,398
Due to Other Governments	-	4,517	-	-	-	284,200
Total Liabilities	<u>-</u>	<u>4,517</u>	<u>-</u>	<u>-</u>	<u>7,181</u>	<u>888,598</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Collected for Subsequent Period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,674</u>
NET POSITION						
Restricted for:						
Individuals, Organizations, and Other Governments	<u>\$ 19,916</u>	<u>\$ 63,062</u>	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,346</u>

**SWIFT COUNTY
BENSON, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION—
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	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	5,377,499	4,464,235	79,009	15,308	392,106	1,140,968	-
License and Fees Collected for State	-	-	-	-	-	499,854	-
Miscellaneous	-	-	-	-	-	-	-
Total Additions	<u>5,377,499</u>	<u>4,464,235</u>	<u>79,009</u>	<u>15,308</u>	<u>392,106</u>	<u>1,640,822</u>	<u>-</u>
DEDUCTIONS							
Beneficiary Payments to Individuals	-	-	-	-	-	-	-
Payments of Property Tax to Other Governments	5,407,742	4,470,678	79,187	15,408	392,837	1,149,742	-
Payments to State	-	-	-	-	-	499,301	-
Payments to Other Entities	-	-	-	-	-	-	-
Total Deductions	<u>5,407,742</u>	<u>4,470,678</u>	<u>79,187</u>	<u>15,408</u>	<u>392,837</u>	<u>1,649,043</u>	<u>-</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(30,243)	(6,443)	(178)	(100)	(731)	(8,221)	-
Fiduciary Net Position - Beginning of Year	<u>192,130</u>	<u>71,382</u>	<u>811</u>	<u>100</u>	<u>3,669</u>	<u>23,994</u>	<u>-</u>
FIDUCIARY NET POSITION - END 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>

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

	Custodial Funds					Total Custodial Funds
	Forfeiture	Estate Recoveries	Jail Inmate	Northern Lights Snowmobile	Civil Process	
ADDITIONS						
Contributions:						
Individuals	\$ -	\$ -	\$ 5,376	\$ -	\$ -	\$ 5,376
Intergovernmental	-	-	-	26,950	-	26,950
Fines and Forfeits	1,098	-	-	-	-	1,098
Property Tax Collections for Other Governments	-	-	-	-	-	11,469,125
License and Fees Collected for State	-	168,058	-	-	-	667,912
Miscellaneous	-	-	-	-	44,040	44,040
Total Additions	<u>1,098</u>	<u>168,058</u>	<u>5,376</u>	<u>26,950</u>	<u>44,040</u>	<u>12,214,501</u>
DEDUCTIONS						
Beneficiary Payments to Individuals	-	-	5,450	-	-	5,450
Payments of Property Tax to Other Governments	-	-	-	-	-	11,515,594
Payments to State	-	-	-	-	-	499,301
Payments to Other Entities	1,098	104,996	-	26,950	44,040	177,084
Total Deductions	<u>1,098</u>	<u>104,996</u>	<u>5,450</u>	<u>26,950</u>	<u>44,040</u>	<u>12,197,429</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	63,062	(74)	-	-	17,072
Fiduciary Net Position - Beginning of Year	<u>19,916</u>	<u>-</u>	<u>272</u>	<u>-</u>	<u>-</u>	<u>312,274</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 19,916</u>	<u>\$ 63,062</u>	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,346</u>

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**SWIFT COUNTY
BENSON, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
YEAR ENDED DECEMBER 31, 2023**

	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	\$ 12,374	\$ 3,531	\$ 5,860	\$ 697	\$ 763	\$ 23,225
Highway Users Tax	-	5,315,266	-	-	-	5,315,266
County Program Aid	320,813	91,552	151,911	18,076	19,766	602,118
Market Value Credits	125,402	35,787	59,380	7,066	7,726	235,361
Public Safety Aid	165,389	-	38,738	-	-	204,127
Statewide Local Housing Aid	88,683	-	-	-	-	88,683
State Police Aid	124,321	-	-	-	-	124,321
Aquatic Invasive Species	33,193	-	-	-	-	33,193
Riparian Protection Aid	139,228	-	-	-	-	139,228
Enhanced 911	205,234	-	-	-	-	205,234
Total Shared Revenues	1,214,637	5,446,136	255,889	25,839	28,255	6,970,756
REIMBURSEMENT FOR SERVICES						
STATE						
Minnesota Department of Human Services	-	-	601,323	-	-	601,323
STATE GRANTS						
MINNESOTA DEPARTMENT OF						
Human Services	2,410	-	776,538	-	-	778,948
Natural Resources	97,120	1,032,353	-	-	-	1,129,473
Peace Officers (POST)	12,122	-	-	-	-	12,122
Public Safety	89,449	-	-	-	-	89,449
Pollution Control Agency	49,901	-	-	72,440	-	122,341
Secretary of State	4,440	-	-	-	-	4,440
Veteran's Affairs	7,500	-	-	-	-	7,500
Water and Soil Resources	102,872	-	-	-	-	102,872
Total State Grants	365,814	1,032,353	776,538	72,440	-	2,247,145
FEDERAL GRANTS						
FEDERAL DEPARTMENT OF						
Agriculture	9,144	-	159,967	-	-	169,111
Transportation	14,306	-	-	-	-	14,306
Health and Human Services	28,319	-	1,057,931	-	-	1,086,250
Homeland Security	291,426	7,597	-	-	-	299,023
Treasury	100,000	-	-	-	-	100,000
Total Federal Grants	443,195	7,597	1,217,898	-	-	1,668,690
Total State and Federal Grants	809,009	1,039,950	1,994,436	72,440	-	3,915,835
PAYMENTS IN LIEU OF TAXES	141,677	-	-	-	-	141,677
Total Intergovernmental Revenues	\$ 2,165,323	\$ 6,486,086	\$ 2,851,648	\$ 98,279	\$ 28,255	\$ 11,629,591

**SWIFT COUNTY
BENSON, MINNESOTA
SCHEDULE OF DEPOSITS AND INVESTMENTS
DECEMBER 31, 2023**

	Interest Rate	Maturity Date	Amount
Pooled Deposits and Investments:			
Checking Accounts:			
State Bank of Danvers	1.10 %	-	\$ 85,584
State Bank of Danvers	1.10	-	749,875
State Bank of Danvers	-	-	43,663
Total Checking Accounts			<u>879,122</u>
Money Market Savings:			
Citizens Alliance Bank - Murdock	0.70	-	323,464
Prairie Sun Bank - Appleton	0.75	-	132,953
PFM Asset Management MAGIC Bond Debt	N/A	N/A	631,310
PFM Asset Management MAGIC General Revenue	N/A	N/A	8,936,736
PFM Asset Management MAGIC American Rescue Plan	N/A	N/A	1,920,366
Total Money Market Savings			<u>11,944,829</u>
Total Pooled Deposits and Investments			12,823,951
Fund Investments:			
General Fund:			
Departmental Checking Accounts:			
First Security Bank - Benson	-	-	7,182
First Security Bank - Benson	-	-	3,933
Total Departmental Checking Accounts			<u>11,115</u>
Mutual Fund:			
Franklin U.S. Government Securities Fund	-	-	357,879
Certificate of Deposit:			
MAGIC CD Program - Modern Bank, NY	5.10	February 20, 2024	237,000
MAGIC CD Program - Fieldpoint Private Bank, CT	5.75	August 6, 2024	236,000
MAGIC CD Program - Valley State BK, KS	5.65	September 24, 2024	236,000
MAGIC CD Program - Esb Bank, MN	5.65	September 24, 2024	236,000
Total Negotiable Certificates of Deposit			<u>945,000</u>
Total General Fund			1,313,994
Special Revenue Funds:			
Road and Bridge Fund:			
Money Market Savings:			
PFM Asset Management MAGIC	N/A	N/A	6,122,109
PFM Asset Management MAGIC Term	N/A	NA	2,000,000
Total Money Market Savings			<u>8,122,109</u>
Negotiable Certificates of Deposit:			
MAGIC CD - All Capital Bank	5.65 %	November 29, 2024	235,000
Total Road and Bridge Fund			<u>8,357,109</u>
Welfare Fund:			
Departmental Checking Accounts:			
Bank of the West	-	-	37,921
Savings:			
Co-op Credit Union	-	-	900
Government Instruments:			
US Treasury Bill	5.28	January 30, 2024	248,970
US Treasury Bill	5.27	March 28, 2024	246,896
			<u>495,866</u>

**SWIFT COUNTY
BENSON, MINNESOTA
SCHEDULE OF DEPOSITS AND INVESTMENTS (CONTINUED)
DECEMBER 31, 2023**

	Interest Rate	Maturity Date	Amount
Fund Investments (Continued):			
Special Revenue Funds (Continued):			
Welfare Fund (Continued):			
Negotiable Certificates of Deposit:			
Sallie Mae Bk Salt Lake City Utah	0.56 %	July 15, 2024	\$ 241,052
Financial Federal Savings B, TN	5.05	February 1, 2024	237,000
Community Savings Bank, IA	5.51	March 20, 2024	246,000
Priority Bank, AR	5.45	April 26, 2024	245,000
First National Bank of McGregor, TX	5.45	June 10, 2024	237,000
First State Bank of Healy, KS	5.60	June 10, 2024	240,000
Bank of China, NY	5.60	September 13, 2024	236,000
Mission National Bank, CA	5.70	September 13, 2024	236,000
Corebank, OK	5.60	September 13, 2024	236,000
Maplemark Bank, TX	5.75	September 13, 2024	236,000
Bank of Montgomery, LA	5.85	November 8, 2024	225,000
T Bank, TX	5.85	November 7, 2024	225,000
Tab Bank, UT	5.85	November 7, 2024	225,000
Schertz Bank & Trust, TX	5.75	November 29, 2024	225,000
Cornerstone Bank, Nebraska, NE	5.35	December 5, 2024	231,000
Eastbank, Na, NY	5.60	December 9, 2024	233,000
Farmers & Merchants Union Bk, WI	5.55	December 9, 2024	233,000
West Pointe Bank, WI	5.75	February 26, 2025	225,000
First Bank of Ohio, OH	5.55	March 7, 2025	231,000
Nexbank, Ssb, TX	5.65	May 27, 2025	225,000
Total Negotiable Certificates of Deposit			<u>4,668,052</u>
Money Market Savings:			
First American Government Obligation	4.10	-	798,763
PFM Asset Management MAGIC	N/A	-	21,425
Total Money Market Savings			<u>820,188</u>
Total Welfare Fund			6,022,927
Solid Waste Fund:			
Departmental Checking Accounts:			
First Security State - Benson	0.15	-	12,135
Total Special Revenue Funds			14,392,171
Total Fund Investments			<u>15,706,165</u>
Total Petty Cash			<u>1,675</u>
Total Deposits and Investments			<u><u>\$ 28,531,791</u></u>

**SWIFT COUNTY
BENSON, MINNESOTA
SCHEDULE OF LOANS RECEIVABLE – REVOLVING LOAN FUND
DECEMBER 31, 2023**

Loan Recipient	Date of Loan	Loan Issue Amount	Principal Balance	Repayment Terms
Revolving Loan Special Revenue Fund				
Ace Ag, Inc.	November 19, 2013	\$ 75,000	\$ 23,659	Principal Payments Monthly, 3.5% Interest, Fifteen-Year Term.
R & R Outdoors	September 15, 2013	11,000	8,399	Principal Payments Monthly, 4.0% Interest, Ten-Year Term.
Lamecker General Store	February 28, 2014	32,000	13,051	Principal Payments Monthly, 3.0% Interest, Fifteen-Year Term.
Northern Geo, LLC	May 15, 2014	125,000	10,728	Principal Payments Monthly, 3.0% Interest, Ten-Year Term.
Brink's 104 Club	September 20, 2014	40,000	5,167	Principal Payments Monthly, 4.0% Interest, Five-Year Term.
Mi Mexico	March 20, 2017	105,000	76,167	Principal Payments Monthly, 4.0% Interest, Fifteen-Year Term.
Appleton Power Loan	November 6, 2018	70,000	41,356	Principal Payments Monthly, 4.0% Interest, Ten-Year Term.
Less: Allowance for Doubtful Accounts		-	(8,398)	
Total Loans Receivable - Revolving Loan Fund		<u>\$ 638,000</u>	<u>\$ 170,129</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, 2023, 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 11, 2024. 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.

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.

Report on Internal Control Over Financial Reporting (Continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 through 2023-004 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 2023-005 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 11, 2024



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

Board of County Commissioners
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, 2023. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

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 \$274,018 in federal awards during the year ended June 30, 2023 and Swift County-Benson Hospital (SCBH), a component unit, which expended no federal awards during the year ended December 31, 2023. 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.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Brainerd, Minnesota
September 11, 2024

**SWIFT COUNTY
BENSON, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

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? yes X 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)? yes X no

Identification of major programs:

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

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

Section II – Financial Statement Findings

2023-001 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, 2022-001.

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

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

Section II – Financial Statement Findings (Continued)

2023-002 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, 2022-002.

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 and Planned Corrective Actions: 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
BENSON, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings (Continued)

2023-003 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, 2022-003.

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 and Planned Corrective Actions: 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
BENSON, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings (Continued)

2023-004 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, 2022-004.

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

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

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

Section II – Financial Statement Findings (Continued)

2023-005 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: Not a repeat finding.

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 and Planned Corrective Actions: There is no disagreement with the audit finding. The County will review accrual listings to ensure accruals are complete.

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

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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

Section IV – Other Item for Consideration – Minnesota Legal Compliance

2023-006 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 15 of the 57 active ditch systems as having deficit cash balances as of December 31, 2023, totaling \$2,114,727.

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, 2022-005.

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

CLIENT RESPONSE:

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

2023-007 COUNTY BUDGET

Criteria: Minnesota Statute §375.169 requires that the County annually, upon adoption of the County budget, publish a summary budget statement in a form prescribed by the State Auditor in the County's official newspaper.

Condition and Context: The County did not publish the annual budget.

Cause: The County did not publish the annual budget.

Possible Effect: The County is not in compliance with Minnesota Statutes.

Repeat Finding: No.

Recommendation: We recommend that the County publish the County Budget.

CLIENT RESPONSE:

The County will ensure the County Budget is published in accordance with state statutes.

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

Section IV – Other Item for Consideration – Minnesota Legal Compliance (Continued)

2023-008 CONTRACTING AND BIDDING

Criteria: Minnesota Statute §270C.66 requires a County to obtain a contractor's affidavit before making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor and by subcontractor.

Condition and Context: The County did not receive a IC134 prior to disbursing final payment to the contractor.

Cause: The County did not obtain this form for a contract during the year.

Possible Effect: The County is not in compliance with Minnesota Statutes.

Repeat Finding: No.

Recommendation: We recommend that the County staff become more knowledgeable about Minnesota statutes and receive IC134's for all contracts prior to final payment.

CLIENT RESPONSE:

The County will ensure the IC134's are obtained for all contracts deemed necessary.

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

Section V – Summary Schedule of Prior Year Audit Findings

2022-001 SEGREGATION OF DUTIES

See current year finding 2023-001

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

2022-002 AUDIT ADJUSTMENTS

See current year finding 2023-002

Reason for finding's recurrence: The County has a limited number of personnel and there were unique transactions in 2023 that needed to be adjusted.

2022-003 FINANCIAL REPORTING PROCESS

See current year finding 2023-003

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

2022-004 FORMAL POLICY OVER PROCEDURES

See current year finding 2023-004

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.

2022-005 DITCH SPECIAL REVENUE FUND – CASH DEFICITS

See current year finding 2023-006

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

2022-006 UNALLOWED ITEMS PURCHASED WITH PUBLIC FUNDS

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

**SWIFT COUNTY
BENSON, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023**

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)	232MN101S2514	10.561	\$ 169,111	\$ -
U.S. Department of Transportation				
Passed Through the City of Benson Minimum Penalties for Repeat Offenders for Driving While Intoxicated	A-ENFRC24-2024 -BENSONPD-035	20.608	14,306	-
U.S. Department of Treasury				
Direct Award COVID-19 Local Assistance and Tribal Contingency Fund	N/A	21.032	100,000	-
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Human Services MaryLee Allen Promoting Safe and Stable Families Program	2201MNFPS	93.556	1,337	-
Temporary Assistance for Needy Families	2301MNTANF	93.558	29,816	-
Child Support Enforcement	2301MNCEST 2.01MNCSES	93.563	\$ 187,479 <u>39,436</u>	- -
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	2301MNRMA	93.566	562	-
Community-Based Child Abuse Prevention Grants	2202MNBCAP	93.590	2,075	-
Child Care and Development Block Grant (Part of CCDF Cluster)	2301MNCDF	93.575	2,744	-
Stephanie Tubbs Jones Child Welfare Services Program	2201MNCWSS	93.645	2,121	-
Foster Care Title IV-E	2301MNFOST	93.658	77,898	-
Social Services Block Grant	2301MNSOSR	93.667	92,524	-

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

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)				
COVID-19 Elder Abuse Prevention Interventions Program	2101MNAPC6	93.747	\$ 2,388	\$ -
Children's Health Insurance Program	2305MN5021	93.767	676	-
Medical Assistance Program (Part of Medicaid Cluster, Total \$646,795)	2305MN5ADM 2305MN5MAP	93.778	\$ 640,144 <u>6,651</u>	- -
Total Department of Health and Human Services			<u>1,085,851</u>	-
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Public Safety Boat and Water Safety	R29G70CGBLA21	97.012	1,460	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DR4658	97.036	<u>298,163</u>	-
Total Department of Homeland Security			<u>299,623</u>	-
Total Federal Expenditures			<u>\$ 1,668,891</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 \$274,018 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, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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	\$ 1,668,690
Expenditures in the Schedule of Federal Expenditures, not Included as Revenues Reported in the Schedule of Intergovernmental Revenue	(1,372)
Revenues included on the Schedule of Intergovernmental Revenue that are not considered Federal Grant Expenditures	<u>1,573</u>
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 1,668,891</u>



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of County Commissioners
Swift County
Benson, Minnesota

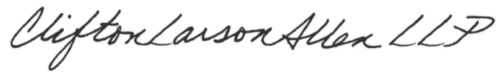
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 11, 2024. 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 and contracting – bid laws 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 items 2023-006 through 2023-008. 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 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 cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Brainerd, Minnesota
September 11, 2024



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