State of Minnesota

Office of the State Auditor

Julie Blaha
State Auditor

Pope County
Glenwood, Minnesota

Year Ended December 31, 2023

Pope County
Glenwood, Minnesota

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Pope County
Glenwood, Minnesota

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Introductory Section

Pope County
Glenwood, Minnesota

Organization
2023

Office	Name	Term From	Term To
Commissioners			
1st District	Paul Gremmels	January 2023	January 2027
2nd District	Gordan Wagner*	January 2021	January 2025
3rd District	Paul Gerde**	January 2021	January 2025
4th District	Larry Lindor	January 2023	January 2027
5th District	Paul Wildman	January 2023	January 2027
Officers			
Elected			
Attorney	Neil Neilson	January 2023	January 2027
Auditor/Treasurer	Stephanie Rust	January 2023	January 2027
County Recorder	Sarah Green	January 2023	January 2027
Sheriff	Tim Riley	January 2023	January 2027
Appointed			
Assessor	Michael Wacker	January 2021	December 2024
Coroner	Dr. A. Quinn Piper	August 15, 2022	December 2023
Highway Engineer	Brian Giese	June 2023	May 2027
Veterans Service Officer	Hugh Reimers	April 2019	April 2023
Veterans Service Officer	Jeffrey Stewart	June 2023	June 2027
Administrator	Kersten Kappmeyer		Indefinite
Surveyor	Rodney Eldevik	January 2020	December 2023

*Chair
**Vice 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
Pope County
Glenwood, Minnesota

Report on the Audit of the Financial Statements

Opinions
We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pope County, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pope County as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Emphasis of Matter – Change in Accounting Principle
As discussed in Note 1 to the financial statements, in 2023, the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

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Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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, budgetary comparison schedules for the General Fund and the Road and Bridge Special Revenue Fund, 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 GASB, 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 Pope County's basic financial statements. The Debt Service Fund – Budgetary Comparison Schedule, combining nonmajor governmental fund financial statements, combining fiduciary fund financial statements, Balance Sheet – by Ditch – Ditch Special Revenue Fund, Schedule of Intergovernmental Revenue, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2024, on our consideration of Pope 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 Pope 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 Pope County's internal control over financial reporting and compliance.

/s/Julie Blaha	*/s/Chad Struss*
Julie Blaha State Auditor	Chad Struss, CPA Deputy State Auditor

August 6, 2024

Management's Discussion and Analysis

Pope County
Glenwood, Minnesota

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

Introduction

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

Financial Highlights

- Governmental activities' total net position is $83,546,166, of which Pope County has invested $69,373,411 in capital assets, net of related debt, and $4,427,417 is restricted to specific purposes/uses by the County.
- The net cost of Pope County's governmental activities for the year ended December 31, 2023, was $11,641,432; the net cost was funded by general revenues and other items totaling $12,459,553.
- Pope County's net position increased by $818,121 for the year ended December 31, 2023; the net position of the County's discretely presented component unit increased by $452,126.
- The fund balances of all Pope County's funds decreased by $1,269,143.

Overview of the Financial Statements

Pope County's MD&A report serves as an introduction to the basic financial statements. The County's basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements. The MD&A (this section), certain budgetary comparison schedules, and information on the County's other postemployment benefits (OPEB) and pension liability are required to accompany the basic financial statements and, therefore, are included as required supplementary information. The following chart demonstrates how the different pieces are inter-related.

Management's Discussion and Analysis	
Government-Wide Financial Statements	**Fund Financial Statements**
Notes to the Financial Statements	

Pope County presents two government-wide financial statements—the Statement of Net Position and the Statement of Activities. These two government-wide financial statements provide information about the activities of the County as a whole and present a longer-term view of Pope County's finances. The County's fund financial statements follow these two government-wide financial statements. For governmental activities, these statements tell how Pope County financed these services in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant/major funds. The remaining statement provides financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

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

The Statement of Net Position and the Statement of Activities report information about Pope County as a whole and about its activities in a way that helps the reader determine whether Pope County's financial condition has improved or declined as a result of the current year's activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the full accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

These two statements consider all of Pope County's current year revenues and expenses, regardless of when the County receives the revenue or pays the expenditure and report the County's net position and changes in net position. You can think of the County's net position—the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources—as one way to measure Pope County's financial health or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the County's property tax base and the general economic conditions of the state and County, to assess the overall health of Pope County.

In the Statement of Net Position and the Statement of Activities, we divide the County into two kinds of activities:

- Governmental activities—Pope County reports its basic services in the "Governmental Activities" column of these reports. The activities reported by the County include general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, economic development, and interest. Pope County finances the majority of these activities with local property taxes, state-paid aids, fees, charges for services, and federal and state grants.

- Component unit—Pope County includes one separate legal entity on its report. The Pope County Housing and Redevelopment Authority/Economic Development Authority is presented in a separate column. Although legally separate, this "component unit" is important because the County is financially accountable for it.

Fund Financial Statements

Pope County's fund financial statements provide detailed information about the significant funds—not the County as a whole. Significant governmental and fiduciary funds may be established by the County to meet requirements of a specific state law, to help control and manage money for a particular purpose/project, or to show that it is meeting specific legal responsibilities and obligations when expending property tax revenues, grants, and/or other funds designated for a specific purpose.

Governmental funds—Most of Pope County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported in our financial statements using the modified accrual method of accounting. This method measures cash and other financial assets that the County can readily convert to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps determine whether there are financial resources available that can be spent in the near future to finance various programs within Pope County. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation statement following each governmental fund financial statement.

Reporting the County's Fiduciary Responsibilities

Pope County is the trustee, or fiduciary, over assets, which can only be used for the benefit of parties outside the County. All of the County's fiduciary activities are reported in the statement of fiduciary net position and the statement of changes in fiduciary net position. These activities have been excluded from the County's other financial statements because the County cannot use these assets to finance its operations. Pope County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The County as a Whole

The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the County's governmental activities.

Table 1
Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	$ 23,033,086	$ 24,886,726
Capital assets, net of accumulated depreciation and amortization	71,008,731	68,716,864
Total Assets	$ 94,041,817	$ 93,603,590
Deferred Outflows of Resources		
Deferred pension outflows	$ 2,906,110	$ 3,619,100
Deferred OPEB outflows	137,035	179,063
Total Deferred Outflows of Resources	$ 3,043,145	$ 3,798,163
Liabilities		
Long-term liabilities	$ 7,659,456	$ 11,236,396
Other liabilities	1,956,581	1,877,293
Total Liabilities	$ 9,616,037	$ 13,113,689
Deferred Inflows of Resources		
Deferred pension inflows	$ 3,622,850	$ 1,442,862
Deferred OPEB inflows	299,909	117,157
Total Deferred Inflows of Resources	$ 3,922,759	$ 1,560,019
Net Position		
Net investment in capital assets	$ 69,373,411	$ 66,803,823
Restricted	4,427,417	4,409,584
Unrestricted	9,745,338	11,514,638
Total Net Position	$ 83,546,166	$ 82,728,045

Pope County's total net position for the year ended December 31, 2023, totals $83,456,166. The governmental activities' unrestricted net position totals $9,745,338. Unrestricted net position is the part of net position that can be used to meet Pope County's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements.

Table 2
Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues		
Program revenues		
Fees, charges, fines, and other	$ 1,600,344	$ 1,648,428
Operating grants and contributions	6,765,056	6,438,317
Capital grants and contributions	1,698,817	1,098,257
General revenues		
Property taxes	9,702,140	9,303,274
Other taxes	553,902	470,444
Grants and contributions not restricted to specific programs	1,175,754	2,331,876
Other general revenues	1,027,757	482,775
Total Revenues and Special Item	$ 22,523,770	$ 21,773,371
Expenses		
General government	$ 4,909,208	$ 5,155,092
Public safety	3,331,822	2,950,593
Highways and streets	7,447,853	5,375,516
Sanitation	680,735	717,398
Human services	2,023,096	2,130,270
Health	80,086	76,965
Culture and recreation	193,472	190,011
Conservation of natural resources	680,890	654,635
Economic development	2,309,775	1,466,866
Interest	48,712	45,345
Total Expenses	$ 21,705,649	$ 18,762,691
Special item – transfer of human services operations	$ -	$ (2,818,978)
Increase (Decrease) in Net Position	$ 818,121	$ 191,702
Net Position – January 1	82,728,045	82,536,343
Net Position – December 31	$ 83,546,166	$ 82,728,045

Governmental Activities

Revenues for Pope County's governmental activities for the year ended December 31, 2023, were $22,523,770. The County's cost for all governmental activities for the year ended December 31, 2023, was $21,705,649. The net position for the County's governmental activities increased by $818,121 in 2023.

As shown in the Statement of Activities, the amount that Pope County taxpayers ultimately financed for these governmental activities through local property taxation was $9,702,140 because $1,600,344 of the costs were paid by those who directly benefited from the programs, and $9,639,627 was paid by other governments and organizations that subsidized certain programs with grants and contributions. Pope County paid for the remaining "public benefit" portion of governmental activities with $1,581,659 from other revenues, such as investment income, mortgage registry tax, wheelage tax, and state deed tax.

Figure 1
Total County Revenues
2023

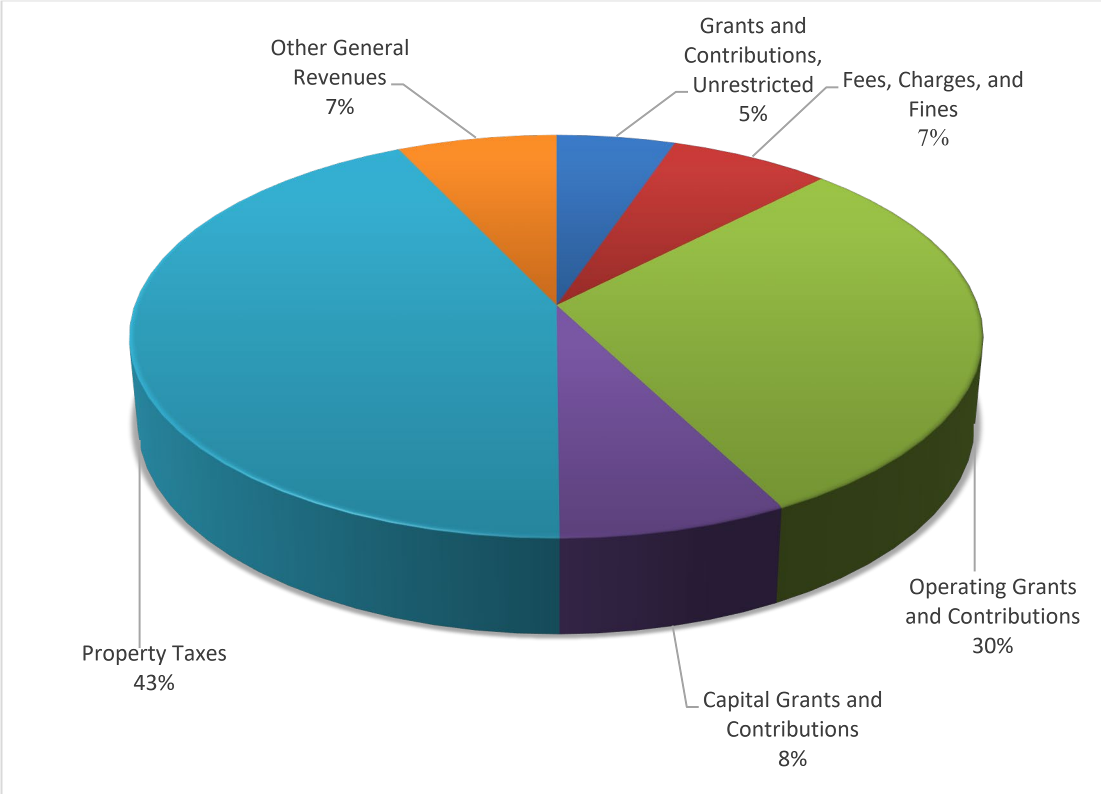
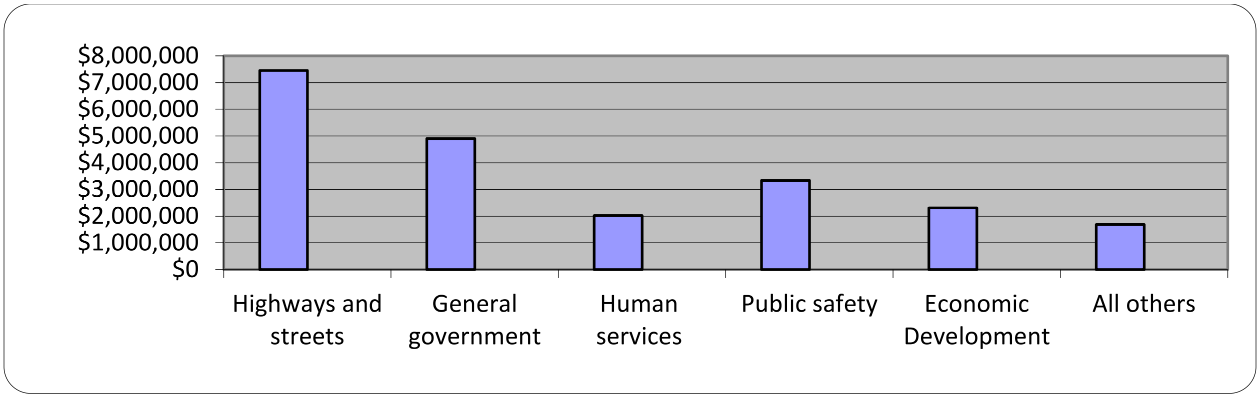


Table 3 presents the cost of each of Pope County's five largest program functions, as well as each function's net cost (total cost, less revenues generated by the activities). The net cost shows the financial burden placed on Pope County's taxpayers by each of these functions.

Table 3
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023
Program Expenses		
General government	$ 4,909,208	$ 4,113,554
Public safety	3,331,822	2,522,583
Highways and streets	7,447,853	234,512
Human services	2,023,096	2,023,096
Economic development	2,309,775	2,309,775
All others	1,683,895	437,912
Total Program Expenses	$ 21,705,649	$ 11,641,432

Figure 2
Governmental Activities Expenses
2023



The County's Funds

As Pope County completed the year, its governmental funds, as presented in the Balance Sheet, reported a combined fund balance of $18,953,023.

General Fund Budgetary Highlights

The Pope County Board of Commissioners, over the course of a budget year, may amend/revise the County's General Fund budget. During 2023, the County Board of Commissioners made no changes to the budget as originally adopted on December 27, 2022. Budget amendments/revisions fall into one of three categories: new information changing original budget estimations, greater than anticipated revenues or costs, and final agreement reached on employee contracts.

In the General Fund, actual revenues were more than expected by $1,977,634 due to higher than anticipated intergovernmental revenue and investment earnings. Actual expenditures were $2,975,642 more than expected due to a variety of reasons, including broadband expansion, demolition of the Fremad Building, and other general government costs.

Capital Assets and Debt Administration

Capital Assets

At the end of 2023, Pope County had $71,008,731 invested in a broad range of capital assets, net of depreciation and amortization. Pope County's net capital assets increased by $2,291,867, or 3.34 percent, in 2023 due in large part to the purchase of infrastructure. This investment in capital assets includes land, buildings, infrastructure, equipment, construction in progress, leased equipment and subscription-based information technology arrangements (see Table 4). Additional information on capital assets can be found in Note 3 to the financial statements.

Table 4
Capital Assets at Year-End
(Net of Depreciation and Amortization)

	Governmental Activities	
	2023	2022
Land	$ 2,248,314	$ 2,193,924
Buildings	5,773,446	6,199,478
Office furniture and equipment	711,812	675,406
Machinery and automotive equipment	2,050,726	1,718,295
Infrastructure	59,839,617	57,823,937
Construction In progress	-	-
Leased equipment	319,694	105,824
Subscription-based information technology arrangements	65,122	-
Totals	$ 71,008,731	$ 68,716,864

Debt Administration

At December 31, 2023, Pope County had $1,986,053 of outstanding debt. Comparing $2,252,721 as of December 31, 2022, there was a decrease of $266,668 due to the addition of subscriptions payable and payments made during the course of the year, as shown in Table 5.

Table 5
Outstanding Debt at Year-End

	Governmental Activities	
	2023	2022
2013A G.O. Capital Equipment and Improvement Bonds	$ -	$ 100,000
2017 G.O. Capital Improvement Bonds	1,215,000	1,640,000
Loans		
State of Minnesota Agricultural Best Management Loan Program	408,300	406,855
Leases payable	323,012	105,866
Subscriptions payable	39,741	-
Totals	$ 1,986,053	$ 2,252,721

In 2021, Pope County obtained an "AAA" Credit Enhancement Rating and an underlying rating of "AA" Stable from Standard and Poor's Investor Services. Other long-term obligations include compensated absences, OPEB, and pensions. Pope County's notes to the financial statements provide detailed information about the County's long-term liabilities; see Note 3.

Economic Factors and Next Year's Budgets and Rates

The County's elected and appointed officials considered many factors when setting the fiscal year 2023 budget and tax rates, including:

- Pope County's unemployment rates for 2022 and 2023 were 2.3 percent and 2.8 percent, respectively, compared to the Minnesota unemployment rate for 2022 and 2023, which averaged 2.6 percent and 2.8 percent, respectively. The unemployment rate continues to impact the level of services requested by Pope County residents.

- Land development and regulation issues.

- Reviewing revenue sources and considering cost-effective and efficient means for the delivery of Pope County programs and services; this will influence the development of future budgets.

On December 19, 2023, the Pope County Board of Commissioners approved the 2024 budget at $21,086,114. The 2024 total levy is $11,398,185, less County Program Aid of $818,679, for a net levy of $10,579,506. The Board approved a 6.90 percent increase in the levy for 2024.

Contacting the County's Financial Management

Pope County's financial report provides citizens, taxpayers, customers, investors, and creditors with a general overview of Pope County's finances and shows the County's accountability for the money it receives and spends. If you have questions about this report or need additional financial information, contact the Pope County Auditor/Treasurer, 320-634-7706, Pope County Courthouse, 130 East Minnesota Avenue, Glenwood, Minnesota 56334-4525.

Basic Financial Statements

Government-Wide Financial Statements

Pope County
Glenwood, Minnesota

Exhibit 1

Statement of Net Position
December 31, 2023

	Primary Government		Component Unit
	Governmental Activities		Housing and Redevelopment Authority/Economic Development Authority
Assets			
Cash and pooled investments	$ 20,513,941		$ 575,321
Petty cash and change funds	1,100		-
Taxes receivable			
Delinquent	94,439		20,833
Special assessments receivable			
Delinquent	19,898		-
Noncurrent	383,924		-
Accounts receivable	30,097		-
Accrued interest receivable	48,723		-
Due from other governments	1,795,169		-
Loans receivable	-		290,627
Inventories	145,795		-
Land held for resale	-		275,000
Restricted assets			
Cash and pooled investments	-		895
Capital assets			
Non-depreciable or amortizable	2,248,314		44,434
Depreciable or amortizable – net of accumulated depreciation and amortization	68,760,417		-
Total Assets	**$ 94,041,817**		**$ 1,207,110**
Deferred Outflows of Resources			
Deferred pension outflows	$ 2,906,110		$ -
Deferred other postemployment benefits outflows	137,035		-
Total Deferred Outflows of Resources	**$ 3,043,145**		**$ -**

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

Pope County
Glenwood, Minnesota

Exhibit 1

(Continued)

Statement of Net Position
December 31, 2023

	Primary Government	Component Unit
	Governmental Activities	Housing and Redevelopment Authority/Economic Development Authority
Liabilities		
Accounts payable	$ 230,157	$ 297
Salaries payable	246,005	-
Due to other governments	44,247	496
Unearned revenue	890,486	-
Financial assurance deposit payable	545,686	-
Current liabilities payable from restricted assets		
Accounts payable	-	895
Long-term liabilities		
Due within one year	159,671	-
Due in more than one year	2,396,515	-
Other postemployment benefits obligation	1,073,354	-
Net pension liability	4,029,916	-
Total Liabilities	**$ 9,616,037**	**$ 1,688**
Deferred Inflows of Resources		
Deferred pension inflows	$ 3,622,850	$ -
Deferred other postemployment benefits inflows	299,909	-
Total Deferred Inflows of Resources	**$ 3,922,759**	**$ -**
Net Position		
Net investment in capital assets	$ 69,373,411	$ 44,434
Restricted for		
General government	256,309	-
Public safety	823,794	-
Highways and streets	1,625,221	-
Ditch construction and maintenance	109,853	-
Economic development	90,147	-
Conservation of natural resources	1,522,093	-
Unrestricted	9,745,338	1,160,988
Total Net Position	**$ 83,546,166**	**$ 1,205,422**

Pope County
Glenwood, Minnesota

Statement of Activities
For the Year Ended December 31, 2023

	Expenses	Fees, Charges, Fines, and Other
Functions/Programs		
Primary Government		
Governmental activities		
General government	$ 4,909,208	$ 606,798
Public safety	3,331,822	143,942
Highways and streets	7,447,853	29,073
Sanitation	680,735	679,724
Human services	2,023,096	-
Health	80,086	-
Culture and recreation	193,472	-
Conservation of natural resources	680,890	140,807
Economic development	2,309,775	-
Interest	48,712	-
Total Primary Government	**$ 21,705,649**	**$ 1,600,344**
Component Unit		
Housing and Redevelopment Authority/Economic Development Authority	**$ 514,770**	**$ -**

General Revenues
Property taxes
Mortgage registry and deed tax
Wheelage tax
Other taxes
Payments in lieu of tax
Grants and contributions not restricted to specific programs
Investment earnings
Gain on sale of capital assets
Miscellaneous

Total general revenues

Change in net position

Net Position – Beginning

Net Position – Ending

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

Exhibit 2

Program Revenues		Net (Expense) Revenue and Changes in Net Position	
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Housing and Redevelopment Authority/Economic Development Authority
$ 188,856	$ -	$ (4,113,554)	
648,028	17,269	(2,522,583)	
5,502,720	1,681,548	(234,512)	
15,961	-	14,950	
-	-	(2,023,096)	
95,147	-	15,061	
-	-	(193,472)	
314,344	-	(225,739)	
-	-	(2,309,775)	
-	-	(48,712)	
$ 6,765,056	**$ 1,698,817**	**$ (11,641,432)**	
$ -	**$ -**		**$ (514,770)**
		$ 9,702,140	$ 453,809
		13,234	-
		258,552	-
		89,007	-
		193,109	-
		1,175,754	412,004
		904,118	8,297
		33,000	-
		90,639	92,786
		$ 12,459,553	**$ 966,896**
		$ 818,121	**$ 452,126**
		82,728,045	**753,296**
		$ 83,546,166	**$ 1,205,422**

Fund Financial Statements

Governmental Funds

Pope County
Glenwood, Minnesota

Balance Sheet
Governmental Funds
December 31, 2023

	General	Road and Bridge
Assets		
Cash and pooled investments	$ 14,123,775	$ 5,970,713
Petty cash and change funds	1,100	-
Taxes receivable		
Delinquent	73,529	16,428
Special assessments receivable		
Delinquent	1,938	-
Noncurrent	383,924	-
Accounts receivable	28,947	1,150
Accrued interest receivable	48,723	-
Due from other governments	138,200	1,647,014
Inventories	-	145,795
Advances to other funds	18,920	-
Total Assets	**$ 14,819,056**	**$ 7,781,100**
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	$ 137,892	$ 92,065
Salaries payable	189,645	56,360
Due to other governments	21,438	193
Unearned revenue	890,486	-
Advances from other funds	-	-
Financial assurance deposit payable	545,686	-
Total Liabilities	**$ 1,785,147**	**$ 148,618**
Deferred Inflows of Resources		
Unavailable revenue	**$ 459,391**	**$ 1,641,649**
Fund Balances		
Nonspendable	$ 86,802	$ 145,795
Restricted	2,185,898	-
Assigned	809,606	5,845,038
Unassigned	9,492,212	-
Total Fund Balances	**$ 12,574,518**	**$ 5,990,833**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 14,819,056**	**$ 7,781,100**

Exhibit 3

Human Services	Solid Waste	Debt Service	Other Governmental Funds	Total
$ -	$ 14,187	$ 171,404	$ 233,862	$ 20,513,941
-	-	-	-	1,100
1,383	-	3,099	-	94,439
-	17,607	-	353	19,898
-	-	-	-	383,924
-	-	-	-	30,097
-	-	-	-	48,723
-	-	-	9,955	1,795,169
-	-	-	-	145,795
-	-	-	-	18,920
$ 1,383	**$ 31,794**	**$ 174,503**	**$ 244,170**	**$ 23,052,006**
$ -	$ -	$ -	$ 200	$ 230,157
-	-	-	-	246,005
-	14,187	-	8,429	44,247
-	-	-	-	890,486
-	-	-	18,920	18,920
-	-	-	-	545,686
$ -	**$ 14,187**	**$ -**	**$ 27,549**	**$ 1,975,501**
$ 1,383	**$ 17,607**	**$ 3,099**	**$ 353**	**$ 2,123,482**
$ -	$ -	$ -	$ -	$ 232,597
-	-	171,404	230,083	2,587,385
-	-	-	-	6,654,644
-	-	-	(13,815)	9,478,397
$ -	**$ -**	**$ 171,404**	**$ 216,268**	**$ 18,953,023**
$ 1,383	**$ 31,794**	**$ 174,503**	**$ 244,170**	**$ 23,052,006**

Exhibit 4

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities December 31, 2023

Fund balance – total governmental funds (Exhibit 3)		**$ 18,953,023**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		71,008,731
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in the governmental funds.		2,906,110
Deferred outflows of resources resulting from other postemployment benefits obligations are not available and, therefore, are not reported in the governmental funds.		137,035
Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.		2,123,482
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	$ (1,215,000)	
Discounts/premiums on bonds	(57,567)	
Leases payable	(323,012)	
Subscription-based technology arrangements payable	(39,741)	
Loans payable	(408,300)	
Compensated absences	(512,566)	
Other postemployment benefits obligation	(1,073,354)	
Net pension liability	(4,029,916)	(7,659,456)
Deferred inflows of resources resulting from pension obligations are not due and payable in the current period, and, therefore, are not reported in the governmental funds.		(3,622,850)
Deferred inflows of resources resulting from OPEB obligations are not available resources and, therefore, are not reported in the governmental funds.		(299,909)
Net Position of Governmental Activities (Exhibit 1)		**$ 83,546,166**

Pope County
Glenwood, Minnesota

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Road and Bridge
Revenues		
Taxes	$ 7,759,620	$ 2,022,325
Special assessments	159,707	-
Licenses and permits	79,857	-
Intergovernmental	2,210,913	7,914,932
Charges for services	462,969	22,054
Fines and forfeits	1,313	-
Gifts and contributions	1,621	-
Investment earnings	901,512	-
Miscellaneous	276,356	7,019
Total Revenues	**$ 11,853,868**	**$ 9,966,330**
Expenditures		
Current		
General government	$ 4,642,642	$ -
Public safety	3,097,876	-
Highways and streets	-	8,759,160
Culture and recreation	63,860	-
Conservation of natural resources	636,020	-
Economic development	2,291,216	-
Intergovernmental		
Highways and streets	-	453,539
Sanitation	-	-
Human services	2,023,096	-
Health	80,086	-
Culture and recreation	129,612	-
Economic development	18,559	-
Capital outlay		
General government	126,551	-
Public safety	117,516	-
Highways and streets	-	676,263
Debt service		
Principal	139,262	-
Interest	8,540	-
Administrative charges	-	-
Total Expenditures	**$ 13,374,836**	**$ 9,888,962**
Excess of Revenues Over (Under) Expenditures	**$ (1,520,968)**	**$ 77,368**

Exhibit 5

Human Services	Solid Waste	Debt Service	Other Governmental Funds	Total
$ 1,517	$ -	$ 312,893	$ -	$ 10,096,355
-	680,735	-	59,016	899,458
-	-	-	-	79,857
-	-	11,294	-	10,137,139
-	-	-	-	485,023
-	-	-	13,470	14,783
-	-	-	-	1,621
-	-	-	2,606	904,118
-	-	-	17,371	300,746
$ 1,517	**$ 680,735**	**$ 324,187**	**$ 92,463**	**$ 22,919,100**
$ -	$ -	$ -	$ 4,914	$ 4,647,556
-	-	-	-	3,097,876
-	-	-	-	8,759,160
-	-	-	-	63,860
-	-	-	44,870	680,890
-	-	-	-	2,291,216
-	-	-	-	453,539
-	680,735	-	-	680,735
-	-	-	-	2,023,096
-	-	-	-	80,086
-	-	-	-	129,612
-	-	-	-	18,559
-	-	-	-	126,551
-	-	-	-	117,516
-	-	-	-	676,263
-	-	525,000	-	664,262
-	-	70,525	330	79,395
-	-	1,050	-	1,050
$ -	**$ 680,735**	**$ 596,575**	**$ 50,114**	**$ 24,591,222**
$ 1,517	**$ -**	**$ (272,388)**	**$ 42,349**	**$ (1,672,122)**

Pope County
Glenwood, Minnesota

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Road and Bridge
Other Financing Sources (Uses)		
Transfers in	$ 1,886,815	$ -
Transfers out	-	-
Loans issued	53,142	-
Leases issued	262,919	-
Subscription-based technology arrangements issued	81,533	-
Proceeds from sale of capital assets	-	33,000
Total Other Financing Sources (Uses)	**$ 2,284,409**	**$ 33,000**
Net Change in Fund Balances	**$ 763,441**	**$ 110,368**
Fund Balances – January 1	**11,811,077**	**5,908,080**
Increase (decrease) in inventories	**-**	**(27,615)**
Fund Balances – December 31	**$ 12,574,518**	**$ 5,990,833**

Exhibit 5

(Continued)

Human Services	Solid Waste	Debt Service	Other Governmental Funds	Total
$ -	$ -	$ -	$ -	$ 1,886,815
(1,886,722)	-	(93)	-	(1,886,815)
-	-	-	-	53,142
-	-	-	-	262,919
-	-	-	-	81,533
-	-	-	-	33,000
$ (1,886,722)	**$ -**	**$ (93)**	**$ -**	**$ 430,594**
$ (1,885,205)	**$ -**	**$ (272,481)**	**$ 42,349**	**$ (1,241,528)**
1,885,205	**-**	**443,885**	**173,919**	**20,222,166**
-	**-**	**-**	**-**	**(27,615)**
$ -	**$ -**	**$ 171,404**	**$ 216,268**	**$ 18,953,023**

Exhibit 6

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, 2023

Net change in fund balances – total governmental funds (Exhibit 5)		**$ (1,241,528)**
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 between the fund statements and the statement of activities is the increase or decrease in unavailable revenue.		
Unavailable revenue – December 31	$ 2,123,482	
Unavailable revenue – January 1	(2,809,392)	(685,910)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.		
Expenditures for general capital assets	$ 5,202,827	
Current year depreciation and amortization	(2,910,960)	2,291,867
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	$ (53,142)	
Principal repayments	576,697	
Current year amortization of premiums/discounts	9,608	533,163
Some capital asset additions are acquired through financing. In governmental funds, these arrangements are considered an other financing source, but in the statement of net position, the obligation is reported as a liability. Similarly repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.		
Principal payments on leases	$ 45,773	
Principal payments on subscription-based technology arrangements	41,792	87,565
Leases issued	$ (262,919)	
Subscription-based technology arrangements issued	(81,533)	(344,452)

Exhibit 6
(Continued)

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, 2023

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable	$ 22,125	
Change in compensated absences	42,390	
Change in other postemployment benefits obligation	436,011	
Change in net pension liability	2,822,263	
Change in deferred pension outflows of resources	(712,990)	
Change in deferred other postemployment benefits outflows of resources	(42,028)	
Change in deferred pension inflows of resources	(2,179,988)	
Change in deferred other postemployment benefits inflows of resources	(182,752)	
Change in inventories	(27,615)	177,416
Change in Net Position of Governmental Activities (Exhibit 2)		**$ 818,121**

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

Fiduciary Funds

Pope County
Glenwood, Minnesota

Exhibit 7

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Custodial Funds
Assets	
Cash and pooled investments	$ 371,133
Accounts receivable for other governments - net	8,452
Taxes receivable for other governments	199,187
Total Assets	**$ 578,772**
Liabilities	
Due to other governments	**$ 369,788**
Net Position	
Restricted for	
Individuals, organizations, other governments	**$ 208,984**
Total Net Position	**$ 208,984**

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

Pope County
Glenwood, Minnesota

Exhibit 8

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	Custodial Funds
Additions	
Property tax collections for other governments	$ 14,930,835
Tax forfeited land sales	8,521
Federal/State revenue	183,992
Other taxes collected for other governments	458,667
Fees collected for other governments	2,160
Mortgage foreclosure sales	3,494
Total Additions	**$ 15,587,669**
Deductions	
Payments of property tax to other governments	$ 13,646,554
Payments to state	1,789,640
Payments to other individuals/entities	253,850
Total Deductions	**$ 15,690,044**
Change in net position	**$ (102,375)**
Net Position – January 1	**311,359**
Net Position – December 31	**$ 208,984**

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

Note 1 – Summary of Significant Accounting Policies

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

Financial Reporting Entity

Pope County was established February 20, 1862, 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 does not vote in its decisions.

Discretely Presented Component Unit

While part of the reporting entity, a discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. The following component unit of Pope County is discretely presented:

Component Units of the County

Component Unit	Component Unit Included in Reporting Entity Because	Separate Financial Statements
The Pope County Housing and Redevelopment Authority/Economic Development Authority (HRA/EDA) provides services pursuant to Minn. Stat. §§ 469.001-469.047.	The County appoints members, and the HRA/EDA is a financial burden.	Separate financial statements are prepared.

Complete financial statements of the Pope County HRA/EDA can be obtained by writing to the Pope County HRA/EDA, 130 Minnesota Avenue East, Glenwood, Minnesota 56344.

Joint Ventures and Jointly-Governed Organizations

The County participates in joint ventures and jointly-governed organizations which are described in Note 4 – Summary of Significant Contingencies and Other Items.

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 primary government and its component unit. 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, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expense of each function of the County's governmental activities is 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. The County does not allocate indirect expenses to functions within the financial statements. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

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 and fiduciary—are presented. The emphasis of governmental fund financial statements is on major individual governmental funds, with each displayed as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

The Road and Bridge Special Revenue Fund is used to account for revenues and expenditures of the County Highway Department, which is responsible for the construction and maintenance of roads, bridges, and other projects affecting County roadways.

The Human Services Special Revenue Fund is used to account for economic assistance and community social services programs.

The Solid Waste Special Revenue Fund is used to account for funds used in solid waste management. Financing is provided by special assessments against all parcels of property in the County.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest, and related costs of general long-term debt.

Additionally, the County reports the following fund type:

Custodial funds account for monies held in a fiduciary capacity on behalf of school districts and special districts that use the County as a depository; property taxes and fees collected on behalf of other governments; and monies held as a result of civil actions.

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Pope County considers all revenues as available if collected within 60 days after the end of the current period. 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 and acquisitions under leases 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

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor/Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2023, based on market prices. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2023 were $901,512.

Receivables and Payables

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

The receivable amounts of advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund to indicate they are not available for appropriation and are not expendable available financial resources.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due May 15 and the second half payment due October 15. 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 2017 through 2023 and noncurrent special assessments payable in 2024 and after. Unpaid special assessments at December 31 are classified in the financial statements as delinquent special assessments.

Special assessments receivable includes a special assessment authorized by the County as a pass-through entity for the St. Paul Port Authority to administer the Property Assessed Clean Energy (PACE) financing program. As part of the agreement, the County levies special assessments on the parcel each year and sends the payment to the St. Paul Port Authority to pay the debt service. No provision has been made for an estimated uncollectible amount.

Accounts receivable for the year ended December 31, 2023, were $30,097 for governmental funds and $8,452 for fiduciary funds. No allowance for uncollectible receivables recorded for governmental funds or fiduciary funds has been provided because such amounts are not expected to be material.

Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out method. Inventories in governmental funds are recorded as expenditures when purchased rather than when consumed. Reported inventories are equally offset by nonspendable fund balance to indicate that they do not constitute available spendable resources. Inventories at the government-wide level are recorded as expenses when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (for example, roads, bridges, and similar items), and right-to-use assets acquired under leasing or subscription-based information technology arrangements, are reported in the governmental activities column 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 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful lives while right-to-use assets are amortized over the shorter of the underlying assets estimated useful life or the term of the lease agreement or subscription arrangement:

Estimated Useful Lives of Capital Assets

Assets	Years
Buildings	20-40
Office furniture and equipment	5-10
Machinery and automotive equipment	5-12
Infrastructure	50-75
Right-to-use equipment	4-5
Right-to-use subscription arrangements	2-5

Unearned Revenue

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

Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The current portion of the liability is calculated based on a five-year average of historical usage. The compensated absences liability is primarily liquidated by the General Fund and the Road and Bridge Special Revenue Fund.

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 consumption of net assets that applies to a future period(s) and 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, 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 County has three types of deferred inflows of resources. The governmental funds report unavailable revenue from delinquent taxes receivable and noncurrent special assessments receivable, and grants receivable for amounts that are not considered to be available to liquidate liabilities of the current period. The unavailable revenue amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County also reports deferred pension and deferred OPEB inflows. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of 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 primarily by the General Fund and the Road and Bridge Special Revenue Fund.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. 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 an other financing source. 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.

Classification of Net Position

Net position in the government-wide 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 amortization, 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

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 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 are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is 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. The action must be approved no later than the close of the reporting period and remains binding unless removed in the same manner.

Assigned – amounts the County intends to use for specific purposes but 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 positive amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Auditor/Treasurer or his/her designee, who has been delegated that authority by Board resolution.

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

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.

Minimum Fund Balance

The County has adopted a minimum fund balance policy for the General Fund in order to meet the purpose of providing stability and flexibility to respond to unexpected adversity and/or opportunities. Therefore, the County Board has determined it needs to maintain a minimum level of unrestricted fund balance (committed, assigned, and unassigned) of 35 to 50 percent of operating revenues, or no less than five months of operating expenditures, based on the previous year. The fund balance policy was adopted by the County Board on December 27, 2011.

Use of Estimates

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

Change in Accounting Principles

During the year ended December 31, 2023, Pope County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) No. 96, *Subscription-Based Information Technology Arrangements*, which established criteria for accounting and financial reporting for Subscription-Based Information Technology Arrangements.

Note 2 – Stewardship, Compliance, and Accountability

Deficit Fund Equity

The Ditch Special Revenue Fund has a positive fund balance of $96,685 as of December 31, 2023, although four individual ditch systems had deficit balances. The deficits will be eliminated with future special assessment levies against the benefited properties. The following is a summary of the individual ditch systems:

Individual Ditch System Fund Balance

15 ditch systems with positive fund balances	$	109,500
4 ditch systems with deficit fund balances		(13,815)
Net Fund Balance	$	95,685

Excess of Expenditures Over Budget

For the General Fund or major special revenue funds, any excess of expenditures over budget are discussed in the notes to the required supplementary information. The following is a summary of the individual fund that had expenditures in excess of budget for the year ended December 31, 2023, that is not included in the notes to the required supplementary information:

	Expenditures		
	Actual	Final Budget	Excess
Debt Service Fund	$ 596,575	$ 317,809	$ 278,766

Note 3 – Detailed Notes

Assets

Deposits and Investments

Pope County's total cash and investments are recorded on the basic financial statements as follows:

Reconciliation of the County's Total Cash and Investments to the Basic Financial Statements as of December 31, 2023

Government-wide statement of net position		
Governmental activities		
Cash and pooled investments	$	20,513,941
Petty cash		1,100
Discretely presented component unit		
Cash and pooled investments		575,321
Restricted assets		
Cash and pooled investments		895
Statement of fiduciary net position		
Cash and pooled investments		371,133
Total Cash and Investments	$	21,462,390
Deposits	$	21,461,290
Petty cash		1,100
Total Deposits and Petty Cash	$	21,462,390

The County is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and to invest in certificates of deposit. The County is required by Minn. Stat. § 118A.03 to protect deposits with insurance, surety bond, or collateral. The 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.

Deposits

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 the 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 that is not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2023, Pope County's deposits were not exposed to custodial credit risk.

Investments

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

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

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

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

(4) 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.

The County had no investments as of December 31, 2023.

Receivables

Amounts not scheduled for collection during the subsequent year were as follows:

Governmental Activities' Receivables as of December 31, 2023

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Taxes – delinquent	$ 94,439	$ -
Special assessments		
Delinquent	19,898	-
Noncurrent	383,924	318,560
Accounts	30,097	-
Accrued Interest	48,723	-
Due from other governments	1,795,169	-

Capital Assets

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

Changes in Capital Assets for the Year Ended December 31, 2023

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	$ 2,193,924	$ 54,390	$ -	$ 2,248,314
Capital assets depreciated				
Buildings	$ 11,570,888	$ 5,583	$ -	$ 11,576,471
Office furniture and equipment	2,417,958	229,801	52,761	2,594,998
Machinery and automotive equipment	4,290,333	696,606	137,344	4,849,595
Infrastructure	88,661,008	3,871,995	-	92,533,003
Total capital assets depreciated	$ 106,940,187	$ 4,803,985	$ 190,105	$ 111,554,067
Less: accumulated depreciation for				
Buildings	$ 5,371,410	$ 431,615	$ -	$ 5,803,025
Office furniture and equipment	1,742,552	193,395	52,761	1,883,186
Machinery and automotive equipment	2,572,038	364,175	137,344	2,798,869
Infrastructure	30,837,071	1,856,315	-	32,693,386
Total accumulated depreciation	$ 40,523,071	$ 2,845,500	$ 190,105	$ 43,178,466
Total capital assets depreciated, net	$ 66,417,116	$ 1,958,485	$ -	$ 68,375,601
Capital assets amortized				
Leased equipment	$ 110,399	$ 262,919	$ -	$ 373,318
Subscription-based information technology arrangements	-	81,533	-	81,533
Total capital assets amortized	$ 110,399	$ 344,452	$ -	$ 454,851
Less: accumulated amortization for				
Leased equipment	$ 4,575	$ 49,049	$ -	$ 53,624
Subscription-based information technology arrangements	-	16,411	-	16,411
Total accumulated amortization	$ 4,575	$ 65,460	$ -	$ 70,035
Total capital assets amortized, net	$ 105,824	$ 278,992	$ -	$ 384,816
Governmental Activities Capital Assets, Net	$ 68,716,864	$ 2,291,867	$ -	$ 71,008,731

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

Depreciation and Amortization Expense Charged to Functions/Programs

Governmental Activities		
General government	$	591,215
Public safety		109,612
Highways and streets, including depreciation of infrastructure assets		2,210,133
Total Depreciation and Amortization Expense – Governmental Activities	$	2,910,960

Interfund Receivables, Payables, and Transfers

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

Advances To/From Other Funds

Advances To/From Other Funds as of December 31, 2023

Receivable Fund	Payable Fund	Amount
General Fund	Ditch Special Revenue Fund	$ 18,920

Over the past several years, the General Fund has advanced funds to the Ditch Special Revenue Fund for needed repairs. The advances will be paid off with future special assessments on the benefited properties.

Interfund Transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following:

Interfund Transfers as of December 31, 2023

Fund From	Fund To	Amount	Purpose
Human Services Special Revenue Fund	General Fund	$ 1,886,722	Fund balance
Debt Service Fund	General Fund	93	Delinquent taxes
Total Interfund Transfers		$ 1,886,815	

Liabilities and Deferred Inflows of Resources

Deferred Inflows of Resources – Unavailable Revenue

Deferred inflows of resources in the governmental funds consist of taxes and special assessments receivable, state grants not collected soon enough after year-end to pay liabilities of the current period, state and federal grants, and other revenue received but not yet earned. Deferred inflows of resources at December 31, 2023, are summarized below by fund:

Deferred Inflows of Resources as of December 31, 2023

	Taxes and Special Assessments	Grants, Highway Allotments, and Other	Total
Major governmental funds			
General Fund	$ 459,391	$ -	$ 459,391
Special Revenue Funds			
Road and Bridge	16,428	1,625,221	1,641,649
Human Services	1,383	-	1,383
Solid Waste	17,607	-	17,607
Debt Service Fund	3,099	-	3,099
Nonmajor governmental fund			
Ditch Special Revenue Fund	353	-	353
Total Unavailable revenue	$ 498,261	$ 1,625,221	$ 2,123,482

Long-Term Debt

Bond and lease payments are typically made from the Debt Service Fund, and loan payments are made from the General Fund. Information on individual debt instruments follows:

Bonds and Loans Payable as of December 31, 2023

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (%)	Original Issue Amount	Outstanding Balance December 31, 2023
General Obligation Bonds					
2017A G.O. Capital Improvement	02/01/2029	$175,000 - $260,000	3.00	$ 2,405,000	$ 1,215,000
Loans Payable					
State of Minnesota Agricultural Best Management Loan Program	*	*	0.00	$ 1,268,537	$ 408,300

*These loans do not have a final maturity or final installation amounts until the program ends.

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

Debt Service Requirements as of December 31, 2023

Year Ending	General Obligation Bonds		Loans Payable	
December 31	Principal	Interest	Principal	Interest
2024	$ -	$ 18,225	$ 49,836	$ -
2025	225,000	33,075	53,159	-
2026	235,000	26,175	55,124	-
2027	245,000	18,975	56,817	-
2028	250,000	11,550	51,576	-
2029-2033	260,000	3,900	138,436	-
2034	-	-	3,352	-
Total	$ 1,215,000	$ 111,900	$ 408,300	$ -

Conduit Debt

The County has issued 2019A and 2021A series general obligation solid waste revenue bonds on behalf of Pope/Douglas Solid Waste Management to finance the acquisition of various equipment replacements and upgrades, and the construction of various building modifications for the Pope/Douglas waste-to-energy facility. The bond repayments are paid directly by Pope/Douglas Solid Waste Management. The project is expected to be owned 25 percent by Pope County and 75 percent by Douglas County. Although Pope County has pledged its full faith, credit, and taxing powers for these bonds, Pope/Douglas Solid Waste Management is primarily obligated to pay the debt and, therefore, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2023, there were bonds outstanding with an aggregate principal payment amount of $9,050,000.

Property Assessed Clean Energy Program

The Port Authority of the City of Saint Paul created the Property Assessed Clean Energy Program (PACE) of Minnesota for purposes of implementing and administering activities under Minn. Stat. §§ 216C.435 and 216C.436 and ch. 429 to provide financing for acquisition and construction or installation of energy efficiency and conservation improvements on qualifying real properties. On September 19, 2017, the County signed a joint powers agreement with the Port Authority of the City of Saint Paul, creating the opportunity for Pope County landowners to obtain financing for qualifying improvements through PACE of Minnesota with repayment to be made by the County through collections of special assessments. The Port Authority is solely responsible for implementation and administration of PACE of Minnesota. The County is not obligated in any manner for special assessment debt and is in no way liable for repayment but is only acting as agent for the property owners in collection of the assessments, forwarding the collections to the Port Authority, and initiating foreclosure proceedings, if appropriate. At December 31, 2023, the outstanding balance of PACE loans in Pope County was $60,600.

Leases

The County has entered into lease agreements as lessee for vehicle leases, copiers, and a postage machine. Leases are for four to five years. These leases have been recorded at the present value of their future minimum lease payments as of the inception date. Lease payments are paid from the General Fund.

Future Minimum Lease Obligations and Present Value of Minimum Lease Payments as of December 31, 2023

Year Ending December 31	Principal	Interest
2024	$ 75,068	$ 14,318
2025	78,270	11,116
2026	77,048	7,691
2027	57,278	4,133
2028	35,348	744
Total	$ 323,012	$ 38,002

Subscription-Based Information Technology Arrangements

The County has entered into subscription-based contracts to use vendor-provided information technology. The subscription-based technology arrangements (SBITA) provide the County with access to IT software and associated capital assets in exchange for subscription payments. These SBITAs have been recorded at the present value of their future minimum payments as of the inception date. SBITA payments are paid from the General Fund.

Future Minimum SBITA Obligations and Present Value of Minimum SBITA Payments as of December 31, 2023

Year Ending December 31	Principal	Interest
2024	$ 14,358	$ 954
2025	14,744	569
2026	10,639	172
Total	$ 39,741	$ 1,695

Changes in Long-Term Liabilities

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

Changes in Long-Term Liabilities for the Year Ended December 31, 2023

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	$ 1,740,000	$ -	$ 525,000	$ 1,215,000	$ -
Bond premiums	67,175	-	9,608	57,567	-
Loans payable	406,855	53,142	51,697	408,300	49,836
Leases payable	105,866	262,919	45,773	323,012	75,068
Software subscriptions payable	-	81,533	41,792	39,741	14,358
Compensated absences	554,956	593,861	636,251	512,566	20,409
Long-Term Liabilities	$ 2,874,852	$ 991,455	$ 1,310,121	$ 2,556,186	$ 159,671

Other Postemployment Benefits (OPEB)

Plan Description

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

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.

OPEB are determined by the County Commissioners and can be amended by the County through its personnel manual and union contracts. Employees first hired before March 1, 1995, are eligible, with exceptions, for employer contributions for retiree health care. The County provides the full premium for single coverage or 66 percent of the cost for dependent coverage for eligible retirees.

The County also 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.

As of the January 1, 2023, actuarial valuation, the following employees were covered by the benefit terms:

Employees Covered by the OPEB Benefit Terms
As of the January 1, 2023, Actuarial Valuation

Active employees	74
Retired employees	16
Spouses	5
Total Plan Participants	95

Total OPEB Liability

The County's total OPEB liability of $1,073,354 was measured as of January 1, 2023, and was determined by an actuarial valuation as of January 1, 2023. The total OPEB liability is liquidated primarily by the General Fund and the Road and Bridge Special Revenue Fund.

The total OPEB liability in the 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	Varying rates
Health care cost trend	6.50 percent in 2023, grading to 5.00 percent over six years and then to 4.00 percent over the next 48 years

The current year discount rate is 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 Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2021 Generational Improvement Scale.

The actuarial assumptions are currently based on a combination of historical information and the most recent actuarial valuation as of January 1, 2023.

Changes in the Total OPEB Liability

Changes in the Total OPEB Liability
For the Year Ended December 31, 2023

	Total OPEB Liability
Balance at January 1, 2023	$ 1,509,365
Changes for the year	
Service cost	$ 14,809
Interest	29,237
Difference between expected and actual experience	(225,411)
Changes of assumptions	(129,367)
Benefit payments	(125,279)
Net change	$ (436,011)
Balance at December 31, 2023	$ 1,073,354

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, 2023

	Discount Rate	Total OPEB Liability
1% Decrease	3.00%	$ 1,157,158
Current	4.00%	1,073,354
1% Increase	5.00%	998,910

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 Trend Rates as of December 31, 2023

	Health Care Trend Rate	Total OPEB Liability
1% Decrease	5.50% decreasing to 4.00% over 6 years	$ 997,034
Current	6.50% decreasing to 5.00% over 6 years	1,073,354
1% Increase	7.50% decreasing to 6.00% over 6 years	1,159,227

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

For the year ended December 31, 2023, the County recognized OPEB expense of ($102,666). 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, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 196,416
Changes in actuarial assumptions	27,308	103,493
Contributions paid subsequent to the measurement date	109,727	-
Total	$ 137,035	$ 299,909

The $109,727 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Schedule of Amortization of Deferred Outflows and Inflows of Resources Related to OPEB As of December 31, 2023

Year Ended December 31	OPEB Expense Amount
2024	$ (53,690)
2025	(77,004)
2026	(70,957)
2027	(70,950)

Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2023:

- 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 Mortality tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The inflation rate was changed from 2.00 percent to 2.50 percent.
- The discount rate was changed from 2.00 percent to 4.00 percent.
- The retirement, withdrawal, and salary increase rates for public safety employees were updated to reflect the latest experience study.

Pension Plans

Defined Benefit Pension Plans

Plan Description

All full-time and certain part-time employees of Pope 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) and the Public Employees Police and Fire Plan (the Police and Fire 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 Pope 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.

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. 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.

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 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 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 are available for vested members and are based on years of service and average high-five salary.

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 2022.

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%

Employer Contributions for the Year Ended December 31, 2023

General Employees Plan	$	315,154
Police and Fire Plan		182,019

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

Pension Costs

General Employees Plan

At December 31, 2023, the County reported a liability of $2,762,393 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's 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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2023, the County's proportion was 0.0494 percent. It was 0.0491 percent measured as of June 30, 2022. The County recognized pension expense of $393,825 for its proportionate share of the General Employees Plan's pension expense.

Legislation requires the State of Minnesota to contribute $16 million to the General Employees Plan annually until September 15, 2031. The County recognized an additional $342 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, 2023

The County's proportionate share of the net pension liability	$ 2,762,393
State of Minnesota's proportionate share of the net pension liability associated with the County	76,207
Total	$ 2,838,600

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, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 90,585	$ 27,582
Changes in actuarial assumptions	640,035	757,148
Difference between projected and actual investment earnings	-	526,780
Changes in proportion	31,310	480,426
Contributions paid to PERA subsequent to the measurement date	160,546	-
Total	$ 922,476	$ 1,791,936

The $160,546 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, 2024. 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, 2023

Year Ended December 31	Pension Expense Amount
2024	$ (163,867)
2025	(874,499)
2026	68,286
2027	(59,926)

Police and Fire Plan

At December 31, 2023, the County reported a liability of $1,267,523 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's 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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2023, the County's proportion was 0.0734 percent. It was 0.0681 percent measured as of June 30, 2022. The County recognized pension expense of $374,092 for its proportionate share of the Police and Fire Plan's pension expense.

The State of Minnesota also contributed $18 million to the Police and Fire Plan in the plan fiscal year ended June 30, 2023. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation.

Legislation requires the State of Minnesota to pay direct state aid of $9 million on October 1 each year until full funding is reached, or July 1, 2048, whichever is earlier. The County recognized an additional $(3,073) 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, 2023

The County's proportionate share of the net pension liability	$ 1,267,523
State of Minnesota's proportionate share of the net pension liability associated with the County	51,019
Total	$ 1,318,542

Legislation also requires the State of Minnesota to contribute $9 million to the Police and Fire Plan each year, until the plan is 90 percent funded, or until the State Patrol Plan is 90 percent funded, whichever occurs later. The

County also recognized $6,606 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Police and Fire Plan.

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, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 332,178	$ -
Changes in actuarial assumptions	1,298,621	1,781,222
Difference between projected and actual investment earnings	9,175	-
Changes in proportion	249,929	49,692
Contributions paid to PERA subsequent to the measurement date	93,731	-
Total	$ 1,983,634	$ 1,830,914

The $93,731 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, 2024. 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, 2023

Year Ended December 31	Pension Expense Amount
2024	$ 79,373
2025	35,228
2026	273,380
2027	(52,951)
2028	(276,041)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2023, was $767,917.

Actuarial Assumptions

The total pension liability in the June 30, 2023, 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, 2023

	General Employees Fund	Police and Fire Fund
Inflation	2.25% per year	2.25% per year
Active Member Payroll Growth	3.00% per year	3.00% per year
Investment Rate of Return	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 Plan, with slight adjustments. Cost-of-living benefit increases for retirees are assumed to be 1.25 percent for the General Employees 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, 2023, 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. For both 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 equities	33.50%	5.10%
International equities	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 2023. This was an increase from the 6.50 percent and 5.40 percent used in 2022 for the General Employees Plan and the Police and Fire Plan, respectively. 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 and the Police and Fire 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 2023:

General Employees Plan

- 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.

Police and Fire Plan

- 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.

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, 2023

	Proportionate Share of the			
	General Employees Plan		Police and Fire Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	6.00%	$ 4,886,895	6.00%	$ 2,514,916
Current	7.00%	2,762,393	7.00%	1,267,523
1% Increase	8.00%	1,014,909	8.00%	241,998

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

Two board members of Pope 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, 2023

	Employee	Employer
Contribution amount	$ 3,091	$ 3,091
Percentage of covered payroll	5.00%	5.00%

Fund Balances

The summary of fund balance classifications is as follows:

Fund Balances as of December 31, 2023

	General Fund	Road and Bridge	Debt Service	Other Governmental Funds	Total
Nonspendable					
Inventories	$ -	$ 145,795	$ -	$ -	$ 145,795
Missing heirs	67,882	-	-	-	67,882
Advances to other funds	18,920	-	-	-	18,920
Total nonspendable	$ 86,802	$ 145,795	$ -	$ -	$ 232,597
Restricted					
Debt service	$ -	$ -	$ 171,404	$ -	$ 171,404
Law library	-	-	-	17,078	17,078
Recorder's technology and equipment	104,329	-	-	-	104,329
E-911	257,042	-	-	-	257,042
Recorder's compliance	129,927	-	-	-	129,927
Permit to carry	169,577	-	-	-	169,577
Sheriff's contingency	4,742	-	-	-	4,742
Aquatic invasive species	366,129	-	-	-	366,129
Riparian protection	502,302	-	-	-	502,302
Clean water partnership	266,217	-	-	-	266,217
Extension services	1,583	-	-	-	1,583
Voter assistance	4,975	-	-	-	4,975
Affordable housing aid	90,147	-	-	-	90,147
Public safety aid	288,928	-	-	-	288,928
Opioid settlement	-	-	-	103,505	103,505
Ditch maintenance and construction	-	-	-	109,500	109,500
Total restricted	$ 2,185,898	$ -	$ 171,404	$ 230,083	$ 2,587,385
Assigned					
Highways and streets	$ -	$ 5,845,038	$ -	$ -	$ 5,845,038
Plat sign deposits	1,169	-	-	-	1,169
Veterans van	24,506	-	-	-	24,506
Capital expenditures	783,931	-	-	-	783,931
Total assigned	$ 809,606	$ 5,845,038	$ -	$ -	$ 6,654,644
Unassigned	$ 9,492,212	$ -	$ -	$ (13,815)	$ 9,478,397
Total Fund Balances	$ 12,574,518	$ 5,990,833	$ 171,404	$ 216,268	$ 18,953,023

Note 4 – Summary of Significant Contingencies and Other Items

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. To manage these risks, the County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). MCIT is a public entity risk pool currently operated as a common risk management and insurance program for its members. The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. For other risk, the County carries commercial insurance. There were no significant reductions in insurance coverage from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at $500,000 per claim in 2023 and 2024. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

In 2018, the County entered into an agreement with PrimeHealth to provide a mechanism for utilizing a pooled self-insurance health program under the authority granted to the counties in Minn. Stat. § 471.59. Premiums are paid to PrimeHealth, who provides bookkeeping services to the entity, including the payment of claims. For 2023, the County has retained risk with a specific annual deductible of $450,000 per member for the health plan.

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, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The County Attorney estimates that the potential claims resulting from such litigation that would not be covered by insurance will not have a material adverse effect on the financial condition of the County.

Joint Ventures

Pope/Douglas Solid Waste Management

Douglas and Pope Counties entered into a joint powers agreement in 1983 to build and operate a solid waste incinerator, pursuant to Minn. Stat. § 471.59. In 1986, it was determined that the joint venture would eventually operate on user charges.

The management of the solid waste incinerator is vested in the joint board composed of three County Commissioners from Douglas County and two County Commissioners from Pope County, as provided by the joint powers agreement. Each member is entitled to one vote. The costs of operations are apportioned 75 percent to Douglas County and 25 percent to Pope County. The facility is located in Alexandria, Minnesota.

Financing is provided by charges for services, special assessments levied in each county, state grants, and interest on investments. During 2023, Pope County contributed $954,079 to Pope/Douglas Solid Waste Management.

Complete financial statements for Pope/Douglas Solid Waste Management can be obtained from Pope/Douglas Solid Waste Management, 2115 Jefferson Street, Alexandria, Minnesota 56308.

Rainbow Rider Transit Board

Douglas, Grant, Pope, Stevens, and Traverse Counties entered into a joint powers agreement to establish the West Central Multi-County Joint Powers Transit Board effective December 1, 1994, and empowered under Minn. Stat. § 471.59. Effective January 13, 2000, the Board changed its name from West Central Multi-County Joint Powers Transit Board to Rainbow Rider Transit Board. The purpose of Rainbow Rider is to provide coordinated service delivery and a funding source for public transportation.

Grant County terminated its membership in Rainbow Rider on May 31, 1999. Grant County rejoined and Todd County became a member county effective January 1, 2011, and 2012, respectively.

The Board consists of two members appointed by each member county from its County Board for terms of one year each. Rainbow Rider is a joint venture with no county having control over the Board. Each county has an ongoing responsibility to provide funding for the operating costs of Rainbow Rider allocated in accordance with the actual expenses incurred by representatives of the respective counties on the Board. During 2023, Pope County did not make any contributions to Rainbow Rider.

The joint powers agreement remains in force until any single county notifies the other parties of its intentions to withdraw at least 90 days before the termination takes effect. The remaining counties may agree to continue the agreement with the remaining counties as members.

Complete financial information can be obtained from Rainbow Rider Transit Board, 249 Poplar Avenue, Lowry, Minnesota 56349.

Horizon Public Health

Grant, Pope, Stevens, and Traverse Counties entered into a joint powers agreement creating and operating the Mid-State Community Health Services, pursuant to Minn. Stat. § 471.59. During 1994, Stevens Traverse Grant Public Health Nursing Service began receiving and administering the grant money for Stevens, Traverse, and Grant Counties. Mid-State Community Health Services was renamed Horizon Community Health Board when Douglas County was added as a member on January 1, 2011. Horizon Community Health Board was renamed Horizon Public Health on January 1, 2015, when it became a fiscally independent entity. The budget is now approved by the five-county Board.

Control is vested in Horizon Public Health’s Board, which consists of 13 members comprised of 11 County Commissioners and two community representatives. Each member of the Board is appointed by the County Commissioners of the county they represent.

Financing is provided by state and federal grants and contributions from the five member counties. During 2023, Pope County contributed $96,166 in funding to Horizon Public Health.

Complete financial statements for Horizon Public Health can be obtained from Horizon Public Health, 809 Elm Street, Suite 1200, Alexandria, Minnesota 56308.

Region 4 South Adult Mental Health Consortium

Douglas, Grant, Pope, Stevens, and Traverse Counties entered into a joint powers agreement creating and operating Region 4 South Adult Mental Health Consortium, pursuant to Minn. Stat. § 471.59, to provide a system of care that will serve the needs of adults with serious and persistent mental illness for the mutual benefit of each of the joint participants.

Control of the Consortium is vested in a Governing Board, which consists of each participating county's Director of Social Services, Family Services, or Human Services, as the case may be; two County Commissioners from the Executive Commissioner Board; three local providers; and three consumers. The Governing Board operates under the ultimate authority of the Executive Commissioner Board. The Executive Commissioner Board is composed of one Commissioner of each county appointed by their respective County Board.

Any county may withdraw by providing notice to the chair of the Board 90 days prior to the date of the proposed withdrawal. Withdrawal does not act to discharge any liability incurred or chargeable to any county before the effective date of the withdrawal.

Dissolution of the Consortium will occur by unanimous vote of the counties, or when the membership in the Consortium is reduced to less than two counties. Upon dissolution of the Consortium, the member counties shall share in the current liabilities and current financial assets, including real property, of the Consortium equally if no county has contributed during the term of the Consortium or based upon their percentage of contribution to the Consortium's budget during the period applicable to such liabilities and assets.

Financing is predominantly provided by state grants. During 2023, Pope County did not make any contributions to the Consortium. Grant County, in a fiscal host capacity, reports the cash transactions of the Consortium as a custodial fund on its financial statements.

Complete financial information can be obtained from, Region 4 South Adult Mental Health Consortium, 507 North Nokomis Northeast, Suite 203, Alexandria, Minnesota 56308.

PrimeWest Health

The PrimeWest Central County-Based Purchasing Initiative (since renamed PrimeWest Health) was established in December 1998 by a joint powers agreement with Big Stone, Douglas, Grant, McLeod, Meeker, Pipestone, Pope, Renville, Stevens, and Traverse Counties under the authority of Minn. Stat. § 471.59.

Beltrami, Clearwater, and Hubbard Counties were later added to PrimeWest Health. Pipestone County has since joined Southwest Health and Human Services for public health and human services functions. The partnership is organized to directly purchase health care services for county residents who are eligible for Medical Assistance and General Assistance Medical Care as authorized by Minn. Stat. § 256B.692.

County-based purchasing is the local control alternative favored for improved coordination of services to prepaid

Medical Assistance programs in complying with Minnesota Department of Health requirements as set forth in Minn. Stat. chs. 62D and 62N.

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

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

Financing is provided by Medical Assistance and General Assistance Medical Care payments from the Minnesota Department of Human Services, initial start-up loans from the member counties, and by proportional contributions from member counties, if necessary, to cover operational costs. During 2023, Pope County did not make any contributions to PrimeWest Health.

Complete financial information can be obtained from its administrative office at PrimeWest Health, 3905 Dakota Street, Suite 101, Alexandria, Minnesota 56308.

Rural Minnesota Concentrated Employment Programs, Inc. (WIA – Rural Minnesota Workforce Service Area 2)

The Rural Minnesota Concentrated Employment Programs, Inc. (RMCEP), is a private non-profit corporation that provides workforce development services in a 19-county area in north central and west central Minnesota. The agency was incorporated in 1968 to operate employment and training programs which include Workforce Investment Act services. The RMCEP was established to create job training and employment opportunities for economically disadvantaged, underemployed and unemployed persons, and youthful persons in both the private and the public sector.

The RMCEP is governed by a Board of Directors, which is comprised of representatives from a wide variety of industry sectors, education, and human services. During 2023, Pope County did not make any contributions to RMCEP. Current financial statements are not available.

West Central Minnesota Drug Task Force

The West Central Minnesota Drug Task Force was established in 1996 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes Becker, Douglas, Grant, Otter Tail, Pope, and Wadena Counties, and the Cities of Alexandria, Detroit Lakes, Fergus Falls, Glenwood, Pelican Rapids, Starbuck, and Wadena. The Task Force's objectives are to coordinate and strengthen efforts to identify, apprehend, and prosecute drug-related offenders.

Control of the Task Force is vested in a Board of Directors. The Board of Directors consists of department heads or a designee from each participating full-time member agency. In the event of dissolution of the Task Force, the equipment will be divided and returned to the appropriate agencies. If only one agency terminates its agreement and the unit continues, all equipment will remain with the Task Force.

Fiscal agent responsibilities for the Task Force are with Douglas County, which reports the Task Force as a custodial fund. Financing and equipment will be provided by the full-time and associate member agencies. During 2023, Pope County contributed $4,000 to the Task Force.

Separate financial information can be obtained from the Douglas County Courthouse, 305 – 8th Avenue West, Alexandria, Minnesota 56308.

Western Prairie Human Services

Western Prairie Human Services was established pursuant to Minn. Stat. ch. 145A through a joint powers agreement with Grant County, effective January 1, 2022. The Western Prairie Human Services Board consists of ten members, five each from Pope and Grant Counties. The primary function of the joint venture is to provide economic assistance and efficiency in the delivery of human services. Funding is provided by state and federal grants and appropriations from the member counties. Pope County's annual contribution in 2023 was $2,018,076.

Complete financial information of Western Prairie Human Services can be obtained from 211 Minnesota Avenue East, Glenwood, Minnesota 56334.

Counties Providing Technology

Counties Providing Technology (CPT) was established in 2018, under the authority conferred upon by member parties by Minn. Stat. § 471.59, for the purpose of purchasing the former software vendor, Computer Professionals Unlimited, Inc., (CPUI) and to provide for the development, operation, and maintenance of technology applications and systems. Pope County and 23 other counties are members of CPT. Each member county provided an initial contribution to start up CPT and provide funds for the purchase of CPUI. CPT purchased CPUI in September 2018 for a purchase price of $3,600,000. Financing is primarily from county member contributions. During 2023, Pope County did not make a contribution to CPT.

Control is vested in the CPT Board, which consists of one individual appointed by each member county's Board of Commissioners. The joint powers agreement provides that initial operating capital contributed by each member is to be repaid from any excess in fund balance at the end of the fiscal year, in proportion to the initial contribution. Once the initial contribution is repaid, there is no remaining equity interest for the member counties.

Current financial information can be obtained from the Stevens County Auditor/Treasurer, 400 Colorado Avenue, Suite 303, Morris, Minnesota 56267.

Port Authority of the City of Saint Paul Property Assessed Clean Energy Program (PACE) of Minnesota

Pope County and the Port Authority of the City of Saint Paul entered into a joint powers agreement, pursuant to Minn. Stat. § 471.59, to provide for the financing of the acquisition and construction or installation of energy efficiency and conservation improvements on qualifying real properties located within Pope County. The Port Authority is solely responsible for the implementation and administration of PACE of Minnesota and financing of the improvements. Pope County imposes special assessments on the benefitting property and makes payment to the Port Authority. In 2023, Pope County paid $28,179 to the Port Authority.

Viking Library System

Pope County, along with ten cities and five other counties, participates in the Viking Library System in order to establish, continue, strengthen, and improve library services in the participating cities and counties. The Viking Library System was created as a public library service in 1975 by Douglas, Grant, Otter Tail, and Stevens Counties, along with the Cities of Alexandria, Elbow Lake, Fergus Falls, Hancock, and Morris. Additions to the library system included the Cities of Browns Valley, Glenwood, New York Mills, Perham, and Wheaton in 1976; Pope County in

1981; Traverse County in 1983; and the City of Pelican Rapids in 1988. In 1992, the Alexandria Library became the Douglas County Library.

The Viking Library System is governed by a governing board, which consists of 19 members. Each County Board appoints a resident of the county, each member library board appoints a representative, and any libraries with a service area population over 15,000 have an additional representative. Currently, Fergus Falls and Douglas County have additional representatives. During 2023, Pope County provided $129,612 to the Viking Library System.

Complete financial information can be obtained from the Viking Library System, 1915 Fir Avenue West, Fergus Falls, Minnesota 56537.

Jointly-Governed Organizations

Pope County, in conjunction with other governmental entities and various private organizations, has formed the following jointly-governed organizations:

Lakeland Mental Health Center

Lakeland Mental Health Center was formed pursuant to Minn. Stat. ch. 317A as a 501(c)(3) nonprofit corporation on February 10, 1961, and includes Becker, Clay, Douglas, Grant, Otter Tail, and Pope Counties. The purpose of Lakeland Mental Health Center is to promote healthy individuals, families, and communities by providing high quality accessible mental health services.

The management of Lakeland Mental Health Center is vested in a Board of Directors consisting of one Commissioner and one community-at-large representative from each member county, plus one human service director, or equivalent position, rotated between the member counties.

Services are provided to the member counties through purchase of service agreements. A member county may lose its membership, by action of the Board of Directors, if it fails to have a signed contract with Lakeland Mental Health Center. During 2023, Pope County did not make any contributions to Lakeland Mental Health Center.

West Central S.W.A.T. Team

The West Central S.W.A.T. Team is comprised of five county sheriff’s offices and eight police departments, including Lac qui Parle, Pope, Stevens, Swift, and Traverse Counties, along with the Appleton, Benson, Glenwood, Morris, Starbuck, University of Minnesota Morris, and Wheaton police departments. The purpose of the Team is to create a feasible and economical way, by sharing the costs, to protect the citizens of the cities and counties involved. During the year, Pope County did not contribute to the Team.

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 nonpoint source water pollution. Pope County has met those responsibilities for 2023.

Tax Abatements

The County entered into property tax abatement agreements with various developers, under Minn. Stat.

§§ 469.1812 through 469.1815, as amended. Under the statutes, a political subdivision may grant a current or prospective abatement of property taxes if it expects the benefits to the political subdivision of the proposed abatement agreement to at least equal the costs to the political subdivision of the proposed agreement and it will provide benefits such as increasing or preserving the tax base or providing employment opportunities in Pope County. All tax abatements are disclosed.

Midwest Machinery Company

In October 2011, the County entered into a property tax abatement agreement with the City of Glenwood, Minnewaska Area School District No. 2149, and Midwest Machinery Company for a period of up to 12 years effective in the years 2013 through 2025. The abatement is contractually set to equal the sum of $54,000 plus non-compounded interest at five percent on the unpaid County share of the reimbursement amount. Pope County provided a tax abatement in the form of a tax refund in the amount of $6,603 for 2023. The developer agrees to construct an expansion to the company's existing John Deere facility, including sanitary sewer and water connections.

Ridge Housing, LLC

In June 2017, the County entered into a property tax abatement agreement with the City of Glenwood, Minnewaska Area School District No. 2149, and Ridge Housing, LLC, for a period of up to 15 years effective in the years 2019 through 2034. Upon submission to the County of invoices relating to the cost of the construction of the project in an amount not less than $210,000, the County shall reimburse the developer for such costs pursuant to the abatement program. Pope County provided a tax abatement in the form of a tax refund in the amount of $13,868. The developer will construct a multifamily housing facility with tuck under garages, and related site and parking improvements in the City of Glenwood.

Note 5 – Pope County Housing and Redevelopment Authority/Economic Development Authority Component Unit

Summary of Significant Accounting Policies

Financial Reporting Entity

The Pope County Housing and Redevelopment Authority/Economic Development Authority (HRA/EDA) is a component unit of Pope County and is reported in a separate column in the County's financial statements to emphasize that the HRA/EDA is a legally separate entity from Pope County. The HRA/EDA operates as a local government unit for the purpose of providing housing and redevelopment and economic development services to the local area. The governing body consists of a seven-member Board of Commissioners appointed by the County. The financial statements included are as of and for the year ended December 31, 2023.

Measurement Focus and Basis of Accounting

The HRA/EDA's financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of cash flows.

Assets, Liabilities, and Net Position

Cash and Cash Equivalents

The HRA/EDA has defined cash and cash equivalents to include cash on hand and demand deposits.

Receivables

Property tax levies are set by the HRA/EDA and are certified to the County each year for collection in the following year. Real property taxes are generally due from taxpayers in equal installments on May 15 and October 15. The County remits tax settlements to the HRA/EDA at various times during the year. Taxes collectible in a given calendar year are generally recognized as revenue during that fiscal year.

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

Property Held for Resale

Property is acquired by the HRA/EDA for subsequent resale for redevelopment purposes and not as an investment program. In order to encourage development, the land is often resold at prices substantially lower than the HRA/EDA's cost and cannot be sold for more than expended. Land held for resale is reported as an asset at the net realizable value.

Restricted Assets

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

Capital Assets

Capital assets, which include land and buildings, are reported in the financial statements. Capital assets are defined by the HRA/EDA as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

Capital assets are depreciated using the straight-line method over their estimated useful lives ranging from three to 40 years.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line interest method. Bonds payable are reported net of the applicable bond premium or discount.

Classification of Net Position

The HRA/EDA classifies net position in the following categories: net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets, net of unspent related debt proceeds, if any; restricted net position is classified as such when 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; and unrestricted net position is the amount of net position that does not meet the definition of restricted or net investment in capital assets.

Use of Estimates

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

Detailed Notes

Deposits and Investments

Deposits

At December 31, 2023, the HRA/EDA had deposits totaling $576,216.

The HRA/EDA is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and to invest in certificates of deposit. The HRA/EDA 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 that is 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 HRA/EDA's deposits may not be returned to it. The HRA/EDA does not have a deposit policy for custodial credit risk. As of December 31, 2023, the HRA/EDA's deposits were not exposed to custodial credit risk.

Investments

The HRA/EDA had no investments as of December 31, 2023.

Receivables

Of the loans receivable, $275,908 is not expected to be collected within the next year. The loans receivable balance consists of loans issued by the HRA/EDA for housing and economic development within the County.

Capital Assets

The HRA/EDA's capital asset activity for the year ended December 31, 2023, was as follows:

Changes in Capital Assets for the Year Ended December 31, 2023

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	$ 44,434	$ -	$ -	$ 44,434

Risk Management

The HRA/EDA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; or natural disasters. To manage these risks, the HRA/EDA has joined MCIT and purchases commercial insurance. The HRA/EDA retains risk for the deductible portions of the insurance policies. The amounts of these deductibles are considered immaterial to the financial statements. 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.

Tax Abatements – Pay-As-You-Go Tax Increment

Nelson Housing Development

The HRA/EDA entered into a property tax abatement agreement with Nelson Housing Development, dated September 1, 2017, for a period of 14 years effective in the years 2019 through 2033, under Minn. Stat. §§ 469.174 to .1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low- to moderate-income housing, and economic development. TIF captures the increase in tax capacity and property taxes (of most taxing jurisdictions, including the HRA/EDA) from development or redevelopment to provide funding for the related project. The pay-as-you-go note provides for payment to the developer of all tax increments received in the prior six months. The payment reimburses the developer for certain improvements in an amount not to exceed $68,000. The HRA/EDA provided a tax abatement in the form of a tax refund in the amount of $5,834 for 2023. The revenue as it related to tax abatement for the year ended December 31, 2023, was $6,479.

CSNP Cyrus LLC Development

The HRA/EDA entered into a property tax increment agreement with CSNP Cyrus LLC, dated May 5, 2021, for a period of 25 years effective in the years 2022 through 2047, under Minn. Stat. §§ 469.174 to .1794 (Tax Increment Financing) through a tax increment plan. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low- to moderate-income housing, and economic development. TIF captures the increase in tax capacity and property taxes (of most taxing jurisdictions, including the HRA/EDA) from development or redevelopment to provide funding for the related project. The tax increment plan provides an upfront payment to the developer for all eligible development costs in an amount not to exceed $60,000. The revenue as it related to tax abatement for the year ended December 31, 2023, was $7,735.

CSNP Starbuck LLC Development

The HRA/EDA entered into a property tax increment agreement with CSNP Starbuck LLC, dated August 17, 2022, for a period of 25 years effective in the years 2023 through 2048, under Minn. Stat. §§ 469.174 to .1794 (Tax Increment Financing) through a tax increment plan. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low- to moderate-income housing, and economic development. TIF captures the increase in tax capacity and property taxes (of most taxing jurisdictions, including the HRA/EDA) from development or redevelopment to provide funding for the related project. The payment reimburses the developer for certain improvements in an amount not to exceed $98,000 at four percent interest. The revenue as it related to tax abatement for the year ended December 31, 2023, was $6,273.

Required Supplementary Information

Pope County
Glenwood, Minnesota

Exhibit A-1

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 7,797,470	$ 7,797,470	$ 7,759,620	$ (37,850)
Special assessments	61,675	61,675	159,707	98,032
Licenses and permits	88,275	88,275	79,857	(8,418)
Intergovernmental	1,239,527	1,239,527	2,210,913	971,386
Charges for services	458,400	458,400	462,969	4,569
Fines and forfeits	2,200	2,200	1,313	(887)
Gifts and contributions	1,000	1,000	1,621	621
Investment earnings	147,200	147,200	901,512	754,312
Miscellaneous	80,487	80,487	276,356	195,869
Total Revenues	**$ 9,876,234**	**$ 9,876,234**	**$ 11,853,868**	**$ 1,977,634**
Expenditures				
Current				
General government				
Commissioners	$ 247,102	$ 247,102	$ 236,222	$ 10,880
Information technology	559,639	559,639	628,486	(68,847)
Coordinator	469,820	469,820	475,046	(5,226)
Auditor/Treasurer	456,529	456,529	477,698	(21,169)
Assessor	610,969	610,969	457,258	153,711
Elections	24,438	24,438	207,852	(183,414)
Accounting and auditing	50,000	50,000	41,670	8,330
Data processing	68,850	68,850	74,195	(5,345)
Attorney	339,206	339,206	336,873	2,333
Recorder	312,744	312,744	356,670	(43,926)
Surveyor	1,000	1,000	-	1,000
Environmental services	316,423	316,423	360,205	(43,782)
Buildings	475,976	475,976	509,612	(33,636)
Veterans service officer	64,616	64,616	69,575	(4,959)
Other general government	274,597	274,597	403,376	(128,779)
General government – pension	-	-	7,904	(7,904)
Total general government	**$ 4,271,909**	**$ 4,271,909**	**$ 4,642,642**	**$ (370,733)**

The notes to the required supplementary information are an integral part of this schedule.

Pope County
Glenwood, Minnesota

Exhibit A-1
(Continued)

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Expenditures				
Current (Continued)				
Public safety				
Sheriff	$ 1,740,887	$ 1,740,887	$ 1,777,637	$ (36,750)
ATV grant	-	-	902	(902)
Snowmobile grant	3,680	3,680	1,531	2,149
School resource officer	81,435	81,435	101,505	(20,070)
Boat and water safety	34,381	34,381	11,863	22,518
Coroner	20,000	20,000	19,726	274
Enhanced 911 system	70,800	70,800	96,321	(25,521)
Dispatchers	406,202	406,202	468,603	(62,401)
County jail	142,398	142,398	133,299	9,099
Court services	449,648	449,648	308,113	141,535
Emergency management	52,725	52,725	56,371	(3,646)
ARMER implementation	32,727	32,727	10,529	22,198
Public safety – pension	-	-	111,476	(111,476)
Total public safety	**$ 3,034,883**	**$ 3,034,883**	**$ 3,097,876**	**$ (62,993)**
Culture and recreation				
Historical society	$ 55,000	$ 55,000	$ 55,000	$ -
Terrace Mill and Glacial Ridge	1,800	1,800	1,000	800
Other	7,860	7,860	7,860	-
Total culture and recreation	**$ 64,660**	**$ 64,660**	**$ 63,860**	**$ 800**
Conservation of natural resources				
Soil and water conservation	$ 105,954	$ 105,954	$ 160,841	$ (54,887)
County extension	117,510	117,510	97,474	20,036
Agriculture ditch inspector	9,300	9,300	6,567	2,733
County fair	35,000	35,000	35,000	-
Water management	364,759	364,759	336,138	28,621
Total conservation of natural resources	**$ 632,523**	**$ 632,523**	**$ 636,020**	**$ (3,497)**
Economic development				
Community development	$ 22,500	$ 22,500	$ 2,288,576	$ (2,266,076)
Senior citizens	2,640	2,640	2,640	-
Total economic development	**$ 25,140**	**$ 25,140**	**$ 2,291,216**	**$ (2,266,076)**

Pope County
Glenwood, Minnesota

Exhibit A-1
(Continued)

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Expenditures (Continued)				
Intergovernmental				
Human services				
Western Prairie Human Services	$ 2,023,176	$ 2,023,176	$ 2,023,096	$ 80
Health				
Horizon Public Health	80,086	80,086	80,086	-
Culture and recreation				
Library	129,612	129,612	129,612	-
Economic development				
St. Paul Port Authority	-	-	18,559	(18,559)
Total intergovernmental	**$ 2,232,874**	**$ 2,232,874**	**$ 2,251,353**	**$ (18,479)**
Capital outlay				
General government	$ 59,205	$ 59,205	$ 126,551	$ (67,346)
Public safety	78,000	78,000	117,516	(39,516)
Total capital outlay	**$ 137,205**	**$ 137,205**	**$ 244,067**	**$ (106,862)**
Debt service				
Principal	$ -	$ -	$ 139,262	$ (139,262)
Interest	-	-	8,540	(8,540)
Total debt service	**$ -**	**$ -**	**$ 147,802**	**$ (147,802)**
Total Expenditures	**$ 10,399,194**	**$ 10,399,194**	**$ 13,374,836**	**$ (2,975,642)**
Excess of Revenues Over (Under) Expenditures	**$ (522,960)**	**$ (522,960)**	**$ (1,520,968)**	**$ (998,008)**
Other Financing Sources (Uses)				
Transfers in	$ -	$ -	$ 1,886,815	$ 1,886,815
Loans issued	-	-	53,142	53,142
Leases issued	-	-	262,919	262,919
Subscription-based technology arrangements issued	-	-	81,533	81,533
Total Other Financing Sources (Uses)	**$ -**	**$ -**	**$ 2,284,409**	**$ 2,284,409**
Net Change in Fund Balance	**$ (522,960)**	**$ (522,960)**	**$ 763,441**	**$ 1,286,401**
Fund Balance – January 1	**11,811,077**	**11,811,077**	**11,811,077**	**-**
Fund Balance – December 31	**$ 11,288,117**	**$ 11,288,117**	**$ 12,574,518**	**$ 1,286,401**

The notes to the required supplementary information are an integral part of this schedule.

Pope County
Glenwood, Minnesota

Exhibit A-2

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 2,060,759	$ 2,060,759	$ 2,022,325	$ (38,434)
Intergovernmental	7,287,275	7,287,275	7,914,932	627,657
Charges for services	23,400	23,400	22,054	(1,346)
Miscellaneous	5,500	5,500	7,019	1,519
Total Revenues	**$ 9,376,934**	**$ 9,376,934**	**$ 9,966,330**	**$ 589,396**
Expenditures				
Current				
Highways and streets				
Administration	$ 420,326	$ 420,326	$ 414,381	$ 5,945
Maintenance	1,569,860	1,569,860	1,766,357	(196,497)
Engineering/construction	5,877,241	5,877,241	5,844,809	32,432
Equipment, maintenance, and shop	688,507	688,507	733,613	(45,106)
Total highways and streets	**$ 8,555,934**	**$ 8,555,934**	**$ 8,759,160**	**$ (203,226)**
Intergovernmental				
Highways and streets	450,000	450,000	453,539	(3,539)
Capital outlay				
Highways and streets	401,000	401,000	676,263	(275,263)
Total Expenditures	**$ 9,406,934**	**$ 9,406,934**	**$ 9,888,962**	**$ (482,028)**
Excess of Revenues Over (Under) Expenditures	**$ (30,000)**	**$ (30,000)**	**$ 77,368**	**$ 107,368**
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	30,000	30,000	33,000	3,000
Net Change in Fund Balance	**$ -**	**$ -**	**$ 110,368**	**$ 110,368**
Fund Balance – January 1	**5,908,080**	**5,908,080**	**5,908,080**	**-**
Increase (decrease) in inventories	**-**	**-**	**(27,615)**	**(27,615)**
Fund Balance – December 31	**$ 5,908,080**	**$ 5,908,080**	**$ 5,990,833**	**$ 82,753**

The notes to the required supplementary information are an integral part of this schedule.

Pope County
Glenwood, Minnesota

Schedule of Changes in Total OPEB Liability and Related Ratios
Other Postemployment Benefits
December 31, 2023

	2023	2022
Total OPEB Liability		
Service cost	$ 14,809	$ 25,949
Interest	29,237	31,013
Differences between expected and actual experience	(225,411)	-
Changes of assumption or other inputs	(129,367)	-
Benefit payments	(125,279)	(143,873)
Net change in total OPEB liability	**$ (436,011)**	**$ (86,911)**
Total OPEB Liability – Beginning	**1,509,365**	**1,596,276**
Total OPEB Liability – Ending	**$ 1,073,354**	**$ 1,509,365**
Covered-employee payroll	$ 5,011,471	$ 6,088,986
Total OPEB liability (asset) as a percentage of covered-employee payroll	21.42%	24.79%

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

Exhibit A-3

2021	2020	2019	2018
$ 25,193	$ 22,043	$ 18,619	$ 19,480
48,525	63,345	74,352	78,999
(40,226)	-	(224,660)	-
9,991	116,574	(240,467)	-
(189,246)	(207,782)	(227,055)	(249,653)
$ (145,763)	**$ (5,820)**	**$ (599,211)**	**$ (151,174)**
1,742,039	**1,747,859**	**2,347,070**	**2,498,244**
$ 1,596,276	**$ 1,742,039**	**$ 1,747,859**	**$ 2,347,070**
$ 5,911,637	$ 5,690,736	$ 5,511,609	$ 5,303,995
27.00%	30.61%	31.71%	44.25%

Pope County
Glenwood, Minnesota

Exhibit A-4

Schedule of Proportionate Share of Net Pension Liability
PERA General Employees Retirement Plan
December 31, 2023

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 Pope 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
2023	0.0494 %	$ 2,762,393	$ 76,207	$ 2,838,600	$ 3,930,125	70.29 %	83.10 %
2022	0.0491	3,888,736	114,018	4,002,754	3,678,080	105.73	76.67
2021	0.0716	3,057,641	93,391	3,151,032	5,157,988	59.28	87.00
2020	0.0707	4,238,788	130,745	4,369,533	5,045,185	84.02	79.06
2019	0.0702	3,881,201	120,661	4,001,862	4,969,130	78.11	80.23
2018	0.0731	4,055,288	133,025	4,188,313	4,916,334	82.49	79.53
2017	0.0768	4,902,861	61,651	4,964,512	4,947,759	99.09	75.90
2016	0.0744	6,040,911	78,926	6,119,837	4,619,457	130.77	68.91
2015	0.0816	4,228,936	N/A	4,228,936	4,804,103	88.03	78.19

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.
N/A – Not Applicable

Pope County
Glenwood, Minnesota

Exhibit A-5

Schedule of Contributions
PERA General Employees Retirement Plan
December 31, 2023

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)
2023	$ 315,154	$ 315,154	$ -	$ 4,202,049	7.50 %
2022	279,844	279,844	-	3,731,254	7.50
2021	396,734	396,734	-	5,289,772	7.50
2020	382,930	382,930	-	5,105,713	7.50
2019	375,728	375,728	-	5,009,707	7.50
2018	370,065	370,065	-	4,931,192	7.50
2017	361,030	361,030	-	4,813,716	7.50
2016	353,849	353,849	-	4,717,986	7.50
2015	354,731	354,731	-	4,729,744	7.50

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

The notes to the required supplementary information are an integral part of this schedule.

Pope County
Glenwood, Minnesota

Exhibit A-6

Schedule of Proportionate Share of Net Pension Liability
PERA Public Employees Police and Fire Plan
December 31, 2023

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 Pope 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
2023	0.0734 %	$ 1,267,523	$ 51,019	$ 1,318,542	$ 963,731	131.52 %	86.47 %
2022	0.0681	2,963,443	129,505	3,092,948	827,819	357.98	70.53
2021	0.0584	450,786	20,258	471,044	690,188	65.31	93.66
2020	0.0647	852,815	20,083	872,898	730,515	116.74	87.19
2019	0.0670	713,283	N/A	713,283	706,431	100.97	89.26
2018	0.0626	667,252	N/A	667,252	659,999	101.10	88.84
2017	0.0650	877,577	N/A	877,577	665,610	131.85	85.43
2016	0.0640	2,568,431	N/A	2,568,431	613,583	418.60	63.88
2015	0.0610	693,103	N/A	693,103	555,199	124.84	86.61

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.
N/A – Not Applicable

Pope County
Glenwood, Minnesota

Exhibit A-7

Schedule of Contributions
PERA Public Employees Police and Fire Plan
December 31, 2023

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)
2023	$ 182,019	$ 182,019	$ -	$ 1,028,351	17.70 %
2022	157,527	157,527	-	889,982	17.70
2021	133,670	133,670	-	755,200	17.70
2020	123,389	123,389	-	697,115	17.70
2019	122,854	122,854	-	724,804	16.95
2018	109,937	109,937	-	678,625	16.20
2017	105,580	105,580	-	651,725	16.20
2016	101,364	101,364	-	625,703	16.20
2015	97,692	97,692	-	603,034	16.20

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

Note 1 – Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, certain special revenue funds, and the Debt Service Fund. A budget is not adopted for the Solid Waste or Ditch Special Revenue Funds because they are based on taxing and special assessments which cannot be determined on an annual basis. Similarly, the Law Library and Opioid Settlement Special Revenue Funds are not budgeted due to the fact that financing is based on fees and settlement revenue from court proceedings and litigation; therefore, expenditures cannot be determined. A budget was not adopted for the Human Services Special Revenue Fund for 2023, due to the County joining Western Prairie Human Services on January 1, 2022. All annual appropriations lapse at fiscal year-end unless specifically carried over to the next budget year by Board action.

On or before mid-June of each year, all departments and agencies submit requests for appropriations to the Pope County Auditor/Treasurer so that a budget can be prepared. Before October 31, 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. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require 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 made no significant supplemental budgetary appropriations.

Note 2 – Excess of Expenditures Over Budget

The following major governmental fund had expenditures in excess of budget at the function level for the year ended December 31, 2023:

	Expenditures		
	Actual	Final Budget	Excess
General Fund	$ 13,374,836	$ 10,399,194	$ 2,975,642
Road and Bridge Special Revenue Fund	9,888,962	9,406,934	482,028

Note 3 – Other Postemployment Benefits

See Note 3 in the notes to the financial statements for additional information regarding the County's other postemployment benefits.

Note 4 – Employer Contributions to Other Postemployment Benefits

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

Note 5 – Other Postemployment Benefits- Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes occurred:

2023

- 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 Mortality tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The inflation rate was changed from 2.00 percent to 2.50 percent.
- The discount rate was changed from 2.00 percent to 4.00 percent.
- The retirement, withdrawal, and salary increase rates for public safety employees were updated to reflect the latest experience study.

2022

No changes in actuarial assumptions occurred in 2022.

2021

- 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-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2020 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 retirement and withdrawal tables for non-public safety employees were updated.
- The inflation rate changed from 2.50 percent to 2.00 percent.
- The discount rate was changed from 2.90 percent to 2.00 percent.

2020

- The discount rate was changed from 3.80 percent to 2.90 percent.

2019

- 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 White Collar Mortality tables with MP-2016 Generational Improvement Scale (with blue collar adjustment for police and fire personnel) to the RP-2014 White Collar mortality tables with MP-2018 Generational Improvement Scale (with blue collar adjustment for police and fire personnel).
- The retirement and withdrawal tables for police and fire personnel were updated.
- The discount rate was changed from 3.30 percent to 3.80 percent.
- The trend on post-age 65 medical subsidies was changed from the health care trend rates noted above to 4.00 percent per year.

2018

- The discount rate used changed from 3.50 percent to 3.30 percent.
- The actuarial cost method was changed from projected unit credit to entry age.

Note 6 – 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

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.

<u>2017</u>

- 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.

<u>2016</u>

- 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

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.

2020

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

2019

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

2018

- 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.

Supplementary Information

Combining and Individual Fund Financial Statements

Pope County
Glenwood, Minnesota

Exhibit B-1

Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 317,809	$ 317,809	$ 312,893	$ (4,916)
Intergovernmental	-	-	11,294	11,294
Total Revenues	**$ 317,809**	**$ 317,809**	**$ 324,187**	**$ 6,378**
Expenditures				
Debt service				
Principal	$ 317,809	$ 317,809	$ 525,000	$ (207,191)
Interest	-	-	70,525	(70,525)
Administrative charges	-	-	1,050	(1,050)
Total Expenditures	**$ 317,809**	**$ 317,809**	**$ 596,575**	**$ (278,766)**
Excess of Revenues Over (Under) Expenditures	**$ -**	**$ -**	**$ (272,388)**	**$ (272,388)**
Other Financing Sources (Uses)				
Transfers out	-	-	(93)	(93)
Net Change in Fund Balances	**$ -**	**$ -**	**$ (272,481)**	**$ (272,481)**
Fund Balances – January 1	**443,885**	**443,885**	**443,885**	**-**
Fund Balances – December 31	**$ 443,885**	**$ 443,885**	**$ 171,404**	**$ (272,481)**

Pope County
Glenwood, Minnesota

Nonmajor Governmental Funds

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes.

Ditch – to account for the cost of constructing and maintaining an agricultural drainage ditch system. Financing is provided by special assessments levied against benefited properties.

Law Library – to account for operation and maintenance of the law library. Financing is provided by fees from court proceedings in accordance with Minn. Stat. § 134A.10.

Opioid Settlement – to account for the County's share of settlement proceeds from the national settlement agreement of the state and national litigation related to the opioid industry.

Fiduciary Funds

Custodial Funds

The custodial funds are used to account for assets held by the County as an agent for other governmental units, individuals, or private organizations.

Taxes and Penalties – to account for the collection and distribution of taxes and penalties to the various taxing districts.

Forfeited Land – to account for the collection and apportionment of fees and taxes collected on behalf of the State of Minnesota and other taxing districts.

State Taxes and Fees – to account for the collection and apportionment of fees and taxes collected on behalf of the State of Minnesota.

Civil Action – to account for the collection and payment of monies collected through civil law procedures on behalf of external entities.

Pope County
Glenwood, Minnesota

Exhibit B-2

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue Funds			
	Ditch	Law Library	Opioid Settlement	Total (Exhibit 3)
Assets				
Cash and pooled investments	$ 114,449	$ 15,908	$ 103,505	$ 233,862
Special assessments receivable				
Delinquent	353	-	-	353
Due from other governments	8,785	1,170	-	9,955
Total Assets	**$ 123,587**	**$ 17,078**	**$ 103,505**	**$ 244,170**
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 200	$ -	$ -	$ 200
Due to other governments	8,429	-	-	8,429
Advances from other funds	18,920	-	-	18,920
Total Liabilities	**$ 27,549**	**$ -**	**$ -**	**$ 27,549**
Deferred Inflows of Resources				
Unavailable revenue	**$ 353**	**$ -**	**$ -**	**$ 353**
Fund Balances				
Restricted	$ 109,500	$ 17,078	$ 103,505	$ 230,083
Unassigned	(13,815)	-	-	(13,815)
Total Fund Balances	**$ 95,685**	**$ 17,078**	**$ 103,505**	**$ 216,268**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 123,587**	**$ 17,078**	**$ 103,505**	**$ 244,170**

Pope County
Glenwood, Minnesota

Exhibit B-3

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

	Special Revenue Funds			
	Ditch	Law Library	Opioid Settlement	Total (Exhibit 5)
Revenues				
Special assessments	$ 59,016	$ -	$ -	$ 59,016
Fines and forfeits	-	13,470	-	13,470
Investment earnings	-	-	2,606	2,606
Miscellaneous	-	-	17,371	17,371
Total Revenues	**$ 59,016**	**$ 13,470**	**$ 19,977**	**$ 92,463**
Expenditures				
Current				
General government	$ -	$ 4,340	$ 574	$ 4,914
Conservation of natural resources	44,870	-	-	44,870
Debt service				
Interest	330	-	-	330
Total Expenditures	**$ 45,200**	**$ 4,340**	**$ 574**	**$ 50,114**
Net Change in Fund Balances	**$ 13,816**	**$ 9,130**	**$ 19,403**	**$ 42,349**
Fund Balances – January 1	**81,869**	**7,948**	**84,102**	**173,919**
Fund Balances – December 31	**$ 95,685**	**$ 17,078**	**$ 103,505**	**$ 216,268**

Pope County
Glenwood, Minnesota

Exhibit B-4

Combining Statement of Fiduciary Net Position
Fiduciary Funds – Custodial Funds
December 31, 2023

	Custodial Funds				
	Taxes and Penalties	**Forfeited Land**	**State Taxes and Fees**	**Civil Action**	**Total Custodial Funds**
Assets					
Cash and pooled investments	$ 318,297	$ 8,151	$ 43,089	$ 1,596	$ 371,133
Accounts receivable for other governments - net	-	-	8,452	-	8,452
Taxes receivable for other governments	199,187	-	-	-	199,187
Total Assets	**$ 517,484**	**$ 8,151**	**$ 51,541**	**$ 1,596**	**$ 578,772**
Liabilities					
Due to other governments	**$ 318,297**	**$ -**	**$ 51,491**	**$ -**	**$ 369,788**
Net Position					
Restricted for					
Individuals, organizations, other governments	**$ 199,187**	**$ 8,151**	**$ 50**	**$ 1,596**	**$ 208,984**
Total Net Position	**$ 199,187**	**$ 8,151**	**$ 50**	**$ 1,596**	**$ 208,984**

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds – Custodial Funds
For the Year Ended December 31, 2023

	Taxes and Penalties	Forfeited Land
Additions		
Property tax collections for other governments	$ 13,602,367	$ -
Tax forfeited land sales	-	8,151
Federal/State revenue	183,992	-
Other taxes collected for other governments	-	-
Fees collected for other governments	-	-
Mortgage foreclosure sales	-	-
Total Additions	**$ 13,786,359**	**$ 8,151**
Deductions		
Payments of property tax to other governments	$ 13,646,554	$ -
Payments to state	-	-
Payments to other individuals/entities	250,368	-
Total Deductions	**$ 13,896,922**	**$ -**
Change in net position	**$ (110,563)**	**$ 8,151**
Net Position – January 1	**309,750**	**-**
Net Position – December 31	**$ 199,187**	**$ 8,151**

Custodial Funds				
	Local Collaborative	State Taxes and Fees	Civil Action	Total Custodial Funds
	$ -	$ 1,328,468	$ -	$ 14,930,835
	-	370	-	8,521
	-	-	-	183,992
	-	458,667	-	458,667
	-	2,160	-	2,160
	-	-	3,494	3,494
	$ -	**$ 1,789,665**	**$ 3,494**	**$ 15,587,669**
	$ -	$ -	$ -	$ 13,646,554
	-	1,789,640	-	1,789,640
	-	25	3,457	253,850
	$ -	**$ 1,789,665**	**$ 3,457**	**$ 15,690,044**
	$ -	**$ -**	**$ 37**	**$ (102,375)**
	-	**50**	**1,559**	**311,359**
	$ -	**$ 50**	**$ 1,596**	**$ 208,984**

Other Schedules

Pope County
Glenwood, Minnesota

Balance Sheet – By Ditch
Ditch Special Revenue Fund
December 31, 2023

	Assets				
	Cash and Pooled Investments	Special Assessments Receivable Delinquent	Due from Other Governments	Total	Accounts Payable
County Ditches					
2	$ 5,197	$ -	$ -	$ 5,197	$ -
3	705	-	-	705	-
4	6,873	-	-	6,873	-
7	3,348	-	-	3,348	-
8	235	3	-	238	-
9	11,175	-	-	11,175	-
10	8,705	104	-	8,809	-
12	11,952	-	-	11,952	-
15	7,651	-	-	7,651	-
17	10,297	4	-	10,301	-
19	618	-	-	618	-
24	764	-	-	764	-
27	421	1	-	422	-
28	9,314	-	-	9,314	-
General	690	-	-	690	200
Judicial Ditches					
3 Pope and Douglas	13,447	11	7,765	21,223	-
4 Pope and Douglas	19,697	-	-	19,697	-
4 Pope and Swift	2,705	156	742	3,603	-
9 Pope and Swift	655	74	278	1,007	-
Total	**$ 114,449**	**$ 353**	**$ 8,785**	**$ 123,587**	**$ 200**

Exhibit C-1

Liabilities			Deferred Inflows of Resources	Fund Balances	Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Due to Other Governments	Advances from Other Funds	Total	Unavailable Revenue	(Unassigned)/ Restricted	
$ -	$ -	$ -	$ -	$ 5,197	$ 5,197
-	-	-	-	705	705
-	-	-	-	6,873	6,873
-	-	-	-	3,348	3,348
-	6,500	6,500	3	(6,265)	238
-	-	-	-	11,175	11,175
-	-	-	104	8,705	8,809
-	-	-	-	11,952	11,952
-	-	-	-	7,651	7,651
-	-	-	4	10,297	10,301
-	-	-	-	618	618
-	-	-	-	764	764
-	-	-	1	421	422
-	-	-	-	9,314	9,314
-	2,000	2,200	-	(1,510)	690
7,218	-	7,218	11	13,994	21,223
1,211	-	1,211	-	18,486	19,697
-	8,900	8,900	156	(5,453)	3,603
-	1,520	1,520	74	(587)	1,007
$ 8,429	**$ 18,920**	**$ 27,549**	**$ 353**	**$ 95,685**	**$ 123,587**

Pope County
Glenwood, Minnesota

Exhibit C-2

Schedule of Intergovernmental Revenue
For the Year Ended December 31, 2023

Appropriations and Shared Revenue		
State		
Highway users tax	$	5,817,364
Market value credit		205,974
PERA state aid		119,380
Disparity reduction aid		22,508
County program aid		627,064
Public safety aid		288,928
Police aid		108,894
Riparian protection aid		110,948
Local homeless prevention aid		5,000
Affordable housing aid		90,147
E-911		167,808
Next generation E-911 aid		41,936
Aquatic invasive species aid		85,464
Total appropriations and shared revenue	**$**	**7,691,415**
Payments		
Local		
Local contributions	$	185,294
Payments in lieu of taxes		193,109
Total payments	**$**	**378,403**
Grants		
State		
Minnesota Department/Board of		
Public Safety	$	13,999
Natural Resources		5,908
Secretary of State		4,975
Human Services		3,889
Trial Courts		485
Veterans Affairs		9,963
Water and Soil Resources		70,026
Peace Officer Standards and Training Board		12,122
Pollution Control Agency		15,961
Total state	**$**	**137,328**
Federal		
U.S. Department of		
Agriculture	$	28,650
Transportation		1,681,548
Treasury		71,915
Health and Human Services		88,613
Homeland Security		59,267
Total federal	**$**	**1,929,993**
Total grants	**$**	**2,067,321**
Total Intergovernmental Revenue	**$**	**10,137,139**

Pope County
Glenwood, Minnesota

Exhibit C-3

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Agriculture			
Passed Through Western Prairie Human Services			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	232MN101S2514	**$ 28,650**
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation			
Highway Planning and Construction	20.205	HISP 8823(152)	**$ 1,681,548**
U.S. Department of Treasury			
Direct			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		$ 21,915
COVID-19 - Local Assistance and Tribal Consistency Fund	21.032		50,000
Total U.S. Department of Treasury			**$ 71,915**
U.S. Department of Health and Human Services			
Passed Through Western Prairie Human Services			
Temporary Assistance for Needy Families	93.558	2301MNTANF	$ 25,796
Child Support Enforcement	93.563	2301MNCSES	16,647
Refugee and Entrant Assistance – State Administered Programs	93.566	2301MNRCMA	100
Foster Care – Title IV-E	93.658	2301MNFOST	4,630
Children's Health Insurance Program	93.767	2305MN5021	120
Medicaid Cluster			
Medical Assistance Program	93.778	2305MN5ADM	41,320
Total U.S. Department of Health and Human Services			**$ 88,613**
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Public Safety			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4658/692768	$ 14,855
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4658/693033	23,816
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4658/696360	3,327
(Total Disaster Grants - Public Assistance (Presidentially Declared Disasters 97.036 $41,998)			
Emergency Management Performance Grants	97.042	F-EMPG-2021-POPECO-3984	17,269
Total U.S. Department of Homeland Security			**$ 59,267**
Total Federal Awards			**$ 1,929,993**

Pope County did not pass any federal awards through to subrecipients during the year ended December 31, 2023.

Totals by Cluster

Total expenditures for SNAP Cluster	$ 28,650
Total expenditures for Medicaid Cluster	41,320

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

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 Pope 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 grant activity of Pope County under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule of Expenditures of Federal Awards presents only a selected portion of the operations of Pope County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Pope County.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2 – De Minimis Cost Rate

Pope County has elected to not use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

Management and Compliance Section

STATE OF MINNESOTA

Office of the State Auditor

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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
Pope County
Glenwood, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pope County, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 6, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pope 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 opinion on the financial statements, but not for the purpose of expressing our 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 Pope County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and,

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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 Pope 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

August 6, 2024

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
Pope County
Glenwood, Minnesota

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program
We have audited Pope 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 Pope County's major federal program for the year ended December 31, 2023. Pope County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on the 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 Pope 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 the major federal program. Our audit does not provide a legal determination of Pope 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 Pope 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 Pope 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 Pope County's compliance with the requirements of the 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 Pope 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 Pope 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 Pope County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

/s/Julie Blaha

Julie Blaha
State Auditor

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor

August 6, 2024

Pope County
Glenwood, Minnesota

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

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 program:
- Material weaknesses identified? **No**
- Significant deficiencies identified? **None reported**

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

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

Identification of the major federal program:

Assistance Listing Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

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

Pope 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

No matters were reported.

POPECOUNTY
MINNESOTA

COUNTY AUDITOR/TREASURER

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Representation of Pope County
Glenwood, Minnesota

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2023

Finding Number: 2022-001
Year of Finding Origination: 2022
Finding Title: Suspension and Debarment
Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Summary of Condition: For two covered transactions tested, the verification for suspension or debarred vendors was not performed before entering into the covered transactions.

Summary of Corrective Action Previously Reported: Per VIII(E) and VIII(F)(9) of the Purchasing Policy, contracts involving federal funds will specifically, affirmatively certify from contractors in the contract that the contractor is not suspended or debarred from contracting with any federal agency, instead of certifying general compliance with Federal law. Further, searches of any contractor on the federal SAM excluded parties list shall be conducted and evidence retained in the contract file to assure compliance.

Status: Fully Corrected.

Corrective action taken was significantly different than the action previously reported.

The County did not enter into any new covered transactions for the Coronavirus State and Local Fiscal Recovery Funds during the year.