State of Minnesota

Office of the State Auditor

Julie Blaha
State Auditor

Audit Practice Division

Nicollet County
St. Peter, Minnesota

Annual Financial Report and
Management and Compliance Report

Year Ended December 31, 2024

Nicollet County
St. Peter, Minnesota

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Nicollet County
St. Peter, Minnesota

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Introductory Section

Nicollet County
St. Peter, Minnesota

Organization
December 31, 2024

Office	Name	Term Expires
Commissioners		
1st District	Marie Dranttel	January 2027
2nd District	Terry Morrow*	January 2025
3rd District	Jack Kolars	January 2027
4th District	Mark Dehen	January 2025
5th District	Kurt Zins	January 2027
Officers Elected		
Attorney	Michelle Zehnder Fischer	January 2027
County Judge	Allison Krehbiel	January 2029
County Judge	Todd Westphal	January 2027
Sheriff	David Lange	January 2027
Officers Appointed		
Administrator	Mandy Landkamer	Indefinite
Assessor	Shana Jackson	December 2028
Community Corrections Director	Richard Molitor	Indefinite
Coroner	Dr. Kelly Mills	December 2026
Court Administrator	Carol Weikle	Indefinite
Extension Director	Christy Kallevig	Indefinite
Facilities Maintenance Director	Cody Johnson	Indefinite
Finance Director	Heather McCormick	Indefinite
Health and Human Services Director	Cassandra Sassenberg	Indefinite
Human Resources Director	Kristy Larson	Indefinite
Property and Public Services Director	Jaci Kopet	Indefinite
Public Works Director	Seth Greenwood	May 2025
Surveyor	Bolton & Menk	Indefinite
Technologies Director	Jason Dragvold	Indefinite
Veterans Service Officer	Nathan Tish	October 2028

*Chair

Financial Section

STATE OF MINNESOTA

Office of the State Auditor

Julie Blaha
State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

Independent Auditor's Report

Board of County Commissioners
Nicollet County
St. Peter, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nicollet County, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Nicollet County as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund, the Road and Bridge Special Revenue Fund, and the Health and Human Services Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Main: (651) 296-2551 • Fax: (651) 296-4755 • TTY: (800) 627-3529 • State.Auditor@osa.state.mn.us • www.osa.state.mn.us
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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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed;

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Total OPEB Liability and Related Ratios – Other Postemployment Benefits, PERA retirement plan schedules, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nicollet County's basic financial statements. The Budgetary Comparison Schedule – Debt Service Fund, combining statements for fiduciary funds, Schedule of Intergovernmental Revenue – Governmental Funds, and Schedule of Expenditures of Federal Awards and related notes, 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 auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information as identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Financial Report. The other information comprises the Introductory Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2025, on our consideration of Nicollet 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 Nicollet 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 Nicollet County's internal control over financial reporting and compliance.

/s/Julie Blaha

Julie Blaha
State Auditor

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor

July 2, 2025

Management's Discussion and Analysis

Nicollet County
St. Peter, Minnesota

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

As management of Nicollet County, we offer readers of the Nicollet County financial statements this narrative overview and analysis of the financial activities of Nicollet County for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements following this section. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- The assets and deferred outflows of resources of Nicollet County exceeded its liabilities and deferred inflows of resources by $180,602,821 at the close of 2024. Of this amount, $36,495,041 (unrestricted net position) may be used to meet Nicollet County's ongoing obligations to citizens and creditors.

- At the close of 2024, Nicollet County's governmental funds reported combined ending fund balances of $55,038,137, a decrease of $5,490,701 in comparison with the prior year. Of the total fund balance, $19,930,885 is available for spending at the County's discretion and is noted as unassigned fund balance.

- At the close of 2024, the unassigned fund balance for the General Fund was $24,149,384, or 96.0 percent, of total General Fund expenditures.

- Nicollet County's total bonds payable decreased by $2,055,000. There were payments of $150,000 to G.O. Drainage Bonds, Series 2018A; $315,000 to G.O. Capital Improvement Bonds, Series 2018B; $590,000 to G.O. Road Reconstruction Refunding Bonds, Series 2018C; and $1,000,000 to G.O. Capital Improvement Refunding Bonds, Series 2020A.

Overview of the Financial Statements

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to Nicollet County's basic financial statements. The County's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The statement of net position presents information on all of Nicollet County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Nicollet County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (uncollected taxes and earned but unused vacation leave).

The County's government-wide financial statements report functions of the County principally supported by taxes and intergovernmental revenues. The governmental activities of Nicollet County include general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development.

The government-wide financial statements can be found on Exhibits 1 and 2.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Nicollet County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Nicollet County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

- Governmental funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, County fund level financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

  Nicollet County reports six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge Special Revenue Fund, the Health and Human Services Special Revenue Fund, the Revolving Loan Special Revenue Fund, the Ditch Special Revenue Fund, and the Debt Service Fund, all of which are considered to be major funds. Governmental fund financial statements are on Exhibits 3 through 7.

- Proprietary funds—Nicollet County maintains one proprietary fund. The Self-Insurance Internal Service Fund is used to account for the accumulation of resources for, and the payment of, insurance costs of the self-insurance program. Because the Self-Insurance Internal Service Fund benefits the governmental function, it has been included within the governmental activities column on the government-wide financial statements. Proprietary fund financial statements are on Exhibits 8 through 10.

- Fiduciary funds—Fiduciary funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, or other funds. The County maintains two types of fiduciary funds: one private-purpose trust fund and several custodial funds. The private-purpose trust fund is used to account for collection and distribution of social security funds with the County acting as a representative payee for individuals. Separate custodial funds are used to account for property tax revenues for other jurisdictions and charges and fees revenues for other state and local governments. Other custodial funds include Brown-Nicollet Community Health Services, Tri-County Solid Waste, Family Services Collaborative, Women's Foundation of Minnesota, and Jail/Sheriff Activities. Private-purpose and custodial funds do not involve measurement of results of operations and are not reflected in the government-wide financial statements because those resources are not available to support the County's programs. Fiduciary funds are on Exhibits 11, 12, C-1, and C-2.

Notes to the Financial Statements

The notes to the financial statements provide additional information essential to a full understanding of the data provided.

Other Information

In addition to the basic financial statements and notes, this report also presents certain required supplementary information concerning Nicollet County's changes in its other postemployment benefits liability (Exhibit A-1) and schedules of the proportionate share of net pension liability and schedules of contributions (Exhibits A-2 to A-7). In addition, the County also provides supplementary information on intergovernmental revenue and expenditures of federal awards (Exhibits D-1 and D-2).

Nicollet County adopts an annual appropriated budget for the General Fund, the Road and Bridge Special Revenue Fund, the Health and Human Services Special Revenue Fund, and the Debt Service Fund. Budgetary comparison statements and schedule have been provided for these major funds to demonstrate compliance with these budgets.

Government-Wide Financial Analysis

Over time, net position serves as a useful indicator of the County's financial position. Nicollet County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $180,602,821 at the close of 2024. The largest portion of Nicollet County's net position (71.6 percent) reflects its investment in capital assets (land, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. However, it should be noted that these assets are not available for future spending.

Governmental Net Position

	2023	2024
Assets		
Current and other assets	$ 76,921,286	$ 73,063,680
Capital assets	121,814,333	137,131,682
Total Assets	$ 198,735,619	$ 210,195,362
Deferred Outflows of Resources	$ 6,472,211	$ 4,172,980
Liabilities		
Long-term liabilities outstanding	$ 25,830,739	$ 20,581,807
Other liabilities	6,807,495	4,418,244
Total Liabilities	$ 32,638,234	$ 25,000,051
Deferred Inflows of Resources	$ 7,969,134	$ 8,765,470
Net position		
Net investment in capital assets	$ 113,134,672	$ 129,275,214
Restricted	21,626,791	14,832,566
Unrestricted	29,838,999	36,495,041
Total Net Position	$ 164,600,462	$ 180,602,821

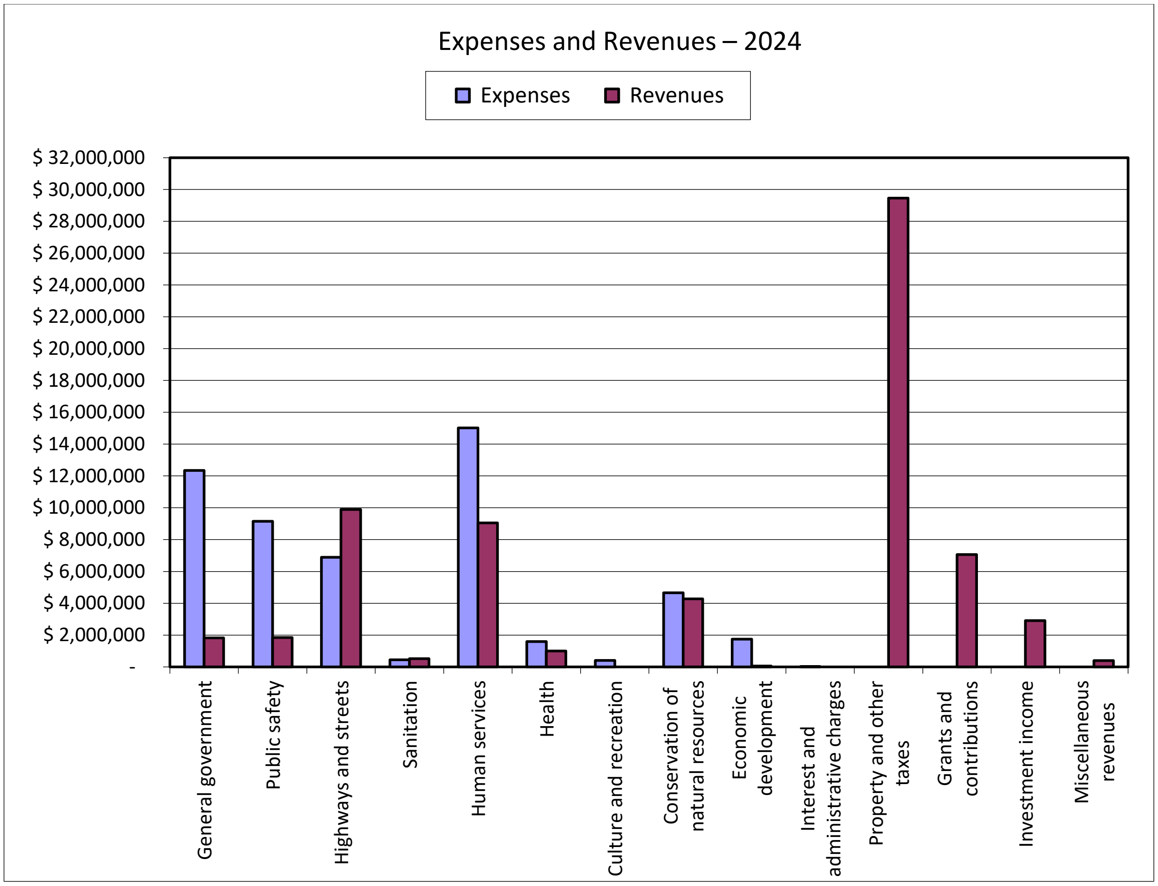
The unrestricted net position amount of $36,495,041 as of December 31, 2024, may be used to meet the County's ongoing obligations to citizens and creditors.

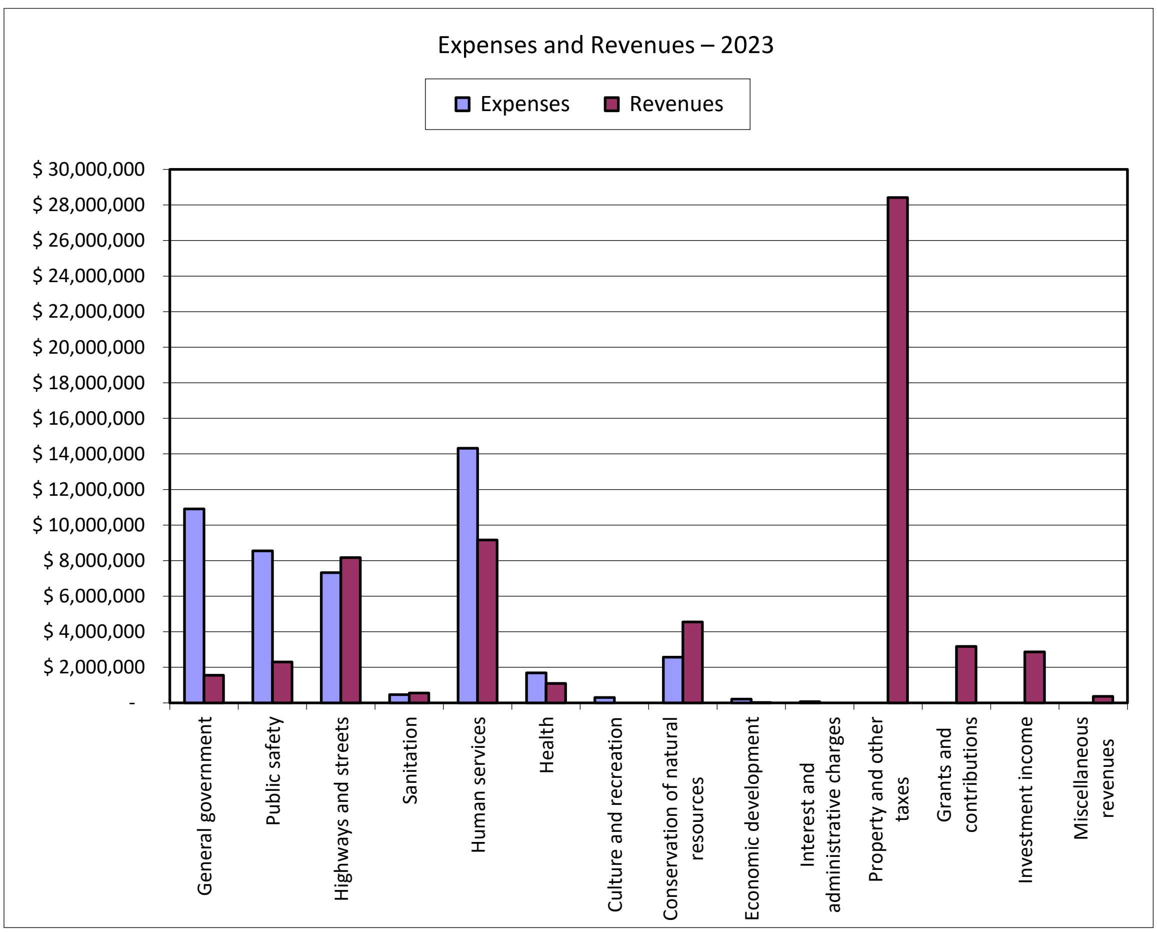
Governmental Activities

Nicollet County's activities increased net position by $16,002,359, or 9.7 percent, over the 2023 net position. The following table summarizes the changes in net position for 2024.

Changes in Governmental Net Position

	2023	2024
Revenues		
Program revenues		
Fees, charges, and others	$ 8,353,957	$ 8,144,965
Operating grants and contributions	16,893,636	17,365,696
Capital grants and contributions	2,146,683	2,944,122
General revenues		
Property taxes	25,497,183	26,636,463
Other	9,330,816	13,186,847
Total Revenues	$ 62,222,275	$ 68,278,093
Expenses		
General government	$ 10,908,093	$ 12,349,196
Public safety	8,550,555	9,153,145
Highways and streets	7,321,396	6,886,336
Sanitation	464,284	442,719
Human services	14,317,341	15,020,403
Health	1,684,777	1,592,677
Culture and recreation	306,272	405,366
Conservation of natural resources	2,569,809	4,653,674
Economic development	216,232	1,747,309
Interest	67,341	24,909
Total Expenses	$ 46,406,100	$ 52,275,734
Increase in Net Position	$ 15,816,175	$ 16,002,359
Net Position – January 1	148,784,287	164,600,462
Net Position – December 31	$ 164,600,462	$ 180,602,821


Expenses and Revenues – 2024
Expenses
Revenues
$ 32,000,000
$ 30,000,000
$ 28,000,000
$ 26,000,000
$ 24,000,000
$ 22,000,000
$ 20,000,000
$ 18,000,000
$ 16,000,000
$ 14,000,000
$ 12,000,000
$ 10,000,000
$ 8,000,000
$ 6,000,000
$ 4,000,000
$ 2,000,000
-
General government
Public safety
Highways and streets
Sanitation
Human services
Health
Culture and recreation
Conservation of natural resources
Economic development
Interest and administrative charges
Property and other taxes
Grants and contributions
Investment income
Miscellaneous revenues


Expenses and Revenues – 2023
Expenses
Revenues
$ 30,000,000
$ 28,000,000
$ 26,000,000
$ 24,000,000
$ 22,000,000
$ 20,000,000
$ 18,000,000
$ 16,000,000
$ 14,000,000
$ 12,000,000
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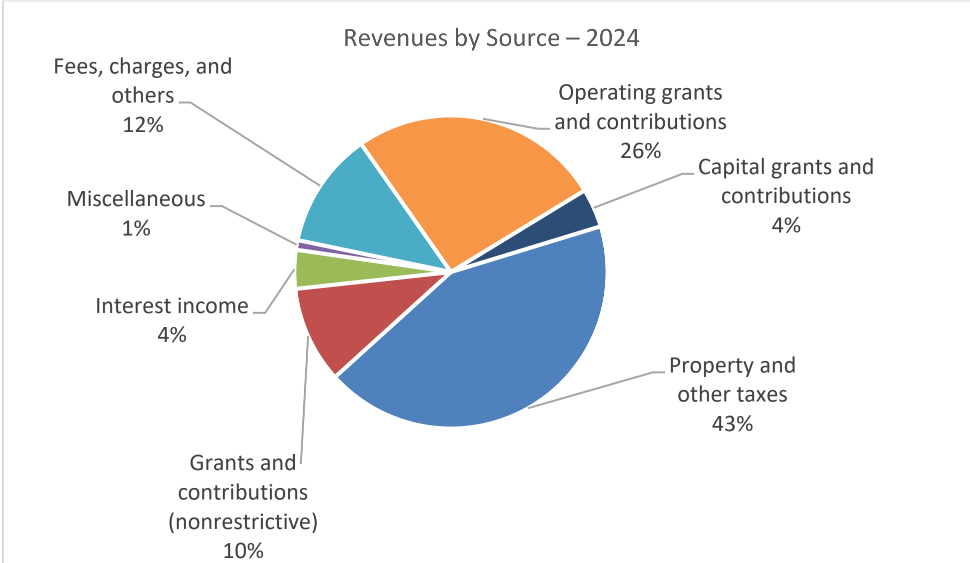

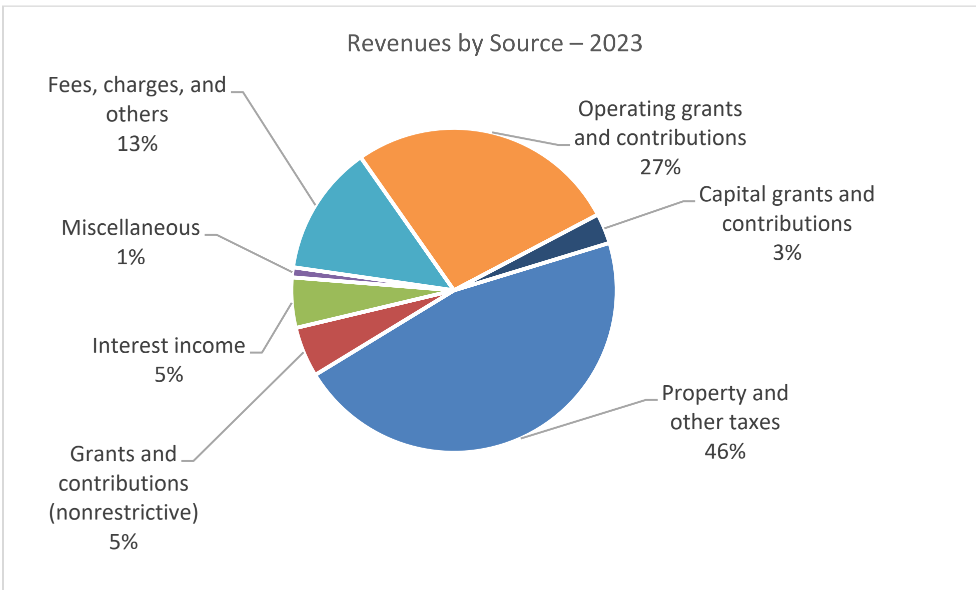

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $55,038,137, a decrease of $5,490,701 in comparison with the prior year. A portion of this amount ($39,685,196) constitutes assigned and unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is restricted, committed, or nonspendable to indicate that it is not available for new spending because it has already been committed for various reasons.

The General Fund is the chief operating fund of Nicollet County. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was $24,149,384, while total fund balance was $28,155,032. As a measure of the General Fund's liquidity, it may be useful to compare the assigned and unassigned fund balance to total fund expenditures. The assigned and unassigned fund balance represents 96.0 percent of total General Fund expenditures, while total fund balance represents 111.9 percent of that same amount. In 2024, the fund balance amount in the General Fund increased by $4,457,399. Some attributing factors were increases in intergovernmental revenue and investment earnings, reduced expenses due to staff vacancies and delays, and underspending of capital projects and purchases.

The Road and Bridge Special Revenue Fund's fund balance decreased by $9,925,522 in 2024. The main attributing factor was use of restricted sales tax and wheelage tax for a significant road project.

The Health and Human Services Special Revenue Fund's fund balance increased by $578,443 in 2024. Intergovernmental and settlement revenue was higher than budgeted.

The Revolving Loan Special Revenue Fund's fund balance decreased by $13,136 in 2024.

The Ditch Special Revenue Fund had a negative fund balance of $2,573,471 at year-end 2024. Total fund balance decreased by $621,136 in 2024 impacted by ditch project litigation, judicial ditches, and assessment payments. This fund is continually monitored and reviewed for potential future bond debt. The County charges quarterly interest to each negative drainage system balance in accordance with Minn. Stat. § 103E.655.

The Debt Service Fund's restricted fund balance increased by $33,251 in 2024.

General Fund Budgetary Highlights

The difference between the original budget revenues and the final amended revenues was a decrease of $163,000 during the year. In addition, the difference between the original budget expenditures and the final amended budget expenditures was an increase in $87,000 during the year.

The actual expenditures were below budgeted expenditures by $1,304,141. The actual revenues and transfers in exceeded budget revenues and transfers in by $5,283,814. Significant variances during the current year included the following:

- Intergovernmental revenues exceeded the budget by $2,261,049 for unbudgeted revenue. Contributing factors include receipt of federal revenues for Coronavirus State and Local Fiscal Recovery Funds.
- Investment earnings exceeded budget by $2,864,967.
- Capital outlay expenditures were under budget by $1,996,583 due to a delayed capital project and building project.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2024, was $137,131,682 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure. The total increase in the County's investment in capital assets for the current fiscal year was 12.57 percent.

Capital Assets
(Net of Accumulated Depreciation)

	2023	2024
Land	$ 6,349,552	$ 6,369,400
Construction in progress	12,271,016	4,661,383
Land improvements	588,340	564,068
Buildings	20,539,034	21,607,147
Machinery and equipment	3,292,242	3,061,605
Infrastructure	78,774,149	100,868,079
Totals	$ 121,814,333	$ 137,131,682

Additional information on the County's capital assets can be found in Note 3 in the notes to the financial statements.

Long-Term Debt

At the end of the current fiscal year, the County had total bonded debt outstanding of $7,205,000, which is backed by the full faith and credit of the government.

Outstanding Debt

	2023	2024
General obligation bonds	$ 9,260,000	$ 7,205,000

The County's debt related to general obligation bonds decreased by $2,055,000 (22.2 percent) during the fiscal year. The primary reason for the decrease is due to debt payments made by the Debt Service Fund.

Nicollet County's bond rating is "Aa2" from Moody's.

Minnesota statutes limit the amount of net debt to three percent of the market value of taxable property in the County. As of the end of 2024, Nicollet County is below the three percent debt limit imposed by state statutes.

Additional information on the County's long-term debt can be found in Note 3 in the notes to the financial statements.

Economic Factors and Next Year's Budgets

- Nicollet County's unemployment rate was 2.1 percent as of the end of 2024. This is slightly below the statewide rate of 2.6 percent. (Source: Minnesota Department of Employment and Economic Development, Unemployment Statistics – LAUS Data.)

- Nicollet County’s population remains steady at 34,242. Agricultural tillable land values decreased with agricultural non-tillable land and building values remaining steady. Residential property values increased, but minimally, and commercial and industrial property increased by varying degrees based on property type and location.

At the end of 2024, Nicollet County set its 2025 revenue and expenditure budgets.

Requests for Information

This annual financial report is designed to provide a general overview of the County’s finances for all those with an interest in the County’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Nicollet County Finance Department, Nicollet County Courthouse, 501 South Minnesota Avenue, St. Peter, Minnesota 56082.

Basic Financial Statements

Government-Wide Financial Statements

Nicollet County
St. Peter, Minnesota

Exhibit 1

Statement of Net Position
Governmental Activities
December 31, 2024

Assets		
Cash and pooled investments	$	57,818,807
Petty cash and change funds		4,170
Taxes receivable – delinquent		359,563
Special assessments receivable		
Delinquent		21,448
Noncurrent		4,791,187
Accounts receivable		536,998
Accrued interest receivable		234,431
Due from other governments		8,255,958
Inventories		593,616
Prepaid items		447,502
Capital assets		
Non-depreciable		11,030,783
Depreciable – net of accumulated depreciation		126,100,899
Total Assets	**$**	**210,195,362**
Deferred Outflows of Resources		
Deferred other postemployment benefits outflows	$	116,362
Deferred pension outflows		4,056,618
Total Deferred Outflows of Resources	**$**	**4,172,980**
Liabilities		
Accounts payable	$	768,683
Claims payable		5,984
Salaries payable		1,439,031
Contracts payable		1,709,824
Due to other governments		310,465
Accrued interest payable		44,123
Unearned revenue		140,134
Long-term liabilities		
Due within one year		4,259,065
Due in more than one year		6,410,369
Other postemployment benefits liability due within one year		73,017
Other postemployment benefits liability due in more than one year		1,060,311
Net pension liability		8,779,045
Total Liabilities	**$**	**25,000,051**
Deferred Inflows of Resources		
Deferred charge on refunding	$	185,482
Deferred other postemployment benefits inflows		489,582
Deferred pension inflows		8,090,406
Total Deferred Inflows of Resources	**$**	**8,765,470**

Nicollet County
St. Peter, Minnesota

Exhibit 1
(Continued)

Statement of Net Position
Governmental Activities
December 31, 2024

Net Position

Net investment in capital assets	$	129,275,214
Restricted for		
General government		1,123,651
Public safety		1,344,005
Highways and streets		6,181,376
Human services		304,219
Conservation of natural resources		2,097,254
Opioid remediation activities		170,990
Debt service		3,611,071
Unrestricted		36,495,041
Total Net Position	**$**	**180,602,821**

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

Exhibit 2

Statement of Activities
Governmental Activities
For the Year Ended December 31, 2024

	Expenses	Program Revenues: Fees, Charges, Fines, and Other	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Functions/Programs					
Governmental activities					
General government	$ 12,349,196	$ 911,608	$ 910,526	$ -	$ (10,527,062)
Public safety	9,153,145	447,069	1,399,895	-	(7,306,181)
Highways and streets	6,886,336	224,572	6,726,052	2,944,122	3,008,410
Sanitation	442,719	397,132	120,713	-	75,126
Human services	15,020,403	1,849,130	7,199,401	-	(5,971,872)
Health	1,592,677	41,984	954,350	-	(596,343)
Culture and recreation	405,366	-	-	-	(405,366)
Conservation of natural resources	4,653,674	4,273,470	-	-	(380,204)
Economic development	1,747,309	-	54,759	-	(1,692,550)
Interest and administrative charges	24,909	-	-	-	(24,909)
Total Governmental Activities	**$ 52,275,734**	**$ 8,144,965**	**$ 17,365,696**	**$ 2,944,122**	**$ (23,820,951)**
General Revenues					
Property taxes					$ 26,636,463
Mortgage registry and deed tax					35,042
Wheelage tax					589,970
Gravel tax					52,317
Transportation sales tax					2,078,156
Payments in lieu of tax					67,080
Grants and contributions not restricted to specific programs					7,057,063
Unrestricted investment earnings					2,909,152
Miscellaneous					398,067
Total general revenues					**$ 39,823,310**
Change in net position					**$ 16,002,359**
Net Position – January 1					**164,600,462**
Net Position – December 31					**$ 180,602,821**

Fund Financial Statements

Governmental Funds

Nicollet County
St. Peter, Minnesota

Balance Sheet
Governmental Funds
December 31, 2024

	General	Road and Bridge
Assets		
Cash and pooled investments	$ 25,744,695	$ 13,223,281
Petty cash and change funds	3,520	100
Taxes receivable – delinquent	214,500	29,914
Special assessments receivable		
Delinquent	6,364	-
Noncurrent	-	-
Accounts receivable	48,806	17,187
Accrued interest receivable	234,431	-
Interfund receivable	2,638,681	-
Due from other funds	124,861	1,440
Due from other governments	201,198	6,746,609
Prepaid items	442,349	2,699
Inventories	-	593,616
Total Assets	**$ 29,659,405**	**$ 20,614,846**
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	$ 349,417	$ 60,949
Salaries payable	748,686	114,398
Contracts payable	-	1,709,824
Interfund payable	-	-
Due to other funds	-	-
Due to other governments	92,470	2,306
Unearned revenue	140,134	-
Total Liabilities	**$ 1,330,707**	**$ 1,887,477**
Deferred Inflows of Resources		
Unavailable revenue	**$ 173,666**	**$ 6,134,301**

Exhibit 3

Health and Human Services	Revolving Loan	Ditch	Debt Service	Total Governmental Funds
$ 12,146,184	$ 520,592	$ -	$ 3,633,104	$ 55,267,856
550	-	-	-	4,170
85,990	-	-	29,159	359,563
-	4,393	10,691	-	21,448
-	437,206	4,353,981	-	4,791,187
471,005	-	-	-	536,998
-	-	-	-	234,431
-	-	-	-	2,638,681
-	-	-	-	126,301
1,308,151	-	-	-	8,255,958
2,454	-	-	-	447,502
-	-	-	-	593,616
$ 14,014,334	**$ 962,191**	**$ 4,364,672**	**$ 3,662,263**	**$ 73,277,711**
$ 254,086	$ -	$ 104,231	$ -	$ 768,683
569,924	-	6,023	-	1,439,031
-	-	-	-	1,709,824
-	-	2,638,681	-	2,638,681
74,633	-	51,668	-	126,301
88,327	-	127,362	-	310,465
-	-	-	-	140,134
$ 986,970	**$ -**	**$ 2,927,965**	**$ -**	**$ 7,133,119**
$ 328,376	**$ 436,806**	**$ 4,010,178**	**$ 23,128**	**$ 11,106,455**

Nicollet County
St. Peter, Minnesota

Balance Sheet
Governmental Funds
December 31, 2024

	General	Road and Bridge
Liabilities, Deferred Inflows of Resources, and Fund Balances (Continued)		
Fund Balances		
Nonspendable		
Inventories	$ -	$ 593,616
Prepaid items	442,349	2,699
Restricted for		
Law library	82,926	-
Recorder's equipment	346,147	-
Enhanced 911 system	726,442	-
Snowmobile grant	2,045	-
Handgun permit fees – carry program administration	330,365	-
Boat and water safety	17,978	-
Offroad highway grant	1,048	-
Sheriff next generation 911	37,426	-
Sheriff's contingency	4,303	-
Sheriff – prostitution law enforcement, training, and education	2,971	-
Forfeited sheriff property	11,214	-
Forfeited attorney property	64,520	-
Attorney – prostitution prosecution, training, and education	1,185	-
Public safety aid	210,213	-
Veteran van	49,554	-
Aquatic invasive species program	411,908	-
Land reclamation	172,224	-
Riparian project	167,411	-
Highway construction	-	502,969
Transportation – sales tax	-	369,727
Transportation – wheelage tax	-	42,931
Child protection services	-	-
Medical assistance eligibility renewal	-	-
Statewide affordable housing	-	-
Opioid remediation	-	-
Debt service	-	-
ISTS loans	-	-
Ditch maintenance and repairs	-	-
Committed to		
Insurance premiums	923,419	183,372
Transportation	-	3,053,000
Assigned for		
Highways and streets	-	7,844,754
Human services	-	-
Septic/sewer loans	-	-
Unassigned	24,149,384	-
Total Fund Balances	**$ 28,155,032**	**$ 12,593,068**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 29,659,405**	**$ 20,614,846**

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

Exhibit 3
(Continued)

Health and Human Services	**Revolving Loan**	**Ditch**	**Debt Service**	**Total Governmental Funds**
$ -	$ -	$ -	$ -	$ 593,616
2,454	-	-	-	447,502
-	-	-	-	82,926
-	-	-	-	346,147
-	-	-	-	726,442
-	-	-	-	2,045
-	-	-	-	330,365
-	-	-	-	17,978
-	-	-	-	1,048
-	-	-	-	37,426
-	-	-	-	4,303
-	-	-	-	2,971
-	-	-	-	11,214
-	-	-	-	64,520
-	-	-	-	1,185
-	-	-	-	210,213
-	-	-	-	49,554
-	-	-	-	411,908
-	-	-	-	172,224
-	-	-	-	167,411
-	-	-	-	502,969
-	-	-	-	369,727
-	-	-	-	42,931
38,467	-	-	-	38,467
53,086	-	-	-	53,086
212,666	-	-	-	212,666
170,990	-	-	-	170,990
-	-	-	3,639,135	3,639,135
-	78,509	-	-	78,509
-	-	1,645,028	-	1,645,028
758,644	-	-	-	1,865,435
-	-	-	-	3,053,000
-	-	-	-	7,844,754
11,462,681	-	-	-	11,462,681
-	446,876	-	-	446,876
-	-	(4,218,499)	-	19,930,885
$ 12,698,988	**$ 525,385**	**$ (2,573,471)**	**$ 3,639,135**	**$ 55,038,137**
$ 14,014,334	**$ 962,191**	**$ 4,364,672**	**$ 3,662,263**	**$ 73,277,711**

Exhibit 3A

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position — Governmental Activities
December 31, 2024

Fund balances – total governmental funds (Exhibit 3)		**$ 55,038,137**
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.		137,131,682
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources – unavailable revenue in the governmental funds.		11,106,455
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to other postemployment benefits not recognized in the governmental funds.		
Deferred outflows related to other postemployment benefits	$ 116,362	
Deferred inflows related to other postemployment benefits	(489,582)	(373,220)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions not recognized in the governmental funds.		
Deferred outflows related to pensions	$ 4,056,618	
Deferred inflows related to pensions	(8,090,406)	(4,033,788)
Governmental funds do not report a liability for accrued interest on long-term liabilities until due and payable.		(44,123)
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	$ (7,205,000)	
Unamortized premium on bonds payable	(52,958)	
Loans payable	(493,122)	
Compensated absences payable	(2,918,354)	
Other postemployment benefits liability	(1,133,328)	
Net pension liability	(8,779,045)	(20,581,807)
Deferred inflows of resources resulting from the difference between the carrying value and reacquisition price of refunded debt are not recognized in the governmental funds.		(185,482)
The Internal Service Fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the statement of net position.		2,544,967
Net Position of Governmental Activities (Exhibit 1)		**$ 180,602,821**

Nicollet County
St. Peter, Minnesota

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Road and Bridge
Revenues		
Taxes	$ 15,972,866	$ 5,054,868
Special assessments	306,691	-
Licenses and permits	67,690	-
Intergovernmental	8,475,965	6,278,480
Settlements	-	-
Charges for services	764,144	98,563
Fines and forfeits	9,800	-
Gifts and contributions	9,490	9,684
Investment earnings	3,065,367	-
Miscellaneous	943,207	126,009
Total Revenues	**$ 29,615,220**	**$ 11,567,604**
Expenditures		
Current		
General government	$ 11,387,877	$ -
Public safety	8,817,500	-
Highways and streets	-	20,621,869
Sanitation	398,294	-
Human services	-	-
Health	-	-
Culture and recreation	124,813	161,637
Conservation of natural resources	477,105	12,359
Economic development	1,747,309	-
Intergovernmental		
Highways and streets	-	263,730
Culture and recreation	120,088	-
Capital outlay		
General government	1,932,030	-
Public safety	127,977	-
Highways and streets	-	479,819
Sanitation	25,797	-
Health	-	-
Debt service		
Principal	-	-
Interest	-	-
Interest on interfund loans	-	-
Administrative charges	-	-
Total Expenditures	**$ 25,158,790**	**$ 21,539,414**
Excess of Revenues Over (Under) Expenditures	**$ 4,456,430**	**$ (9,971,810)**

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

Health and Human Services	Revolving Loan	Ditch	Debt Service	Total Governmental Funds
$ 6,324,714	$ -	$ -	$ 2,003,833	$ 29,356,281
-	91,154	3,732,591	-	4,130,436
-	-	-	-	67,690
8,638,576	-	-	20,848	23,413,869
103,153	-	-	-	103,153
1,711,706	-	-	-	2,574,413
-	-	-	-	9,800
4,270	-	-	-	23,444
-	-	-	-	3,065,367
104,879	-	29	-	1,174,124
$ 16,887,298	**$ 91,154**	**$ 3,732,620**	**$ 2,024,681**	**$ 63,918,577**
$ -	$ -	$ -	$ -	$ 11,387,877
-	-	-	-	8,817,500
-	-	-	-	20,621,869
-	43,135	-	-	441,429
14,719,331	-	-	-	14,719,331
1,588,724	-	-	-	1,588,724
-	-	-	-	286,450
-	-	4,005,568	-	4,495,032
-	-	-	-	1,747,309
-	-	-	-	263,730
-	-	-	-	120,088
-	-	-	-	1,932,030
-	-	-	-	127,977
-	-	-	-	479,819
-	-	-	-	25,797
800	-	-	-	800
-	101,086	150,000	1,905,000	2,156,086
-	2,237	40,635	85,880	128,752
-	-	157,553	-	157,553
-	-	-	550	550
$ 16,308,855	**$ 146,458**	**$ 4,353,756**	**$ 1,991,430**	**$ 69,498,703**
$ 578,443	**$ (55,304)**	**$ (621,136)**	**$ 33,251**	**$ (5,580,126)**

Nicollet County
St. Peter, Minnesota

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Road and Bridge
Other Financing Sources (Uses)		
Transfers in	$ 969	$ -
Transfers out	-	-
Loans issued	-	-
Total Other Financing Sources (Uses)	**$ 969**	**$ -**
Net Change in Fund Balances	**$ 4,457,399**	**$ (9,971,810)**
Fund Balances – January 1	**23,697,633**	**22,518,590**
Increase (decrease) in inventories	**-**	**46,288**
Fund Balances – December 31	**$ 28,155,032**	**$ 12,593,068**

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

Health and Human Services	Revolving Loan	Ditch	Debt Service	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 969
-	(969)	-	-	(969)
-	43,137	-	-	43,137
$ -	**$ 42,168**	**$ -**	**$ -**	**$ 43,137**
$ 578,443	**$ (13,136)**	**$ (621,136)**	**$ 33,251**	**$ (5,536,989)**
12,120,545	**538,521**	**(1,952,335)**	**3,605,884**	**60,528,838**
-	**-**	**-**	**-**	**46,288**
$ 12,698,988	**$ 525,385**	**$ (2,573,471)**	**$ 3,639,135**	**$ 55,038,137**

Nicollet County
St. Peter, Minnesota

Exhibit 4A

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities—Governmental Activities
For the Year Ended December 31, 2024

Net change in fund balances – total governmental funds (Exhibit 4)		**$ (5,536,989)**
Amounts reported for governmental activities in the statement of activities are different because:		
In the funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenue between the fund statements and the statement of activities is the increase or decrease in revenue deferred as unavailable.		
Unavailable revenue – December 31	$ 11,106,455	
Unavailable revenue – January 1	(7,089,005)	4,017,450
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 as depreciation expense. Also, in the statement of activities, only the gain or loss on the disposal of assets is reported; whereas, in the governmental funds, the proceeds from the sale increase financial resources. Therefore, the change in net position differs from the change in fund balance by the net book value of the assets disposed.		
Expenditures for general capital assets and infrastructure	$ 20,178,302	
Current year depreciation	(4,860,953)	15,317,349
Issuing long-term debt provides current financial resources to governmental funds, while the repayment of debt consumes current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued; whereas, those amounts are deferred and amortized over the life of the debt in the statement of activities.		
Proceeds of new debt – loans issued	$ (43,137)	
Principal repayments	2,156,086	
Amortization of premium on bonds	49,946	2,162,895
Some expenses reported in the statement of activities do not require the use of current financial resources, so are not reported as expenditures in governmental funds.		
Change in inventories	$ 46,288	
Change in deferred other postemployment benefits outflows	4,000	
Change in deferred pension outflows	(2,303,231)	
Change in accrued interest payable	17,350	
Change in compensated absences payable	(885,770)	
Change in other postemployment benefits liability	(25,321)	
Change in net pension liability	3,997,128	
Change in deferred charge on refunding	37,097	
Change in deferred other postemployment benefits inflows	52,032	
Change in deferred pension inflows	(885,465)	54,108
The net income (loss) of the Internal Service Fund is reported with governmental activities.		(12,454)
Change in Net Position of Governmental Activities (Exhibit 2)		**$ 16,002,359**

Nicollet County
St. Peter, Minnesota

Exhibit 5

Budgetary Comparison Statement
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 15,905,844	$ 15,905,844	$ 15,972,866	$ 67,022
Special assessments	300,000	300,000	306,691	6,691
Licenses and permits	80,324	80,324	67,690	(12,634)
Intergovernmental	6,377,916	6,214,916	8,475,965	2,261,049
Charges for services	767,469	767,469	764,144	(3,325)
Fines and forfeits	15,000	15,000	9,800	(5,200)
Gifts and contributions	2,500	2,500	9,490	6,990
Investment earnings	200,400	200,400	3,065,367	2,864,967
Miscellaneous	843,422	843,422	943,207	99,785
Total Revenues	**$ 24,492,875**	**$ 24,329,875**	**$ 29,615,220**	**$ 5,285,345**
Expenditures				
Current				
General government				
Commissioners	$ 336,886	$ 336,886	$ 325,096	$ 11,790
Courts	51,000	51,000	54,967	(3,967)
Courts – CHIPS/TPR	87,000	87,000	75,950	11,050
Drug court	5,250	5,250	-	5,250
Law library	30,000	30,000	24,772	5,228
County administrator	413,682	413,682	379,244	34,438
Finance	566,160	566,160	569,664	(3,504)
Capital improvements	-	-	461	(461)
Public services	869,617	869,617	834,407	35,210
Accounting and auditing	85,250	85,250	82,149	3,101
Property assessment	814,858	814,858	753,672	61,186
Human resources	281,914	281,914	302,408	(20,494)
Office of technologies	2,901,854	2,901,854	2,605,167	296,687
Elections	168,230	168,230	166,369	1,861
Other general government	1,394,456	1,234,588	787,726	446,862
County attorney	1,521,853	1,521,853	1,401,477	120,376
County attorney – forfeited property proceeds	-	-	1,304	(1,304)
Recorder/abstractor	298,017	298,017	305,392	(7,375)
Recorder – future equipment	146,500	146,500	182,847	(36,347)
Surveyor	10,000	10,000	10,000	-
Telephone	149,880	149,880	224,745	(74,865)
Courthouse operations	920,187	929,687	945,335	(15,648)
North Mankato County office building	28,500	28,500	30,866	(2,366)
Health and human services building	50,500	50,500	53,016	(2,516)
Adult mental health services building	12,100	12,100	9,688	2,412
Veterans service	378,842	378,842	318,433	60,409
Property services	976,888	976,888	942,722	34,166
Gravel tax reclamation	20,000	20,000	-	20,000
Total general government	**$ 12,519,424**	**$ 12,369,056**	**$ 11,387,877**	**$ 981,179**

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

Nicollet County
St. Peter, Minnesota

Exhibit 5
(Continued)

Budgetary Comparison Statement
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Public safety				
Sheriff	$ 3,087,205	$ 3,174,205	$ 3,236,501	$ (62,296)
Boat and water safety	1,011	1,011	5,304	(4,293)
Sheriff's contingency fund	2,000	2,000	490	1,510
Prisoner commissions account	36,000	36,000	34,645	1,355
Sheriff – snowmobile safety enforcement	1,213	1,213	48	1,165
Enhanced 911 system	74,500	74,500	74,063	437
Sheriff – forfeited property proceeds	1,000	1,000	470	530
Sheriff – offroad highway grant	2,796	2,796	111	2,685
Gun permits	30,324	30,324	33,849	(3,525)
Coroner	45,000	45,000	59,430	(14,430)
Dispatch center	1,229,724	1,229,724	1,030,235	199,489
Corrections	1,667,093	1,667,093	1,872,805	(205,712)
Probation department	2,044,969	2,144,969	2,201,328	(56,359)
Nicollet County collaborative	135,931	135,931	127,911	8,020
Emergency services	140,132	140,132	140,310	(178)
Total public safety	**$ 8,498,898**	**$ 8,685,898**	**$ 8,817,500**	**$ (131,602)**
Sanitation				
Solid waste management	**$ 292,003**	**$ 342,371**	**$ 398,294**	**$ (55,923)**
Culture and recreation				
Historical society	$ 124,866	$ 124,866	$ 124,213	$ 653
Transit	10,600	10,600	600	10,000
Total culture and recreation	**$ 135,466**	**$ 135,466**	**$ 124,813**	**$ 10,653**
Conservation of natural resources				
Agricultural society	$ 50,000	$ 50,000	$ 50,000	$ -
County extension	189,011	189,011	173,353	15,658
Soil and water conservation district	255,000	255,000	253,052	1,948
Tri-county fair	700	700	700	-
Total conservation of natural resources	**$ 494,711**	**$ 494,711**	**$ 477,105**	**$ 17,606**
Economic development				
Economic development	$ 115,204	$ 115,204	$ 1,629,569	$ (1,514,365)
Housing and redevelopment authority	117,740	117,740	117,740	-
Total economic development	**$ 232,944**	**$ 232,944**	**$ 1,747,309**	**$ (1,514,365)**
Intergovernmental				
Culture and recreation – regional library	**$ 120,088**	**$ 120,088**	**$ 120,088**	**$ -**

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

Nicollet County
St. Peter, Minnesota

Exhibit 5
(Continued)

Budgetary Comparison Statement
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures (Continued)				
Capital outlay				
General government	$ 3,911,500	$ 3,911,500	$ 1,932,030	$ 1,979,470
Public safety	145,100	145,100	127,977	17,123
Sanitation	25,797	25,797	25,797	-
Total capital outlay	**$ 4,082,397**	**$ 4,082,397**	**$ 2,085,804**	**$ 1,996,593**
Total Expenditures	**$ 26,375,931**	**$ 26,462,931**	**$ 25,158,790**	**$ 1,304,141**
Excess of Revenues Over (Under) Expenditures	**$ (1,883,056)**	**$ (2,133,056)**	**$ 4,456,430**	**$ 6,589,486**
Other Financing Sources (Uses)				
Transfers in	2,500	2,500	969	(1,531)
Net Change in Fund Balance	**$ (1,880,556)**	**$ (2,130,556)**	**$ 4,457,399**	**$ 6,587,955**
Fund Balance – January 1	**23,697,633**	**23,697,633**	**23,697,633**	**-**
Fund Balance – December 31	**$ 21,817,077**	**$ 21,567,077**	**$ 28,155,032**	**$ 6,587,955**

Nicollet County
St. Peter, Minnesota

Exhibit 6

Budgetary Comparison Statement
Road and Bridge Special Revenue Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 4,950,992	$ 4,950,992	$ 5,054,868	$ 103,876
Intergovernmental	6,306,000	6,306,000	6,278,480	(27,520)
Charges for services	51,000	51,000	98,563	47,563
Gifts and contributions	-	-	9,684	9,684
Miscellaneous	10,861	10,861	126,009	115,148
Total Revenues	**$ 11,318,853**	**$ 11,318,853**	**$ 11,567,604**	**$ 248,751**
Expenditures				
Current				
Highways and streets				
Administration	$ 524,823	$ 524,823	$ 445,671	$ 79,152
Maintenance	2,211,990	2,211,990	1,835,153	376,837
Construction	6,951,852	20,303,175	17,560,094	2,743,081
Equipment maintenance shops	872,672	872,672	780,951	91,721
Total highways and streets	**$ 10,561,337**	**$ 23,912,660**	**$ 20,621,869**	**$ 3,290,791**
Culture and recreation				
Parks	113,720	113,720	161,637	(47,917)
Conservation of natural resources				
Agricultural inspection	14,000	14,000	12,359	1,641
Intergovernmental				
Highways and streets	245,000	245,000	263,730	(18,730)
Capital outlay				
Highways and streets	650,500	650,500	479,819	170,681
Total Expenditures	**$ 11,584,557**	**$ 24,935,880**	**$ 21,539,414**	**$ 3,396,466**
Net Change in Fund Balance	**$ (265,704)**	**$ (13,617,027)**	**$ (9,971,810)**	**$ 3,645,217**
Fund Balance – January 1	**22,518,590**	**22,518,590**	**22,518,590**	**-**
Increase (decrease) in inventories	**-**	**-**	**46,288**	**46,288**
Fund Balance – December 31	**$ 22,252,886**	**$ 8,901,563**	**$ 12,593,068**	**$ 3,691,505**

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

Nicollet County
St. Peter, Minnesota

Exhibit 7

Budgetary Comparison Statement
Health and Human Services Special Revenue Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 6,310,664	$ 6,310,664	$ 6,324,714	$ 14,050
Intergovernmental	8,277,312	8,277,312	8,638,576	361,264
Settlements	-	-	103,153	103,153
Charges for services	1,677,150	1,677,150	1,711,706	34,556
Gifts and contributions	-	-	4,270	4,270
Miscellaneous	39,258	39,258	104,879	65,621
Total Revenues	**$ 16,304,384**	**$ 16,304,384**	**$ 16,887,298**	**$ 582,914**
Expenditures				
Current				
Human services				
Income maintenance	$ 4,297,133	$ 4,297,133	$ 4,215,826	$ 81,307
Social services	10,413,082	10,413,082	10,494,681	(81,599)
Local affordable housing	-	-	8,824	(8,824)
Total human services	**$ 14,710,215**	**$ 14,710,215**	**$ 14,719,331**	**$ (9,116)**
Health				
Public health	1,514,668	1,514,668	1,588,724	(74,056)
Capital outlay				
Health	-	-	800	(800)
Total Expenditures	**$ 16,224,883**	**$ 16,224,883**	**$ 16,308,855**	**$ (83,972)**
Net Change in Fund Balance	**$ 79,501**	**$ 79,501**	**$ 578,443**	**$ 498,942**
Fund Balance – January 1	**12,120,545**	**12,120,545**	**12,120,545**	**-**
Fund Balance – December 31	**$ 12,200,046**	**$ 12,200,046**	**$ 12,698,988**	**$ 498,942**

Self-Insurance Internal Service Fund

Nicollet County
St. Peter, Minnesota

Exhibit 8

Statement of Net Position
Governmental Activities
Self-Insurance Internal Service Fund
December 31, 2024

Assets		
Current assets		
Cash and pooled investments	$	2,550,951
Liabilities		
Current liabilities		
Claims payable		5,984
Net Position		
Unrestricted	**$**	**2,544,967**

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

Nicollet County
St. Peter, Minnesota

Exhibit 9

Statement of Revenues, Expenses, and Changes in Net Position
Governmental Activities
Self-Insurance Internal Service Fund
For the Year Ended December 31, 2024

Operating Revenues		
Charges for services	$	300,721
Operating Expenses		
Professional services		313,175
Change in Net Position	**$**	**(12,454)**
Net Position – January 1		**2,557,421**
Net Position – December 31	**$**	**2,544,967**

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

Nicollet County
St. Peter, Minnesota

Exhibit 10

Statement of Cash Flows
Governmental Activities
Self-Insurance Internal Service Fund
For the Year Ended December 31, 2024

Cash Flows from Operating Activities		
Receipts from customers and users	$	300,721
Payments to service providers		(316,644)
Net Increase (Decrease) in Cash and Cash Equivalents	**$**	**(15,923)**
Cash and Cash Equivalents at January 1		**2,566,874**
Cash and Cash Equivalents at December 31	**$**	**2,550,951**
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	**$**	**(12,454)**
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Increase (decrease) in claims payable		(3,469)
Net Cash Provided by (Used in) Operating Activities	**$**	**(15,923)**

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

Fiduciary Funds

Nicollet County
St. Peter, Minnesota

Exhibit 11

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Assets		
Cash and pooled investments	$ 49,016	$ 2,052,838
Due from other governments	-	334,793
Taxes receivable for other governments	-	603,859
Accounts receivable	-	34,098
Total Assets	**$ 49,016**	**$ 3,025,588**
Liabilities		
Due to others	$ -	$ 22,430
Due to other governments	-	1,014,232
Total Liabilities	**$ -**	**$ 1,036,662**
Deferred Inflows of Resources		
Prepaid taxes	**$ -**	**$ 243,078**
Net Position		
Restricted for individuals, organizations, and other governments	**$ 49,016**	**$ 1,745,848**

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

Nicollet County
St. Peter, Minnesota

Exhibit 12

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

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Additions		
Contributions from individuals	$ 293,022	$ 182,844
Interest earnings	-	873
Property tax collections for other governments	-	38,426,586
Licenses and fees collected for the state	-	4,512,982
Payments from the state	-	1,845,285
Payments from other entities	-	904,138
Total Additions	**$ 293,022**	**$ 45,872,708**
Deductions		
Beneficiary payments to individuals	$ 281,432	$ 26,906
Payments of property tax to other governments	-	38,969,018
Payments to the state	-	4,877,472
Administrative expenses	-	196,094
Payments to other entities	-	2,387,299
Total Deductions	**$ 281,432**	**$ 46,456,789**
Change in Net Position	**$ 11,590**	**$ (584,081)**
Net Position – January 1	**37,426**	**2,329,929**
Net Position – December 31	**$ 49,016**	**$ 1,745,848**

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

Note 1 – Summary of Significant Accounting Policies

Nicollet County's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). 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.

Financial Reporting Entity

Nicollet County was established March 5, 1853, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year. The County Administrator serves as the clerk of the Board of Commissioners but has no vote.

Joint Ventures and Jointly-Governed Organizations

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

Basic Financial Statements

Government-Wide Statements

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

In the government-wide statement of net position, the governmental activities are reported on a full accrual accounting basis with an economic resource focus, which recognizes all long-term assets and receivables, long-term debt and obligations, as well as any related deferred inflows and outflows of resources. The County's net position is reported in three parts: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. 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 clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or activity. Revenues not classified as program revenues, including all taxes, are presented as general revenues. The County does not allocate indirect expenses to functions within the financial statements.

Fund Financial Statements

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 governmental and proprietary fund financial statements is on major individual funds, with each displayed as a separate column in the fund financial statements.

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

The County reports the following major governmental funds:

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

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

The Health and Human Services Special Revenue Fund is used to account for restricted revenue sources from the federal, state, and other oversight agencies, as well as assigned property tax revenues from the County to be used for economic assistance and community social services programs.

The Revolving Loan Special Revenue Fund is used to account for restricted and assigned special assessment revenue for the financial transactions resulting from loans for the repair or replacement of septic systems and water wells.

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.

The Debt Service Fund is used to account for property tax revenues for the payment of principal, interest, and related costs of County debt.

Additionally, the County reports the following funds:

The Internal Service Fund is used to account for the accumulation of resources for, and the payment of, insurance costs of the self-insurance program.

The Social Welfare Private-Purpose Trust Fund accounts for funds held in trust that Nicollet County is holding on behalf of individuals receiving social welfare assistance.

Custodial funds are safekeeping in nature. These funds account for monies the County holds for others in a fiduciary capacity.

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 full 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.

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

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

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

Cash and Cash Equivalents

The County's cash and pooled investments in the proprietary fund are considered to be cash equivalents. Cash and cash equivalents are identified only for the purpose of the statement of cash flows for the proprietary fund. 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.

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Finance Director for the purpose of increasing earnings through investment activities. Investments are reported at their fair value at December 31, 2024. A market approach is used to value all investments other than external investment pools and mutual funds, which are measured at the net asset value (NAV). Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Pooled investment earnings for 2024 were $3,065,367.

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

Receivables and Payables

Activities between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds."

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

Special assessments receivable consist of delinquent special assessments payable in the years 2019 through 2024 and noncurrent special assessments payable in 2025 and after.

No allowance for uncollectible receivables have been provided because such amounts are not expected to be material.

Inventories and Prepaid Items

All inventories are valued using a weighted average method. Inventory in the Road and Bridge Special Revenue Fund consists of expendable supplies held for consumption. The cost of individual inventory items is recorded as an expenditure at the time the item is purchased. Inventories at the government-wide level are reported as expenses when consumed.

Inventories, as reported in the fund financial statements, are equally offset by nonspendable fund balance, which indicates that they do not constitute available spendable resources.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure/expense when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (such as roads and bridges), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 ($100,000 for infrastructure) and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

Additions, improvements, and other capital outlays that significantly extend the useful life or increase capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

Estimated Useful Lives of Capital Assets

Assets	Years
Buildings	25 to 40
Land improvements	20 to 30
Infrastructure	50 to 75
Machinery and equipment	5 to 15

Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability for compensated absences is reported in the government-wide financial statements. The leave consists of vacation leave and sick leave that is attributable to services already rendered, it accumulates, and it is more likely than not to be used or settled through cash or noncash means. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The government-wide statement of net position reports both current and noncurrent portions of compensated absences. The current portion consists of an amount based on a trend analysis of current usage of vacation and sick leave. The noncurrent portion consists of the remaining amount of vacation and sick leave.

Long-Term Obligations

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

In the fund financial statements, governmental 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until that time. The County reports deferred outflows of resources only under the full accrual basis of accounting associated with pension plans and other postemployment benefits (OPEB) and, accordingly, they are reported only in the statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenue associated with receivables not collected within the period of availability. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. Unavailable revenue is deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources associated with pension plans, OPEB, and charges on bond refunding. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position. Prepaid property taxes represent the tax collections collected prior to year-end that are not due until the following year. Since the property taxes were levied for use in a future year, the revenue is deferred and recognized in the period for which the amounts were levied. These amounts are reported in the statement of fiduciary net position.

Pension Plan

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

Unearned Revenue

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

Classification of Net Position

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

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

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

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

Classification of Fund Balances

The County's fund balance policy established a minimum unassigned fund balance equal to 35 percent of total General Fund expenditures. In the event the unassigned fund balance drops below the established minimum level, the County Board will develop a plan to replenish the fund balance to the established level.

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

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

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

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

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

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

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Use of Estimates

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

Change in Accounting Principle

During the year ended December 31, 2024, the County adopted new accounting guidance by implementing the provisions of GASB Statement No. 101, *Compensated Absences*, which establishes new criteria for accounting and financial reporting for the compensated absences liability. The implementation of this statement resulted in changing the calculation of the compensated absences liability recorded in the long-term liabilities of the government-wide financial statements.

Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Road and Bridge Special Revenue Fund, Health and Human Services Special Revenue Fund, and the Debt Service Fund. The County Board does not approve budgets for the Ditch and the Revolving Loan major special revenue funds. All annual appropriations lapse at year-end.

On or before mid-August of each year, all departments submit requests for appropriations to the County Finance Director so that a budget can be prepared. Before September 15, the proposed budget is presented to the County Board for review. The Board holds public hearings, and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. Additional appropriations up to $10,000 require approval of the County Administrator; anything over $10,000 requires approval of the County Board. The legal level of budgetary control, the level at which expenditures may not legally exceed appropriations, is the fund level.

During the year, the Board amended the budgets.

Deficit Fund Equity

The Ditch Special Revenue Fund has a deficit fund balance of $2,573,471. This deficit will be eliminated by special assessments. The following is a summary of the individual ditch systems:

Individual Ditch System Fund Balance

36 ditches with positive fund balances	$	1,645,028
48 ditches with deficit fund balances		(4,218,499)
Total Fund Balance	$	(2,573,471)

Excess of Expenditures Over Budget

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

Excess of Expenditures Over Budget

	Expenditures	Budget	Excess
Health and Human Services Special Revenue Fund	$ 16,308,855	$ 16,224,883	$ 83,972
Debt Service Fund	1,991,430	1,903,355	88,075

Note 3 – Detailed Notes

Assets

Deposits and Investments

The County's total cash and investments are reported as follows:

Reconciliation of the County's Total Cash and Investments to the Basic Financial Statements as of December 31, 2024

Governmental funds		
Cash and pooled investments	$	55,267,856
Petty cash and change funds		4,170
Internal Service Fund		
Cash and pooled investments		2,550,951
Fiduciary funds		
Cash and pooled investments		2,101,854
Total Cash and Investments	$	59,924,831

Deposits

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

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. It is the County's policy to minimize deposit custodial credit risk by obtaining collateral or bond for all uninsured deposits. As of December 31, 2024, none of the County's deposits were exposed to custodial credit risk.

Investments

The County may invest in the following types of investments authorized by Minn. Stat. §§ 118A.04 and 118.05:

(1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;

(2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

(3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;

(4) time deposits fully insured by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or bankers' acceptances of United States banks;

(5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and

(6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. It is the County's policy to minimize interest rate risk by (1) structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and (2) investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the County's cash requirements. At December 31, 2024, the County had the following investments with specified maturity dates:

Cash and Investments and Information Relating to Potential Investment Risk as of December 31, 2024

	Carrying (Fair) Value	Maturity Dates	
		0 - 1 Year	Over 1 Year
Negotiable certificates of deposit	$ 3,449,162	$ 735,686	$ 2,713,476
U.S. government securities*	3,046,548	388,584	2,657,964
Total	$ 6,495,710	$ 1,124,270	$ 5,371,440

*These notes have step provisions which could result in the notes being called prior to maturity.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the County's policy to invest only in securities that meet the ratings requirements set by state statute. Investments in negotiable certificates of deposit and the MAGIC Fund held by the County are unrated. The County's other exposure to credit risk as of December 31, 2024, is as follows:

Credit Risk of Investments

Moody's Rating	Fair Value
Aaa	$ 3,046,548
Aaa-mf	5,073,411
Total	$ 8,119,959

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party. It is the County's policy to minimize investment custodial credit risk by permitting brokers to hold County investments only to the extent there is Securities Investor Protection Corporation (SIPC) coverage and excess SIPC coverage available. Securities purchased in excess of available SIPC coverage are transferred to an approved third-party custodian. At December 31, 2024, none of the County's investments were subject to custodial credit risk.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. It is the County's policy to minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. At December 31, 2024, the County's investments were primarily in U.S. government securities, mutual funds, and an external investment pool and, therefore, not subject to concentration of credit risk disclosure requirements. The County's remaining investments in any one issuer did not represent five percent or more of the County's investments.

Fair Value Measurement

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and
- *Level 3:* Unobservable inputs.

Recurring Fair Value Measurements as of December 31, 2024

		Fair Value Measurements Using		
	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. agencies	$ 3,046,548	$ -	$ 3,046,548	$ -
Negotiable certificates of deposit	3,449,162	-	3,449,162	-
Total Investments Included in the Fair Value Hierarchy	$ 6,495,710	$ -	$ 6,495,710	$ -
Investments measured at the net asset value (NAV)				
MAGIC Portfolio	$ 23,733,581			
MAGIC Term	12,188,797			
Money market mutual funds	5,073,411			
Total Investments Measured at the NAV	$ 40,995,789			

Debt securities classified in Level 2 are valued using a yield-based matrix system based on the securities' relationship to benchmark quoted prices.

MAGIC is a local government investment pool which is quoted at a NAV. The County invests in this pool for the purpose of the joint investment of the County's money with those of other counties to enhance the investment earnings accruing to each member. The MAGIC Fund currently consists of the MAGIC Portfolio and the MAGIC Term Series.

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 the 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 NAV not reasonably practical.

Shares of MAGIC Term Series 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 a 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.

The money market mutual fund value is published at NAV per share. The County invests in this money market account for short-term holdings. Shares are available to be redeemed upon proper notice without restriction or limitation.

Receivables

Governmental Activities' Receivables as of December 31, 2024

		Total Receivables		Amounts Not Scheduled for Collection During the Subsequent Year
Governmental activities				
Taxes – delinquent	$	359,563	$	-
Special assessments – delinquent		21,448		-
Special assessments – noncurrent		4,791,187		3,656,390
Accounts		536,998		-
Accrued Interest		234,431		-
Due from other governments		8,255,958		-
Total	$	14,199,585	$	3,656,390

Capital Assets

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

Changes in Capital Assets for the Year Ended December 31, 2024

		Beginning Balance		Increase		Decrease		Ending Balance
Capital assets not depreciated								
Land	$	6,349,552	$	19,848	$	-	$	6,369,400
Construction in progress		12,271,016		3,805,743		(11,415,376)		4,661,383
Total capital assets not depreciated	$	18,620,568	$	3,825,591	$	(11,415,376)	$	11,030,783
Capital assets depreciated								
Buildings	$	34,437,783	$	2,079,491	$	-	$	36,517,274
Land improvements		1,230,453		25,797		-		1,256,250
Machinery and equipment		13,613,805		641,477		(283,369)		13,971,913
Infrastructure		124,489,155		25,021,322		-		149,510,477
Total capital assets depreciated	$	173,771,196	$	27,768,087	$	(283,369)	$	201,255,914
Less: accumulated depreciation for								
Buildings	$	13,898,749	$	1,011,378	$	-	$	14,910,127
Land improvements		642,113		50,069		-		692,182
Machinery and equipment		10,321,563		872,114		(283,369)		10,910,308
Infrastructure		45,715,006		2,927,392		-		48,642,398
Total accumulated depreciation	$	70,577,431	$	4,860,953	$	(283,369)	$	75,155,015
Total capital assets depreciated, net	$	103,193,765	$	22,907,134	$	-	$	126,100,899
Governmental Activities Capital Assets, Net	$	121,814,333	$	26,732,725	$	(11,415,376)	$	137,131,682

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

Depreciation Expense Charged to Functions/Programs

General government	$ 901,404
Public safety	222,827
Highways and streets, including depreciation of infrastructure assets	3,581,504
Sanitation	1,290
Human services	153,517
Culture and recreation	411
Total Depreciation Expense	$ 4,860,953

Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

Due To/From Other Funds as of December 31, 2024

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Health and Human Services Special Revenue Fund	$ 74,633	Utilities and services
	Ditch Special Revenue Fund	50,228	Interest
Total due to General Fund		$ 124,861	
Road and Bridge Special Revenue Fund	Ditch Special Revenue Fund	1,440	Fuel
Total Due To/From Other Funds		$ 126,301	

The outstanding balances between funds result from the time lag between the dates the interfund goods and services were provided and reimbursable expenditures occurred, and when transactions are recorded in the accounting system and when the funds are repaid. All balances are expected to be liquidated in the subsequent year.

Interfund Receivables/Payables

Interfund Balances as of December 31, 2024

Receivable Fund	Payable Fund	Amount
General Fund	Ditch Special Revenue Fund	$ 2,638,681

The interfund receivable/payable balance is due to the Ditch Special Revenue Fund overdrawing cash from the pooled cash and investments. This balance will be paid from future ditch special assessments.

Interfund Transfers

Interfund Transfers as of December 31, 2024

Transfer In	Transfer Out	Amount	Purpose
General Fund	Revolving Loan Special Revenue Fund	$ 969	Special assessment interest earnings

Liabilities and Deferred Inflows of Resources

Long-Term Debt

Bonds

Bonds Payable as of December 31, 2024

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2024
General obligation bonds					
2018A G.O. Ditch Bonds	2033	$125,000-$155,000	3.00-3.10	$ 2,155,000	$ 1,275,000
2018B G.O. Capital Improvement Plan Bonds	2025	$310,000-$830,000	3.00	2,390,000	830,000
2020A G.O. Capital Improvement Plan Refunding Bonds	2029	$1,000,000-$1,040,000	0.35-1.10	7,100,000	5,100,000
Total general obligation bonds				$ 11,645,000	$ 7,205,000
Plus: unamortized premium					52,958
Total General Obligation Bonds, Net					$ 7,257,958

Capital improvement, road reconstruction, and related refunding bonds are being retired by the Debt Service Fund. Drainage and related refunding bonds are being retired by the Ditch Special Revenue Fund.

Loans Payable

The County entered into loan agreements with the Minnesota Pollution Control Agency for the purpose of funding Clean Water Partnership projects and the Minnesota Department of Agriculture for the purpose of providing funding for the repair or replacement of failing septic systems and water wells. The loans are secured by special assessments.

Loans Payable as of December 31, 2024

Type of Indebtedness	Final Maturity	Installment Amount	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2024
2014 Rush River Watershed	2027	$4,032	2.00	$ 72,764	$ 23,368
2015 Middle Minnesota Watershed	2028	$8,240	2.00	148,692	55,439
Agricultural Best Management Practices (AgBMP) Loan Program	2035	$3,448-$33,076	-	471,418	414,315
Total Loans Payable				$ 692,874	$ 493,122

Payments on the loans are made by the Revolving Loan Special Revenue Fund.

Debt Service Requirements

Debt Service Requirements as of December 31, 2024

Year Ending	General Obligation Bonds		Loans Payable	
December 31	Principal	Interest	Principal	Interest
2025	$ 1,980,000	$ 88,603	$ 23,083	$ 1,461
2026	1,155,000	65,755	23,547	997
2027	1,165,000	53,535	51,392	524
2028	1,170,000	39,725	70,855	82
2029	1,180,000	24,605	64,590	-
2030-2034	555,000	33,547	240,781	-
2035-2036	-	-	18,874	-
Total	$ 7,205,000	$ 305,770	$ 493,122	$ 3,064

Changes in Long-Term Liabilities

Changes in Long-Term Liabilities for the Year Ended December 31, 2024

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General obligation bonds	$ 9,260,000	$ -	$ (2,055,000)	$ 7,205,000	$ 1,980,000
Plus: unamortized premiums	102,904	-	(49,946)	52,958	-
Total bonds payable	$ 9,362,904	$ -	$ (2,104,946)	$ 7,257,958	$ 1,980,000
Loans payable	551,071	43,137	(101,086)	493,122	23,083
Compensated absences	2,032,584	885,770*	-	2,918,354	2,255,982
Total Long-Term Liabilities	$ 11,946,559	$ 928,907	$ (2,206,032)	$ 10,669,434	$ 4,259,065

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

Deferred Inflows of Resources

Governmental Funds Deferred Inflows of Resources as of December 31, 2024

	Deferred Inflows of Resources
Unavailable revenue	
Taxes and special assessments, delinquent and noncurrent	$ 4,734,566
Highway allotments that do not provide current financial resources	5,834,961
Grants	322,806
Charges for services	214,122
Total Governmental Funds	$ 11,106,455

Construction Commitments

Active Construction Projects and Other Commitments as of December 31, 2024

	Spent-to-Date	Remaining Commitment
Governmental Activities		
Highway projects	$ 23,361,419	$ 1,706,444

Other Postemployment Benefits (OPEB)

Plan Description

Nicollet County administers an OPEB plan, a single-employer defined benefit health care plan, to eligible retirees and their dependents.

Nicollet County provides postemployment health care benefits for elected officials. Elected County officials and their dependents are eligible for the benefit for a number of years equal to 25 percent of the retiree's years in elective office, with a maximum of five years. The County pays 100 percent of health premiums for them and their families. The County's regular health benefit provider underwrites the retirees' policies. Retirees may not convert the benefit into an in-lieu-of-payment to secure coverage under independent plans. As of December 31, 2024, one retiree was receiving the premium-coverage benefit. The County finances the plan on a pay-as-you-go basis. For the year ended December 31, 2024, the County recognized $14,193 of expenditures for this benefit. A separate, audited GAAP-basis postemployment plan report is not issued.

The County also provides health insurance benefits for eligible retired employees and their spouses. The County provides benefits for retirees as required by Minn. Stat. § 471.61, subd. 2b. Retirees are required to pay 100 percent of the total premium cost. Since the premium is determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. This postemployment benefit is funded on a pay-as-you-go basis, usually paying retiree benefits out of the General Fund. As of January 1, 2024, there were eight retirees receiving health benefits from the County's health plan. For 2024, the benefit payments for the implicit rate subsidy were determined by an actuarial study to be $43,999. A separate, audited GAAP-basis postemployment plan report is not issued.

No assets have been accumulated in a trust that meets the criteria in paragraph four of GASB Statement 75. The OPEB plan does not issue a stand-alone financial report.

As of the January 1, 2024, actuarial valuation, the following employees were covered by the benefit terms:

Employees Covered by the OPEB Benefit Terms
As of the January 1, 2024, Actuarial Valuation

Inactive employees or beneficiaries currently receiving benefit payments	10
Active plan participants	260
Total	270

Total OPEB Liability

The County's total OPEB liability of $1,133,328 was measured as of January 1, 2024, and was determined by an actuarial valuation as of January 1, 2024. The OPEB liability is liquidated through funds that have personal services.

The total OPEB liability in the fiscal year-end December 31, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

OPEB Actuarial Assumptions and Other Inputs

Inflation	2.50 percent
Salary increases	Graded by service years and contract group ranging from 10.25 percent for one year of service (11.75 percent for public safety) to 3.00 percent for 27 or more years of service
Health care cost trend	6.50 percent, decreasing to 5.00 percent over six years and then 4.00 percent over the next 48 years

The current year discount rate is 3.70 percent, which is a change from the prior year rate of 4.00 percent. For the current valuation, the discount rate is based on the estimated yield of 20-year AA-rated municipal bonds.

Mortality rates are based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2021 Generational Improvement Scale.

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data.

Changes in the Total OPEB Liability

Changes in the Total OPEB Liability
For the Year Ended December 31, 2024

	Total OPEB Liability
Balance at December 31, 2023	$ 1,108,007
Changes for the year	
Service cost	$ 107,391
Interest	47,132
Changes in assumptions	50,139
Differences between expected and actual experience	(104,401)
Benefit payments	(74,940)
Net change	$ 25,321
Balance at December 31, 2024	$ 1,133,328

OPEB Liability Sensitivity

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate as of December 31, 2024

	Discount Rate	Total OPEB Liability
1% Decrease	2.70%	$ 1,219,042
Current	3.70%	1,133,328
1% Increase	4.70%	1,053,222

The following presents the total OPEB liability of the County, calculated using the health care cost trend previously disclosed, as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rate:

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates as of December 31, 2024

	Health Care Cost Trend Rate	Total OPEB Liability
1% Decrease	5.50% Decreasing to 4.00%	$ 1,018,557
Current	6.50% Decreasing to 5.00%	1,133,328
1% Increase	7.50% Decreasing to 6.00%	1,267,808

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the County recognized OPEB expense of $14,610. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB as of December 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 264,582
Changes in actuarial assumptions	71,041	225,000
Contributions made subsequent to the measurement date	45,321	-
Total	$ 116,362	$ 489,582

The $45,321 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Schedule of Amortization of Deferred Outflows and Inflows of Resources Related to OPEB As of December 31, 2024

Year Ended December 31	OPEB Expense Amount
2025	$ (139,908)
2026	(131,541)
2027	(50,838)
2028	(60,188)
2029	(28,316)
Thereafter	(7,750)

Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2024:

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The discount rate was changed from 4.00 percent to 3.70 percent.

Pension Plans

Defined Benefit Pension Plans

Plan Description

All full-time and certain part-time employees of Nicollet County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (the General Employees Plan), the Public Employees Police and Fire Plan (the Police and Fire Plan), and the Public Employees Local Government Correctional Service Retirement Plan (the Correctional Plan), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

The General Employees Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security, while the Basic Plan and Minneapolis Employees Retirement Fund members are not covered. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members in 1978 and merged into the General Employees Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after three years of credited service. No Nicollet County employees belong to either the Basic Plan or the Minneapolis Employees Retirement Fund.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30, 2010, benefits vest on a prorated basis starting with 50 percent after five years and increasing ten percent for each year of service until fully vested after ten years.

Local government employees of a county-administered facility who are responsible for the direct security, custody, and control of the correctional facility and its inmates are covered by the Correctional Plan (accounted for in the Correctional Fund). For members hired after June 30, 2010, benefits vest on a prorated basis starting with 50 percent after five years and increasing ten percent for each year of service until fully vested after ten years.

Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January.

General Employees Plan benefit recipients will receive a post-retirement increase equal to 50 percent of the cost-of-living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and a maximum of 1.50 percent. The 2024 annual increase was 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Police and Fire Plan benefit recipients will receive a 1.00 percent post-retirement increase. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Correctional Plan benefit recipients will receive a post-retirement increase equal to 100 percent of the cost-of-living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and a maximum of 2.50 percent. The 2024 annual increase was 2.50 percent. If the Correctional Plan's funding status declines to 85 percent or below for two consecutive years, or 80 percent for one year, the maximum will be lowered from 2.50 percent to 1.50 percent. If on January 1, after the year of the 1.50 percent increase, the funding level increases above the applicable 85 percent or 80 percent funding status, the increase returns to 2.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

The benefit provisions stated in the following paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits, but are not yet receiving them, are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any 60 consecutive months of allowable service, age, and years of credit at termination of service. In the General Employees Plan, two methods are used to compute benefits for Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.20 percent of average salary for each of the first ten years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Police and Fire Plan members, the annuity accrual rate is 3.00 percent of average salary for each year of service. For Correctional Plan members, the annuity accrual rate is 1.90 percent of average salary for each year of service.

For General Employees Plan 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. For Police and Fire Plan and Correctional Plan members, normal retirement age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits and disability qualification requirements vary by plan.

Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. Rates did not change from 2023.

Member and Employer Required Contribution Rates

	Member Required Contribution	Employer Required Contribution
General Employees Plan – Coordinated Plan members	6.50%	7.50%
Police and Fire Plan	11.80%	17.70%
Correctional Plan	5.83%	8.75%

Employer Contributions for the Year Ended December 31, 2024

General Employees Plan	$	1,269,896
Police and Fire Plan		286,464
Correctional Plan		95,509

The contributions are equal to the statutorily required contributions as set by state statute.

Pension Costs

General Employees Plan

At December 31, 2024, the County reported a liability of $7,094,987 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2024, the County's proportion was 0.1919 percent. It was 0.1900 percent measured as of June 30, 2023. The County recognized pension expense of $742,464 for its proportionate share of the General Employees Plan's pension expense.

The State of Minnesota contributed $170.1 million to the General Employees Plan in the plan fiscal year ended June 30, 2024. This contribution was a one-time direct state aid that does not meet the definition of a special funding situation. The County recognized $4,918 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Plan.

Legislation requires the State of Minnesota to contribute $16 million to the General Employees Plan annually until September 15, 2031. This contribution meets the definition of a special funding situation. The County recognized an additional $326,435 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense related to the special funding situation.

General Employees Plan
Employer's Share of the Net Pension Liability and the State's Related Liability
As of December 31, 2024

The County's proportionate share of the net pension liability	$	7,094,987
State of Minnesota's proportionate share of the net pension liability associated with the County		183,462
Total	$	7,278,449

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:

General Employees Plan
Deferred Outflows of Resources and Deferred Inflows of Resources
As of December 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 664,820	$ -
Changes in actuarial assumptions	34,222	2,665,761
Difference between projected and actual investment earnings	-	2,072,243
Changes in proportion	96,183	9,608
Contributions paid to PERA subsequent to the measurement date	644,963	-
Total	$ 1,440,188	$ 4,747,612

The $644,963 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

General Employees Plan
Schedule of Amortization of
Deferred Outflows and Inflows of Resources
As of December 31, 2024

Year Ended December 31	Pension Expense Amount
2025	$ (2,211,823)
2026	(356,589)
2027	(840,187)
2028	(543,788)

Police and Fire Plan

At December 31, 2024, the County reported a liability of $1,557,725 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2024, the County's proportion was 0.1184 percent. It was 0.1146 percent measured as of June 30, 2023. The County recognized pension expense of $304,243 for its proportionate share of the Police and Fire Plan's pension expense.

The State of Minnesota contributed $19.4 million to the Police and Fire Plan in the plan fiscal year ended June 30, 2024. This contribution was a one-time direct state aid that does not meet the definition of a special funding situation. Additionally, the State of Minnesota contributed $9 million of supplemental state aid to the Police and Fire Plan for the Plan's fiscal year ended June 30, 2024. Legislation requires the State of Minnesota to contribute

$9 million to the Police and Fire Plan each year, until the Police and Fire Plan and the State Patrol Plan are 90 percent funded for three consecutive years, or July 1, 2048, whichever is earlier. This contribution also does not meet the definition of a special funding situation. The County recognized $33,623 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Plan.

Legislation also requires the State of Minnesota to pay direct state aid of $9 million on October 1 each year until full funding is reached for three consecutive years, or July 1, 2048, whichever is earlier. This contribution meets the definition of a special funding situation. The County recognized an additional $6,642 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense related to the special funding situation.

Police and Fire Plan
Employer's Share of the Net Pension Liability and the State's Related Liability
As of December 31, 2024

The County's proportionate share of the net pension liability	$	1,557,725
State of Minnesota's proportionate share of the net pension liability associated with the County		59,380
Total	$	1,617,105

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:

Police and Fire Plan
Deferred Outflows of Resources and Deferred Inflows of Resources
As of December 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 592,927	$ -
Changes in actuarial assumptions	1,655,890	2,219,899
Difference between projected and actual investment earnings	-	484,358
Changes in proportion	81,006	51,688
Contributions paid to PERA subsequent to the measurement date	141,516	-
Total	$ 2,471,339	$ 2,755,945

The $141,516 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Police and Fire Plan
Schedule of Amortization of
Deferred Outflows and Inflows of Resources
As of December 31, 2024

Year Ended December 31	Pension Expense Amount
2025	$ (59,612)
2026	393,570
2027	(218,070)
2028	(588,853)
2029	46,843

Correctional Plan

At December 31, 2024, the County reported a liability of $126,333 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2024, the County's proportion was 0.4145 percent. It was 0.3818 percent measured as of June 30, 2023. The County recognized pension expense of $189,757 for its proportionate share of the Correctional Plan's pension expense.

The State of Minnesota contributed $5.3 million to the Correctional Plan in the plan fiscal year ended June 30, 2024. This contribution was a one-time direct state aid that does not meet the definition of a special funding situation. The County recognized $21,787 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contributions to the Correctional Plan.

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:

Correctional Plan
Deferred Outflows of Resources and Deferred Inflows of Resources
As of December 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 86,705	$ -
Changes in actuarial assumptions	-	393,695
Difference between projected and actual investment earnings	-	165,675
Changes in proportion	9,857	27,479
Contributions paid to PERA subsequent to the measurement date	48,529	-
Total	$ 145,091	$ 586,849

The $48,529 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Correctional Plan
Schedule of Amortization of
Deferred Outflows and Inflows of Resources
As of December 31, 2024

Year Ended December 31	Pension Expense Amount
2025	$ (452,443)
2026	74,808
2027	(65,433)
2028	(47,219)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2024, was $1,236,464.

Actuarial Assumptions

The total pension liability in the June 30, 2024, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Actuarial Assumptions for the Year Ended June 30, 2024

	General Employees Plan	Police and Fire Plan	Correctional Plan
Inflation	2.25% per year	2.25% per year	2.25% per year
Active Member Payroll Growth	3.00% per year	3.00% per year	3.00% per year
Investment Rate of Return	7.00%	7.00%	7.00%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on the Pub-2010 General Employee Mortality table for the General Employees Plan and the Pub-2010 Public Safety Employee Mortality tables for the Police and Fire and the Correctional Plans, with slight adjustments. Cost-of-living benefit increases for retirees are assumed to be 1.25 percent for the General Employees Plan and 2.00 percent for the Correctional Plan. For the Police and Fire Plan, cost-of-living benefit increases for retirees are 1.00 percent as set by state statute.

Actuarial assumptions used in the June 30, 2024, valuations were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 27, 2019. The experience study for the Police and Fire Plan was dated July 14, 2020. The experience study for the Correctional Plan was dated July 10, 2020. For all plans, a review of inflation and investment assumptions dated June 29, 2023, was utilized.

The long-term expected rate of return on pension plan investments is 7.00 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis 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.

Pension Plan Investment Target Allocation and Best Estimates of Geometric Real Rates of Return for Each Major Asset Class

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.50%	5.10%
International equity	16.50%	5.30%
Fixed income	25.00%	0.75%
Private markets	25.00%	5.90%

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent in 2024, which remains consistent with 2023. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Plan, the Police and Fire Plan, and the Correctional Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Changes in Actuarial Assumptions and Plan Provisions

The following changes in actuarial assumptions occurred in 2024:

General Employees Plan

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates.
- Assumed rates of withdrawal were increased for both males and females.
- Assumed rates of disability were decreased.
- Slight adjustments were made to the use of the Pub-2010 General Mortality table as recommended in the most recent experience study.
- Minor changes to form of payment assumptions were applied for male and female retirees.
- Minor changes to assumptions were made with respect to missing participant data.
- The workers' compensation offset for disability benefits was eliminated.
- The actuarial equivalent factors were updated to reflect changes in assumptions.

Police and Fire Plan

- The state contribution of $9 million per year will continue until the earlier of: (1) both the Public Employees Retirement Association Police and Fire Plan and the State Patrol Retirement Fund attaining 90 percent funded status for three consecutive years (on an actuarial value of assets basis), or (2) July 1, 2048. The contribution was previously due to expire upon attainment of 90 percent funded status for one year.

- The additional $9 million contribution will continue until the Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis or July 1, 2048, if earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048, if earlier).

Correctional Plan

- Employee contribution rates will increase from 5.83 percent of pay to 6.83 percent of pay, effective July 1, 2025.

- Employer contribution rates will increase from 8.75 percent of pay to 10.25 percent of pay, effective July 1, 2025.

- The benefit multiplier was changed from 1.9 percent to 2.2 percent for service earned after June 30, 2025.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability calculated using the discount rate previously disclosed, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate.

Sensitivity of the Employer's Proportionate Share of the
Net Pension Liability to Changes in the Discount Rate
As of December 31, 2024

	Proportionate Share of the					
	General Employees Plan		Police and Fire Plan		Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% Decrease	6.00%	$ 15,496,595	6.00%	$ 3,681,209	6.00%	$ 1,026,611
Current	7.00%	7,094,987	7.00%	1,557,725	7.00%	126,333
1% Increase	8.00%	183,899	8.00%	(186,099)	8.00%	(590,878)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

Defined Contribution Plan

Five elected officials of Nicollet County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. ch. 353D, which may be amended by the state legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes five percent of salary, which is matched by the employer. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total Contributions by Dollar Amount and
Percentage of Covered Payroll Made by the Employer
For the Year Ended December 31, 2024

	Employee	Employer
Contribution amount	$ 10,304	$ 10,304
Percentage of covered payroll	5.00%	5.00%

Note 4 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. The County has entered into a joint powers agreement with other Minnesota municipalities to form the South Central Service Cooperative to establish, procure, and administer group employee health benefits. The County self-insures for employee dental coverage. For other risk, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at $500,000 per claim in 2024 and $1,000,000 per claim in 2025. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

The Service Cooperative is a joint powers entity which sponsors a plan to provide group employee health benefits to its participating members. Nicollet County became a participating member effective January 1, 2022.

The County established a limited risk management program for dental coverage in 1992. Premiums are paid into the Self-Insurance Internal Service Fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program. There is a maximum claim limit of $1,000 per person per year for the dental plan.

Liabilities of the fund are reported when it is probable that a 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 (IBNRs). 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 balances of claims liabilities during the past two years are as follows:

Changes in Unpaid Claims

	Year Ended December 31	
	2024	2023
Unpaid claims, January 1	$ 9,453	$ 4,954
Incurred claims (including IBNRs)	280,893	250,624
Claims payments	(284,362)	(246,125)
Unpaid Claims, December 31	$ 5,984	$ 9,453

Note 5 – 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.

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

Joint Ventures

Brown-Nicollet Community Health Services Board

The Brown-Nicollet Community Health Services Board was established pursuant to Minn. Stat. ch. 145A and a joint powers agreement, effective July 1, 1975. The Health Services Board consists of ten members, five each from Brown and Nicollet Counties. On September 12, 2023, Nicollet County passed a resolution to withdraw from the joint venture effective January 1, 2025. Distribution of the Health Services Board's assets will occur in 2025 after all income and expenses are finalized and paid.

The primary function of the joint venture is to provide health services and to promote efficiency and economy in the delivery of health services. The joint venture is financed primarily from state and federal grants. For the year ended December 31, 2023, the most current information available, the Health Services Board had a net position of $416,533. Complete financial information can be obtained from Nicollet County Health and Human Services, 622 South Front Street, St. Peter, Minnesota 56082.

Minnesota River Valley Drug Task Force

The Minnesota River Valley Drug Task Force was established through a joint powers agreement, pursuant to Minn. Stat. § 471.59, to provide a comprehensive and multi-jurisdictional effort to reduce felony-level criminal activity through the coordination of the law enforcement agencies.

The joint powers are Blue Earth, Martin, Nicollet, and Watonwan Counties and the Cities of Fairmont, Madelia, Mankato, North Mankato, St. James, and St. Peter. Control of the Task Force is vested in a Board of Directors composed of the Sheriff or Chief of Police of each of the members, or his or her designee, and one prosecuting attorney. Blue Earth County is the fiscal agent for the Task Force. Funding is provided by grants and matching contributions from participating members. Nicollet County contributed $15,500 to the Task Force in 2024. Current financial statements are not available.

Nicollet County Family Services Collaborative

The Nicollet County Family Services Collaborative was established in 1998 through a joint powers agreement, pursuant to Minn. Stat. § 471.59. The Collaborative includes Nicollet County, St. Peter Public Schools, Nicollet Public Schools, and the Minnesota Valley Action Council. The purpose of the Collaborative is to enhance family strengths and support through service coordination and access to informal communication.

Control of the Collaborative is vested in a five-member governing board consisting of one County Commissioner, one school board member from St. Peter and Nicollet Public Schools, one board member from the Minnesota Valley Action Council, and one parent representative. Nicollet County acts as the fiscal agent for the Collaborative and accounts for it as a custodial fund. Funding is provided by state and federal grants and contributions from participating members. Nicollet County contributed $7,500 to the Collaborative in 2024. Current financial statements are not available.

South Central Minnesota Regional Emergency Communications Board

The South Central Minnesota Regional Emergency Communications Board (formerly known as the South Central Minnesota Regional Radio Board) was established pursuant to Minn. Stat. §§ 471.59 and 403.39 and a joint powers agreement, effective May 27, 2008. It is comprised of Blue Earth, Brown, Faribault, Le Sueur, Martin, McLeod, Nicollet, Sibley, Waseca, and Watonwan Counties and the cities of Hutchinson and Mankato. The primary function of the joint venture is to provide regional administration of enhancements to the Statewide Public Safety Radio and Communication System for the Allied Radio Matrix for Emergency Response (ARMER) owned and operated by the State of Minnesota and to enhance and improve interoperable public safety communications.

The Board consists of one County Commissioner from each county included in the agreement, one City Council member from each city included in the agreement, a member of the South Central Minnesota Regional Advisory Committee, a member of the South Central Minnesota Regional Radio System User Committee, and a member of the Owners and Operators Committee.

Blue Earth County acts as the fiscal agent for the Board. During 2024, Nicollet County contributed $1,650 to the Board. Financial information can be obtained at the Blue Earth County Justice Center, 401 Carver Road, Mankato, Minnesota 56002.

South Central Transit

Nicollet County entered into a joint powers agreement with Blue Earth and Le Sueur Counties creating and operating South Central Transit, pursuant to Minn. Stat. § 471.59 and a joint powers agreement, effective July 1, 2017. Management of South Central Transit is vested in a Joint Powers Board consisting of one member appointed by each County Board of Commissioners. The primary purpose of South Central Transit is to provide centralized planning and transit services in the participating counties.

Financing is primarily provided from state and federal grants. Member counties are committed to providing the local match necessary to meet the requirements for state and federal funding.

For 2024, Nicollet County contributed $17,000 to South Central Transit. Financial information can be obtained from Vine Faith in Action, 421 East Hickory Street, Mankato, Minnesota 56001.

South Central Workforce Service Area Joint Powers Board

In June 2012, the County entered into a joint powers agreement with Blue Earth, Brown, Faribault, Le Sueur, Martin, Sibley, Waseca, and Watonwan Counties, creating the South Central Workforce Service Area Joint Powers Board. The agreement is authorized by Minn. Stat. § 471.59. The Board is composed of one voting member and one alternate member from each participating county. The goal of the Board is to develop and maintain a quality workforce for South Central Minnesota.

Nicollet County did not make any payments to this organization in 2024. Separate financial information can be obtained from the South Central Workforce Council, 706 North Victory Drive, Mankato, Minnesota 56001.

Tri-County Solid Waste

Nicollet County entered into a joint powers agreement to create and operate Tri-County Solid Waste, pursuant to the Waste Management Act, Minn. Stat. § 471.59, and a joint powers agreement, effective November 3, 1987. Management of Tri-County Solid Waste is vested in the Tri-County Solid Waste Joint Powers Board, which consists of six representatives, two from each Board of Commissioners from Le Sueur, Nicollet, and Sibley Counties. The primary function of Tri-County Solid Waste is to coordinate solid waste management programs, excluding the collection and disposal of solid waste, within the multi-county area. Emphasis is placed on planning, recycling, hazardous waste, problem materials, and education.

One-half of the financing is provided by appropriations from the three counties based on the ratio of their population to the total population of the member counties, and one-half is provided by an equal appropriation from the three counties. Nicollet County contributed $129,524 in 2024. Nicollet County is the fiscal agent. Current financial statements are not available.

Jointly-Governed Organizations

Sentencing to Service

Nicollet County, in conjunction with other local governments, participates in the State of Minnesota's Sentencing to Service (STS) program. STS is a project of the State Department of Administration's Strive Toward Excellence in Performance (STEP) program. STEP's goal is a statewide effort to make positive improvements in public services. It gives the courts an alternative to jail or fines for the nonviolent offenders who can work on a variety of community or state projects. Private funding, funds from various foundations and initiative funds, as well as the Minnesota Departments of Corrections and Natural Resources, provide the funds needed to operate the STS program. Although Nicollet County has no operational or financial control over the STS program, Nicollet County budgets for a percentage of this program.

Joint Airport Zoning Board

The Joint Airport Zoning Board was established by joint action of Blue Earth, Le Sueur, and Nicollet Counties and the Cities of Mankato and St. Peter and has representation from each entity on the Board. The purpose of the Board is to create an ordinance to prevent the creation or establishment of airport hazards and to ensure public safety. Nicollet County's responsibility does not extend beyond making the appointments to the Board.

Mankato/North Mankato Area Planning Organization

The Mankato/North Mankato Area Planning Organization's (MAPO) general purpose is to meet and maintain a continuing, cooperative, and comprehensive metropolitan transportation planning process. MAPO membership is composed of Blue Earth County, Nicollet County, and various cities and townships within the two counties. Nicollet County appoints one local elected official to the Board. During the year, Nicollet County did not contribute any funding to MAPO.

Minnesota Counties Computer Cooperative

Under Minnesota Joint Powers Law, Minn. Stat. § 471.59, Minnesota counties have created the Minnesota Counties Computer Cooperative (MCCC) to jointly provide for the establishment, operation, and maintenance of data processing systems, facilities, and management information systems. During the year, Nicollet County expended $523,143 to the MCCC.

Minnesota Criminal Justice Data Communications Network

The Minnesota Criminal Justice Data Communications Network joint powers agreement exists to create access for the County Sheriff and County Attorney to systems and tools available from the State of Minnesota, Department of Public Safety, and the Bureau of Criminal Apprehension to carry out criminal justice. During the year, Nicollet County made $4,920 in payments to the joint powers entity.

South Central Community Based Initiative Joint Powers Board

The South Central Community Based Initiative Joint Powers Board was established pursuant to Minn. Stat. §§ 471.59 and 245.4661 and a joint powers agreement, effective June 10, 2008. The purpose of this joint powers agreement is to provide services to persons with mental illness in the most clinically-appropriate, person-centered, least restrictive, and cost-effective ways. The focus is on improved access and outcomes for persons with mental illness as a result of the collaboration between state-operated services programs and community-based treatment. The membership of the Joint Powers Board of the South Central Community Based Initiative is comprised of one representative appointed by Blue Earth, Brown, Faribault, Freeborn, Le Sueur, Martin, Nicollet, Rice, Sibley, and Watonwan Counties. Nicollet County did not contribute to the Joint Powers Board in 2024.

South Central Minnesota Emergency Medical Services Joint Powers Board

The South Central Minnesota Emergency Medical Services (SCEMS) Joint Powers Board consists of Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan Counties. The purpose of the SCEMS Joint Powers Board is to ensure quality patient care is available throughout the nine-county area by maximizing the response capabilities of emergency medical personnel and to promote public education on injury prevention and appropriate response during a medical emergency. Each county appoints one member to the SCEMS Joint Powers Board. During the year, Nicollet County made payments of $2,500 to the SCEMS Joint Powers Board.

South Central Regional IMMTRACK (Immunization Registry) Joint Powers Board

The South Central Regional IMMTRACK (Immunization Registry) Joint Powers Board promotes implementation and maintenance of a regional immunization information system to ensure age-appropriate immunizations through complete and accurate records. During the year, Nicollet County made payments of $4,569 to the Board.

South Central Service Cooperative

The South Central Service Cooperative (SCSC) is one of nine regional agencies called service cooperatives, established in 1976 by Minn. Stat. § 123A.21. The SCSC specializes in providing insurance services. Health insurance pools are formed by groups who band together to leverage economies of scale to lower costs and achieve claim cost stability. The SCSC manages the pools, manages premium collection, conducts carrier proposals every four years, and negotiates stop loss and administrative costs which are approximately 20 percent lower than the commercial market. These pools are governed by state law and an elected board of directors and consist of public employers who maintain a Joint Powers Agreement with the Service Cooperative. During the year, Nicollet County did not contribute to the SCSC.

Region One – Southeast Minnesota Homeland Security Emergency Management Organization

The Region One – Southeast Minnesota Homeland Security Emergency Management Organization was established to provide for regional coordination of planning, training, purchase of equipment, and allocating emergency services and staff in order to better respond to emergencies and natural or other disasters within the region. There are 16 counties participating, with one member from each entity being represented on the Organization’s Joint Powers Board. Nicollet County’s responsibility does not extend beyond making this appointment. During the year, Nicollet County contributed $1,000 to the Organization.

Note 6 – Other Information

Special Benefit Tax Levy

In 1993, the South Central Minnesota Multi-County Housing Authority issued $20,315,000 of revenue bonds to construct housing units in Nicollet County and four surrounding counties. The Authority has since defaulted on these bonds. In 2000, the counties entered into a settlement agreement where each of the counties will approve a special benefit tax levy on behalf of the Authority from 2001 through 2024 to cover the operating deficits based on each county's proportionate share of housing units constructed. Nicollet County's proportionate share of the operating deficit for 2024 is $117,740.

Agricultural Best Management Loan Program

The County has entered into an agreement with the Minnesota Department of Agriculture and a local lending institution to jointly administer a loan program to individuals to implement projects that prevent or mitigate non-point source water pollution. While the County is not liable for the repayment of the loans in any manner, it does have certain responsibilities under the agreement.

Required Supplementary Information

Nicollet County
St. Peter, Minnesota

Schedule of Changes in Total OPEB Liability and Related Ratios
Other Postemployment Benefits
December 31, 2024

	2024	2023
Total OPEB Liability		
Service cost	$ 107,391	$ 83,879
Interest	47,132	25,215
Differences between expected and actual experience	(104,401)	-
Changes of assumption or other inputs	50,139	(143,960)
Benefit payments	(74,940)	(67,643)
Plan changes	-	-
Net change in total OPEB liability	**$ 25,321**	**$ (102,509)**
Total OPEB Liability – Beginning	**1,108,007**	**1,210,516**
Total OPEB Liability – Ending	**$ 1,133,328**	**$ 1,108,007**
Covered-employee payroll	$ 18,870,415	$ 16,833,711
Total OPEB liability (asset) as a percentage of covered-employee payroll	6.01%	6.58%

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

Exhibit A-1

	2022	2021	2020	2019	2018
	$ 109,463	$ 135,570	$ 115,317	$ 121,701	$ 123,006
	29,562	40,830	72,604	57,628	55,706
	(203,776)	-	(205,293)	-	-
	(19,320)	65,493	(359,718)	(58,543)	-
	(147,371)	(143,581)	(147,803)	(99,355)	(138,690)
	-	-	-	173,238	-
	$ (231,442)	**$ 98,312**	**$ (524,893)**	**$ 194,669**	**$ 40,022**
	1,441,958	**1,343,646**	**1,868,539**	**1,673,870**	**1,633,848**
	$ 1,210,516	**$ 1,441,958**	**$ 1,343,646**	**$ 1,868,539**	**$ 1,673,870**
	$ 16,343,409	$ 16,005,663	$ 15,501,853	$ 15,117,641	$ 14,677,321
	7.41%	9.01%	8.67%	12.36%	11.40%

Nicollet County
St. Peter, Minnesota

Exhibit A-2

Schedule of Proportionate Share of Net Pension Liability
PERA General Employees Retirement Plan
December 31, 2024

Measurement Date	Employer's Proportion of the Net Pension Liability/ Asset	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Nicollet County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.1919 %	$ 7,094,987	$ 183,462	$ 7,278,449	$ 16,242,869	43.68 %	89.08 %
2023	0.1900	10,624,587	292,792	10,917,379	15,105,550	70.34	83.10
2022	0.1896	15,016,383	440,049	15,456,432	14,203,925	105.72	76.67
2021	0.1905	8,135,203	248,484	8,383,687	13,714,673	59.32	87.00
2020	0.1836	11,007,659	339,442	11,347,101	13,087,693	84.11	79.06
2019	0.1787	9,879,923	307,096	10,187,019	12,645,748	78.13	80.23
2018	0.1767	9,802,592	321,606	10,124,198	11,872,565	82.57	79.53
2017	0.1828	11,669,831	146,771	11,816,602	11,780,825	99.06	75.90
2016	0.1758	14,271,629	191,768	14,463,397	10,905,593	130.87	68.91
2015	0.1695	8,782,899	N/A	8,782,899	9,971,196	88.08	78.19

The measurement date for each year is June 30.
N/A – Not Applicable

Exhibit A-3

Schedule of Contributions
PERA General Employees Retirement Plan
December 31, 2024

Year Ending		Statutorily Required Contributions (a)		Actual Contributions in Relation to Statutorily Required Contributions (b)		Contribution (Deficiency) Excess (b - a)		Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2024	$	1,269,896	$	1,269,896	$	-	$	16,931,965	7.50 %
2023		1,173,830		1,173,830		-		15,651,066	7.50
2022		1,092,073		1,092,073		-		14,560,961	7.50
2021		1,047,324		1,047,324		-		13,964,301	7.50
2020		1,009,529		1,009,529		-		13,460,381	7.50
2019		961,391		961,391		-		12,818,992	7.50
2018		927,814		927,814		-		12,370,831	7.50
2017		857,833		857,833		-		11,441,779	7.50
2016		839,582		839,582		-		11,194,407	7.50
2015		802,319		802,319		-		10,697,561	7.50

The County's year-end is December 31.

Nicollet County
St. Peter, Minnesota

Exhibit A-4

Schedule of Proportionate Share of Net Pension Liability
PERA Public Employees Police and Fire Plan
December 31, 2024

Measurement Date	Employer's Proportion of the Net Pension Liability/ Asset	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Nicollet County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.1184 %	$ 1,557,725	$ 59,380	$ 1,617,105	$ 1,639,576	95.01 %	90.17 %
2023	0.1146	1,978,993	79,704	2,058,697	1,504,441	131.54	86.47
2022	0.1161	5,052,213	220,760	5,272,973	1,410,568	358.17	70.53
2021	0.1110	856,802	38,523	895,325	1,311,468	65.33	93.66
2020	0.1095	1,443,327	34,008	1,477,335	1,236,125	116.76	87.19
2019	0.1141	1,214,710	N/A	1,214,710	1,203,996	100.89	89.26
2018	0.1112	1,185,277	N/A	1,185,277	1,172,282	101.11	88.84
2017	0.1040	1,404,124	N/A	1,404,124	1,064,520	131.90	85.43
2016	0.0990	3,973,042	N/A	3,973,042	956,843	415.22	63.88
2015	0.0980	1,113,509	N/A	1,113,509	898,436	123.94	86.61

The measurement date for each year is June 30.
N/A – Not Applicable

Nicollet County
St. Peter, Minnesota

Exhibit A-5

Schedule of Contributions
PERA Public Employees Police and Fire Plan
December 31, 2024

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b - a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2024	$ 286,464	$ 286,464	$ -	$ 1,618,444	17.70 %
2023	275,875	275,875	-	1,558,612	17.70
2022	264,328	264,328	-	1,493,378	17.70
2021	238,814	238,814	-	1,349,232	17.70
2020	222,134	222,134	-	1,254,996	17.70
2019	207,612	207,612	-	1,224,850	16.95
2018	191,067	191,067	-	1,179,429	16.20
2017	180,891	180,891	-	1,116,609	16.20
2016	157,379	157,379	-	971,478	16.20
2015	155,415	155,415	-	959,354	16.20

The County's year-end is December 31.

Nicollet County
St. Peter, Minnesota

Exhibit A-6

Schedule of Proportionate Share of Net Pension Liability
PERA Public Employees Local Government Correctional Service Retirement Plan
December 31, 2024

Measurement Date	Employer's Proportion of the Net Pension Liability/ Asset	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.4145 %	$ 126,333	$ 1,052,270	12.01 %	97.54 %
2023	0.3818	172,593	895,328	19.28	95.94
2022	0.4066	1,351,538	893,223	151.31	74.58
2021	0.3886	(63,839)	859,161	(7.43)	101.61
2020	0.3915	106,230	851,994	12.47	96.67
2019	0.3910	54,134	834,041	6.49	98.17
2018	0.4171	68,600	851,894	8.05	97.64
2017	0.4300	1,225,504	867,982	141.19	67.89
2016	0.4200	1,534,319	792,043	193.72	58.16
2015	0.4100	63,386	732,578	8.65	96.95

The measurement date for each year is June 30.

Exhibit A-7

Schedule of Contributions
PERA Public Employees Local Government Correctional Service Retirement Plan
December 31, 2024

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b - a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2024	$ 95,509	$ 95,509	$ -	$ 1,091,529	8.75 %
2023	84,269	84,269	-	963,073	8.75
2022	78,816	78,816	-	900,762	8.75
2021	76,749	76,749	-	877,136	8.75
2020	74,482	74,482	-	851,213	8.75
2019	73,844	73,844	-	843,935	8.75
2018	74,130	74,130	-	847,195	8.75
2017	72,279	72,279	-	826,051	8.75
2016	70,912	70,912	-	810,424	8.75
2015	69,841	69,841	-	798,177	8.75

The County's year-end is December 31.

Note 1 – Other Postemployment Benefits Funded Status

Assets have not been accumulated in a trust that meets the criteria in paragraph four of Governmental Accounting Standards Board Statement 75 to pay related benefits.

Note 2 – Other Postemployment Benefits – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes in actuarial assumptions occurred:

2024

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The discount rate was changed from 4.00 percent to 3.70 percent.

2023

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

2022

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50 percent to 2.00 percent.
- These changes decreased the liability $19,524.

2021

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

2020

- 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-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.80 percent to 2.90 percent.
- For employees not eligible for any direct subsidized payment, the assumed percentage of future retirees electing coverage changed from 75 percent to 50 percent.

2019

- The discount rate used changed from 3.30 percent to 3.80 percent.

2018

- The discount rate used changed from 3.50 percent to 3.30 percent.
- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from the RP-2014 White Collar Mortality tables with MP-2015 Generational Improvement Scale (with blue collar adjustment for police and fire personnel) to the RP-2014 White Collar Mortality tables with MP-2017 Generational Improvement Scale (with blue collar adjustment for police and fire personnel).
- The retirement and withdrawal tables for all employees were updated.
- Claim costs were developed by age adjusting the premium information from Nicollet County. As of January 1, 2016, actual claims and enrollment experience was used.

Note 3 – Defined Benefit Pension Plans – Changes in Significant 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 fiscal year June 30:

General Employees Retirement Plan

2024

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.

- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates.
- Assumed rates of withdrawal were increased for both males and females.
- Assumed rates of disability were decreased.
- Slight adjustments were made to the use of the Pub-2010 General Mortality table as recommended in the most recent experience study.
- Minor changes to form of payment assumptions were applied for male and female retirees.
- Minor changes to assumptions were made with respect to missing participant data.
- The workers' compensation offset for disability benefits was eliminated.
- The actuarial equivalent factors were updated to reflect changes in assumptions.

2023

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.
- A one-time direct state aid contribution of $170.1 million occurred on October 1, 2023.
- The vesting period for 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.
- For Basic Plan members, a one-time, non-compounding benefit increase of 4.00 percent, minus the actual 2024 adjustment, will be payable in a lump sum for calendar year 2024 by March 31, 2024**.**
- For Coordinated Plan members, a one-time, non-compounding benefit increase of 2.50 percent, minus the actual 2024 adjustment, will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022

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

2021

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.

- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.

- 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 percent 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 two to five 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 Employee 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 Retiree 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 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020, through December 31, 2023, and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

<u>2019</u>

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

<u>2018</u>

- The mortality projection scale was changed from Scale MP-2015 to Scale MP-2017.

- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.

- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

- Contribution stabilizer provisions were repealed.

- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost-of-living adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 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 the Rule of 90 retirees, disability benefit recipients, or survivors.

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

2017

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.00 percent for active member liability, 15 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to $21 million in calendar years 2017 and 2018 and returns to $31 million through calendar year 2031. The state's required contribution is $16 million in PERA's fiscal years 2018 and 2019 and returns to $6 million annually through calendar year 2031.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.

- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Public Employees Police and Fire Plan

2024

- The state contribution of $9 million per year will continue until the earlier of: (1) both the Public Employees Retirement Association Police and Fire Plan and the State Patrol Retirement Fund attaining 90 percent funded status for three consecutive years (on an actuarial value of assets basis), or (2) July 1, 2048. The contribution was previously due to expire upon attainment of 90 percent funded status for one year.

- The additional $9 million contribution will continue until the Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis or July 1, 2048, if earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048, if earlier).

2023

- The investment return assumption was changed from 6.50 percent to 7.00 percent.

- The single discount rate changed from 5.40 percent to 7.00 percent.

- A one-time direct state aid contribution of $19.4 million occurred on October 1, 2023.

- The vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded ten year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after ten years.

- A one-time, non-compounding benefit increase of 3.00 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.

- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.

- A total and permanent duty disability benefit was added effective July 1, 2023.

2022

- The single discount rate changed from 6.50 percent to 5.40 percent.

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

2021

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.

- The inflation assumption was changed from 2.50 percent to 2.25 percent.

- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

- The base mortality table for disabled annuitants was changed from the RP-2014 Healthy Annuitant Mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety Disabled Annuitant Mortality table (with future mortality improvement according to Scale MP-2020).

- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.

- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.

- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.

- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

<u>2020</u>

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

<u>2019</u>

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

<u>2018</u>

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

- Post-retirement benefit increases changed to 1.00 percent for all years with no trigger.

- An end date of July 1, 2048, was added to the existing $9.0 million state contribution. Additionally, annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.

- Member contributions were changed effective January 1, 2019, and January 1, 2020, from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019, and January 1, 2020, from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

- Deferred augmentation was changed to 0.00 percent, effective January 1, 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

- The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.

- The assumed rates of retirement were changed, resulting in fewer retirements.

- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA load has been changed to 33 percent for vested members and 2.00 percent for non-vested members.

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality table assumed for healthy retirees.

- The assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

- The assumed percentage of married female members was decreased from 65 percent to 60 percent.

- The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.

- The assumed percentage of female members electing joint and survivor annuities was increased.

- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.

- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter, to 1.00 percent for all future years.

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent.

- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Public Employees Local Government Correctional Service Retirement Plan

2024

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

2023

- The investment return rate was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.42 percent to 7.00 percent.
- A one-time direct state aid contribution of $5.3 million occurred on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.50 percent minus the actual 2024 adjustment, will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.50 percent, if the maximum increase is 1.50 percent and the Plan's funding ratio improves to 85 percent for two consecutive years on a market value of assets basis.

2022

- The single discount rate changed from 6.50 percent to 5.42 percent.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The benefit increase assumption was changed from 2.00 percent per annum to 2.00 percent per annum through December 31, 2054, and 1.50 percent per annum thereafter.

2021

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 Healthy Annuitant Mortality

table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety Disabled Annuitant Mortality table (with future mortality improvement according to Scale MP-2020).

- Assumed rates of salary increase were modified as recommended in the July 10, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020, experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability were lowered.
- Assumed percent married for active members was lowered from 85 percent to 75 percent.
- Minor changes to form of payment assumptions were applied.

<u>2020</u>

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

<u>2019</u>

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

<u>2018</u>

- The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum.
- The mortality projection scale was changed from Scale MP-2016 to Scale MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Post-retirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level, to 100 percent of the Social Security cost-of-living adjustment, not less than 1.00 percent and not more than 2.50 percent, beginning January 1, 2019. If

the funding status declines to 85 percent for two consecutive years, or 80 percent for one year, the maximum increase will be lowered to 1.50 percent.

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

<u>2017</u>

- 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 Scale MP-2016).

- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA load has been changed to 35 percent for vested members and 1.00 percent for non-vested members.

- The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

<u>2016</u>

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.31 percent.

- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Supplementary Information

Governmental Fund

Nicollet County
St. Peter, Minnesota

Exhibit B-1

Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 1,998,473	$ 1,998,473	$ 2,003,833	$ 5,360
Intergovernmental	-	-	20,848	20,848
Total Revenues	**$ 1,998,473**	**$ 1,998,473**	**$ 2,024,681**	**$ 26,208**
Expenditures				
Debt service				
Principal	$ 1,835,000	$ 1,835,000	$ 1,905,000	$ (70,000)
Interest	67,355	67,355	85,880	(18,525)
Administrative charges	1,000	1,000	550	450
Total Expenditures	**$ 1,903,355**	**$ 1,903,355**	**$ 1,991,430**	**$ (88,075)**
Net Change in Fund Balance	**$ 95,118**	**$ 95,118**	**$ 33,251**	**$ (61,867)**
Fund Balance – January 1	**3,605,884**	**3,605,884**	**3,605,884**	**-**
Fund Balance – December 31	**$ 3,701,002**	**$ 3,701,002**	**$ 3,639,135**	**$ (61,867)**

Nicollet County
St. Peter, Minnesota

Fiduciary Funds

Custodial Funds

Settlement Custodial Fund – accounts for all taxes and penalties collected and the distribution of the taxes.

State Revenue Custodial Fund – accounts for collections for and disbursements to the State of Minnesota.

State Recoveries Custodial Fund – accounts for the State of Minnesota's share of recovery funds collected from human services program participants.

Women's Foundation of Minnesota Custodial Fund – accounts for the collections and disbursements of the restricted grant funds received from the Women's Foundation of Minnesota for use by local law enforcement.

Community Health Service Custodial Fund – accounts for collections and disbursements for Brown-Nicollet Community Health Services.

Tri-County Solid Waste Custodial Fund – accounts for collections and disbursements for the Tri-County Solid Waste joint venture.

Family Services Collaborative Custodial Fund – accounts for collections and disbursements for the Family Services Collaborative.

Jail/Sheriff Activities Custodial Fund – accounts for collections and disbursements for inmates and civil process activity.

Nicollet County
St. Peter, Minnesota

Combining Statement of Fiduciary Net Position
Fiduciary Funds – Custodial Funds
December 31, 2024

	Settlement	State Revenue	State Recoveries
Assets			
Cash and pooled investments	$ 695,631	$ 379,428	$ 16,793
Due from other governments	-	-	-
Taxes receivable for other governments	603,859	-	-
Accounts receivable	-	33,207	790
Total Assets	**$ 1,299,490**	**$ 412,635**	**$ 17,583**
Liabilities			
Due to others	$ -	$ -	$ -
Due to other governments	452,553	379,428	5,427
Total Liabilities	**$ 452,553**	**$ 379,428**	**$ 5,427**
Deferred Inflows of Resources			
Prepaid taxes	**$ 243,078**	**$ -**	**$ -**
Net Position			
Restricted for individuals, organizations, and other governments	**$ 603,859**	**$ 33,207**	**$ 12,156**

Exhibit C-1

Women's Foundation of Minnesota	Community Health Service	Tri-County Solid Waste	Family Services Collaborative	Total Custodial Funds
$ 7,007	$ 429,773	$ 249,099	$ 275,107	$ 2,052,838
-	228,441	106,352	-	334,793
-	-	-	-	603,859
-	101	-	-	34,098
$ 7,007	**$ 658,315**	**$ 355,451**	**$ 275,107**	**$ 3,025,588**
$ -	$ 15,215	$ 7,215	$ -	$ 22,430
-	176,824	-	-	1,014,232
$ -	**$ 192,039**	**$ 7,215**	**$ -**	**$ 1,036,662**
$ -	**$ -**	**$ -**	**$ -**	**$ 243,078**
$ 7,007	**$ 466,276**	**$ 348,236**	**$ 275,107**	**$ 1,745,848**

Nicollet County
St. Peter, Minnesota

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds – Custodial Funds
For the Year Ended December 31, 2024

	Settlement	State Revenue	State Recoveries
Additions			
Contributions from individuals	$ -	$ -	$ 154,888
Interest earnings	-	-	-
Property tax collections for other governments	38,426,586	-	-
Licenses and fees collected for the state	-	4,512,982	-
Payments from the state	-	-	-
Payments from other entities	-	-	-
Total Additions	**$ 38,426,586**	**$ 4,512,982**	**$ 154,888**
Deductions			
Beneficiary payments to individuals	$ -	$ -	$ -
Payments of property tax to other governments	38,969,018	-	-
Payments to the state	-	4,710,244	167,228
Administrative expenses	-	-	-
Payments to other entities	-	-	-
Total Deductions	**$ 38,969,018**	**$ 4,710,244**	**$ 167,228**
Change in Net Position	**$ (542,432)**	**$ (197,262)**	**$ (12,340)**
Net Position – January 1	**1,146,291**	**230,469**	**24,496**
Net Position – December 31	**$ 603,859**	**$ 33,207**	**$ 12,156**

Women's Foundation of Minnesota	Community Health Service	Tri-County Solid Waste	Family Services Collaborative	Jail/Sheriff Activities	Total Custodial Funds
$ -	$ -	$ -	$ -	$ 27,956	$ 182,844
-	661	-	212	-	873
-	-	-	-	-	38,426,586
-	-	-	-	-	4,512,982
-	1,645,684	-	199,601	-	1,845,285
-	331,522	323,846	26,264	222,506	904,138
$ -	**$ 1,977,867**	**$ 323,846**	**$ 226,077**	**$ 250,462**	**$ 45,872,708**
$ -	$ -	$ -	$ -	$ 26,906	$ 26,906
-	-	-	-	-	38,969,018
-	-	-	-	-	4,877,472
-	28,950	166,664	480	-	196,094
900	1,884,575	136,176	142,092	223,556	2,387,299
$ 900	**$ 1,913,525**	**$ 302,840**	**$ 142,572**	**$ 250,462**	**$ 46,456,789**
$ (900)	**$ 64,342**	**$ 21,006**	**$ 83,505**	**$ -**	**$ (584,081)**
7,907	**401,934**	**327,230**	**191,602**	**-**	**2,329,929**
$ 7,007	**$ 466,276**	**$ 348,236**	**$ 275,107**	**$ -**	**$ 1,745,848**

Schedules

Nicollet County
St. Peter, Minnesota

Exhibit D-1

Schedule of Intergovernmental Revenue – Governmental Funds
For the Year Ended December 31, 2024

Appropriations and Shared Revenue		
State		
Highway users tax	$	3,880,311
County program aid		2,360,501
PERA aid		51,339
Disparity reduction aid		11,619
Police aid		209,146
Cannabis aid		2,114
Enhanced 911		224,616
Market value credit		257,589
SCORE		120,713
Aquatic invasive species prevention aid		69,076
Riparian protection aid		76,916
Statewide affordable housing aid		110,745
Local homeless prevention aid		56,005
Total appropriations and shared revenue	**$**	**7,430,690**
Reimbursement for Services		
State		
Minnesota Department of Human Services	**$**	**1,149,360**
Payments		
State		
Payments in lieu of taxes	$	67,080
Local		
Other contributions		18,691
Total payments	**$**	**85,771**
Grants		
State		
Minnesota Department/Office of		
Public Safety	$	8,106
Secretary of State		33,617
Health		371,205
Natural Resources		61,561
Human Services		2,473,358
Veterans Affairs		10,000
Corrections		846,590
Water and Soil Resources Board		111,854
Pollution Control Agency		57,460
Total state	**$**	**3,973,751**
Federal		
Department of		
Agriculture	$	567,687
Justice		99,373
Transportation		2,148,247
Treasury		3,954,919
Education		728
Health and Human Services		3,957,542
Homeland Security		45,801
Total federal	**$**	**10,774,297**
Total state and federal grants	**$**	**14,748,048**
Total Intergovernmental Revenue	**$**	**23,413,869**

Nicollet County
St. Peter, Minnesota

Exhibit D-2

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Agriculture			
Passed Through Brown-Nicollet Community Health Services			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	242MN004W1003	$ 112,591
Passed Through Minnesota Department of Human Services			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	242MN101S2514	455,096
Total U.S. Department of Agriculture			**$ 567,687**
U.S. Department of Justice			
Passed Through Minnesota Department of Public Safety			
Crime Victim Assistance	16.575	A-CVS-2024-NICCAO-047	**$ 99,373**
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation			
Highway Planning and Construction	20.205	00052	**$ 2,125,824**
U.S. Department of the Treasury			
Direct			
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		**$ 3,954,919**
U.S. Department of Education			
Passed Through Brown-Nicollet Community Health Services			
Special Education – Grants for Infants and Families	84.181	H181A230029	**$ 728**
U.S. Department of Health and Human Services			
Direct			
Drug-Free Communities Support Program Grants	93.276		$ 99,736
Passed Through Brown-Nicollet Community Health Services			
Public Health Emergency Preparedness	93.069	NU90TP922026	24,303
COVID-19 – Immunization Cooperative Agreements	93.268	NH23IP922628	37,407
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000508	108,869
COVID-19 – Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922188	31,897
Temporary Assistance for Needy Families	93.558	2501MNTANF	42,064
(Total Temporary Assistance for Needy Families 93.558 $399,280)			
Medicaid Cluster			
Medical Assistance Program	93.778	2405MN5ADM	22,989
(Total Medical Assistance Program 93.778 $1,628,608)			
Maternal and Child Health Services Block Grant to the States	93.994	B04MC28107	36,346

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Nicollet County
St. Peter, Minnesota

Exhibit D-2
(Continued)

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Health and Human Services (Continued)			
Passed Through Minnesota Department of Human Services			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2301MNFPSS	9,465
Temporary Assistance for Needy Families	93.558	2401MNTANF	357,216
(Total Temporary Assistance for Needy Families 93.558 $399,280)			
Child Support Services	93.563	2301MNCEST	85,972
Child Support Services	93.563	2301MNCSES	821,139
(Total Child Support Services 93.563 $907,111)			
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2401MNRCMA	2,910
CCDF Cluster			
Child Care and Development Block Grant	93.575	G2401MNCCDF	18,787
Community-Based Child Abuse Prevention Grants	93.590	G-2302MNBCAP	13,000
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2401MNCWSS	2,767
Foster Care Title IV-E	93.658	2401MNFOST	403,851
Social Services Block Grant	93.667	G-2401MNSOSR	157,629
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2401MNCILP	1,020
Children's Health Insurance Program	93.767	2405MN5021	718
Medicaid Cluster			
Medical Assistance Program	93.778	2405MN5ADM	1,596,531
Medical Assistance Program	93.778	2405MN5MAP	9,088
(Total Medical Assistance Program 93.778 $1,628,608)			
Total U.S. Department of Health and Human Services			**$ 3,883,704**
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Public Safety			
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	PA-05-MN-4797	$ 134,944
Emergency Management Performance Grants	97.042	F-EMPG-2022-NICOLLCO-4427	28,869
Total U.S. Department of Homeland Security			**$ 163,813**
Total Federal Awards			**$ 10,796,048**

The County did not pass any federal awards through to subrecipients during the year ended December 31, 2024.

Totals by Cluster

Total expenditures for SNAP Cluster	$ 455,096
Total expenditures for Medicaid Cluster	1,628,608
Total expenditures for CCDF Cluster	18,787

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

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

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Nicollet County under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule of Expenditures of Federal Awards presents only a selected portion of the operations of Nicollet County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Nicollet 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2 – De Minimis Cost Rate

Nicollet County has elected not to use the ten percent de minimis indirect cost rate nor the 15 percent de minimis indirect cost rate, as applicable, allowed under the Uniform Guidance.

Note 3 – Reconciliation to Schedule of Intergovernmental Revenue

Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	$	10,774,297
Grants received more than 60 days after year-end, unavailable in 2024		
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (AL No. 97.036)		118,012
Unavailable in 2023, recognized as revenue in 2024		
Highway Planning and Construction (AL No. 20.205)		(22,423)
Temporary Assistance for Needy Families (AL No. 93.558)		(73,838)
Expenditures per Schedule of Expenditures of Federal Awards	$	10,796,048

Management and Compliance Section

STATE OF MINNESOTA

Office of the State Auditor

Julie Blaha
State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

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*

Independent Auditor's Report

Board of County Commissioners
Nicollet County
St. Peter, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nicollet County, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 2, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nicollet County's internal control over financial reporting 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control over financial reporting* 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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nicollet 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

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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*.

Minnesota Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that Nicollet County failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions 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.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the provisions of the *Minnesota Legal Compliance Audit Guide for Counties* 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. This 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. Accordingly, this communication is not suitable for any other purpose.

/s/Julie Blaha

Julie Blaha
State Auditor

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor

July 2, 2025

STATE OF MINNESOTA

Office of the State Auditor

Julie Blaha
State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Board of County Commissioners
Nicollet County
St. Peter, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Nicollet County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Nicollet County's major federal programs for the year ended December 31, 2024. Nicollet County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Nicollet County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Nicollet 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 Nicollet County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Nicollet 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 auditing standards generally accepted in the United States of America, *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 Nicollet County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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; and

- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Nicollet County's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Nicollet County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002 to be significant deficiencies.

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

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

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

/s/Julie Blaha

Julie Blaha
State Auditor

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor

July 2, 2025

Nicollet County
St. Peter, Minnesota

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: **Unmodified**

Internal control over financial reporting:
- Material weaknesses identified? **No**
- Significant deficiencies identified? **None reported**

Noncompliance material to the financial statements noted? **No**

Federal Awards

Internal control over the major federal programs:
- Material weaknesses identified? **No**
- Significant deficiencies identified? **Yes**

Type of auditor's report issued on compliance for the major federal programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **Yes**

Identification of the major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.778	Medicaid Cluster

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

Nicollet County qualified as a low-risk auditee? **No**

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

2024-001 **<u>Suspension and Debarment</u>**
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Internal Control Over Compliance and Compliance
Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of the Treasury
Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Award Number and Year: SLFRP0779; 2021

Pass-Through Agency: N/A – Direct

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Federal requirements prohibit non-federal entities from contracting with or making subawards under covered transactions to parties that are suspended or debarred. Title 2 U.S. *Code of Federal Regulations* § 180.300 describes a required verification process. Prior to entering into the transaction, verification must be performed by: (1) checking SAM.gov exclusions, (2) collecting a certification from the contracting party, or (3) adding a clause or condition to the covered transaction with the contracting party. The County's written procurement policy, however, requires the County to review SAM.gov and obtain a written certification from the vendor.

Condition: For two of three covered transactions tested, the County could not provide documentation to demonstrate verification that the vendors were not suspended or debarred prior to entering into the transaction.

Questioned Costs: None.

Context: The County entered into a total of 12 covered transactions for the Coronavirus State and Local Fiscal Recovery program in 2024. The vendors tested that did not have documentation of verification prior to entering into the transactions were not listed as suspended or debarred on SAM.gov at the time of the audit.

The sample size was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: Failure to verify vendors are not suspended, debarred, or otherwise excluded prior to entering into a covered transaction may result in the County entering into a transaction with a vendor that is not authorized to provide goods and services under the grant.

Cause: In one instance, the County indicated that the purchasing department had checked the vendor on SAM.gov but documentation of this verification was not retained. In the other instance, the County indicated that the purchasing department had considered verification unnecessary because the vendor was an approved dealer through a State of Minnesota Cooperative Purchasing Venture contract.

Recommendation: We recommend the County complete the required verification process prior to entering into a covered transaction to ensure that vendors are not debarred, suspended, or otherwise excluded from conducting business with the County in relation to federal awards. The County should maintain documentation of the verification performed.

View of Responsible Official: Acknowledge

2024-002 **Eligibility**
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Internal Control Over Compliance and Compliance
Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services
Program: 93.778 Medical Assistance Program
Award Number and Year: 2405MN5ADM; 2024

Pass-Through Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 42 U.S. *Code of Federal Regulations* §§ 435.911 and 435.945 require the state Medicaid agency to determine and verify eligibility of enrollees in Medicaid. The Minnesota Department of Human Services provides the Minnesota Health Care Programs Eligibility Policy Manual. The manual contains the Minnesota Department of Human Services eligibility policies for the Minnesota Health Care Programs, including the eligibility requirements of Medical Assistance. Specific eligibility requirements are included for participants' Social Security number verification and income limits. Minnesota Statutes § 256B.05 requires county agencies to administer Medical Assistance.

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by Nicollet County to support the eligibility determination process. In the case files reviewed for eligibility, not all documentation to support participant eligibility was available, updated, or input correctly. The following exceptions were noted in the sample of 40 case files tested:

- One participant's Social Security number was not verified.

- One case file did not have documentation to support the participant's income.

Questioned Costs: Not applicable. The County administers the program, but the State of Minnesota pays benefits to participants in this program.

Context: The State of Minnesota and the County split the eligibility determination process. Pursuant to Minnesota statutes, Nicollet County performs the "intake function" needed for this program, while the State maintains the MAXIS system, which supports the eligibility determination process. Participants receive benefit payments from the State.

The sample size was based on the guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits.*

Effect: The lack of verification of key eligibility-determining factors increases the risk that program participants will receive benefits when they are not eligible.

Cause: An oversight caused the program personnel to not verify the missing information.

Recommendation: We recommend Nicollet County implement additional procedures to provide reasonable assurance that all necessary documentation to support eligibility determinations exists, the program personnel properly input or update the documentation in MAXIS, and the program personnel follow up on issues in a timely manner. In addition, Nicollet County should consider providing further training to program personnel.

View of Responsible Official: Concur

Representation of Nicollet County
St. Peter, Minnesota

Corrective Action Plan
For the Year Ended December 31, 2024

Finding Number: 2024-001
Finding Title: Suspension and Debarment
Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Name of Contact Person Responsible for Corrective Action:
Jason Dragvold, Technologies Director
Cody Johnson, Facilities Director
Heather McCormick, Finance Director

Corrective Action Planned:
Finance Director (Heather McCormick) will share the audit finding with Department Head staff, ensuring buyers understand CFR (Code of Federal Regulations) purchasing requirements along with the Nicollet County Federal Grant or Award Procurement Policy.

Technologies Director (Jason Dragvold) will update internal technology purchasing processes to ensure suspension and debarment procedures (2 CFR § 180.300) are completed for future federal purchases.

Facilities Director (Cody Johnson) will update internal facilities purchasing processes to ensure suspension and debarment procedures (2 CFR § 180.300) are completed for future federal purchases and within contracts when necessary.

Anticipated Completion Date:
7/1/25

Finding Number: 2024-002
Finding Title: Eligibility
Program: 93.778 Medical Assistance Program

Name of Contact Person Responsible for Corrective Action:
Tami Simonson, Financial Assistance Supervisor

Corrective Action Planned:
The supervisor for this program area conducts internal audits on two health care cases per quarter for each Maxis health care worker. Through these audits and additional casework observations, it was identified in 2024 that the staff member responsible for both errors required further training and support. In response, a coaching plan was developed to address the identified errors and provide targeted training aimed at improving accuracy in ongoing case processing. Upon completion of the coaching plan, the employee's caseload was adjusted to include fewer, less complex case types. The supervisor continues to audit two cases per quarter for each team member to monitor and support the ongoing quality of work.

Anticipated Completion Date:
The eight-week coaching plan was implemented 9/26/24.

Representation of Nicollet County
St. Peter, Minnesota

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

Finding Number: 2023-001
Year of Finding Origination: 2023
Finding Title: Prior Period Adjustment

Summary of Condition: A prior period adjustment was identified that resulted in significant changes to Nicollet County's financial statements.

Summary of Corrective Action Previously Reported: Finance Director (Heather McCormick) will share the audit finding with Property and Public Services (PPSD) Director (Jaci Kopet) and Finance staff. Additional financial report education will be communicated to PPSD and Finance staff to develop knowledge and expertise.

Jaci Kopet will update the tax settlement internal worksheet to appropriately classify penalties and interest within the General Revenue column. Christine Johnson will review the tax settlement worksheets and journal entries in the impacted settlement months. In addition, procedures will be reviewed to identify necessary improvements to ensure the financial statements are accurate, complete, and fairly represented in accordance with generally accepted accounting principles.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-002
Year of Finding Origination: 2022
Finding Title: Allowable Costs/Cost Principles and Reporting
Program: 93.778 Medical Assistance Program

Summary of Condition: The following exceptions were noted in the testing of the DHS-2556 reports:

- Payments of federal funds to the Nicollet County Family Services Collaborative were misclassified as Other Expenses rather than Contracted Services, which resulted in an overstatement in the federal funds cost pool of $100,207 for the year.
- Federal revenues received to offset reported costs were omitted from the report, which resulted in an overstatement in the federal funds cost pool of $218,529 for the year.
- Depreciation expense for reported capital outlay was omitted, which resulted in an understatement in the federal funds cost pool of $18,746 for the year.

Summary of Corrective Action Previously Reported: Nicollet County will implement controls that ensure that all DHS reports are completed accurately and in accordance with DHS guidelines. Cross-training will continue between the Fiscal Coordinator and the Fiscal Supervisor to ensure accuracy of reports. Additional processes are currently being documented for the 2556 Quarterly Report which will detail notes for collaborative expenses, ARPA funds, and depreciation expense, as well as a complete review by the Fiscal Supervisor prior to submission of the reports.

Status: Fully Corrected. Corrective action was taken.