State of Minnesota

Office of the State Auditor

Julie Blaha
State Auditor

Wilkin County
Breckenridge, Minnesota

Year Ended December 31, 2021

Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 100 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice – conducts financial and legal compliance audits of local governments;

Government Information – collects and analyzes financial information for cities, towns, counties, and special districts;

Legal/Special Investigations – provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

Pension – monitors investment, financial, and actuarial reporting for Minnesota's local public pension funds; and

Tax Increment Financing – promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

Office of the State Auditor
525 Park Street, Suite 500
Saint Paul, Minnesota 55103
(651) 296-2551
state.auditor@osa.state.mn.us
www.osa.state.mn.us

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Wilkin County
Breckenridge, Minnesota

Year Ended December 31, 2021

Audit Practice Division
Office of the State Auditor
State of Minnesota

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

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Introductory Section

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

ORGANIZATION SCHEDULE
DECEMBER 31, 2021

Office	Name	Term Expires
Commissioners		
1st District	Eric Klindt	January 2025
2nd District	Jonathan Green	January 2023
3rd District	Lyle E. Hovland	January 2025
4th District	Neal Folstad[1]	January 2023
5th District	Dennis Larson	January 2025
Officials		
Elected		
Attorney	Joe Glasrud	January 2023
Sheriff	Rick Fiedler	January 2023
Appointed		
Auditor-Treasurer	Janelle Krump	Indefinite
County Recorder	Renae Niemi[2]	Indefinite
Registrar of Titles	Renae Niemi[2]	Indefinite
Medical Examiner	Dr. Kelly Mills	December 2022
Veterans Service Officer	Russel Foster	November 2025
Family Services Director	Dave Sayler	Indefinite
Emergency Management Officer	Breanna Koval	Indefinite

[1]Chair
[2]Replaced by Bryon Blair, January 1, 2022.

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
Wilkin County
Breckenridge, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wilkin County, Minnesota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wilkin County as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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; the Budgetary Comparison Schedules for the General Fund and each major 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 Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilkin County's basic financial statements. The Budgetary Comparison Schedule Other Major Fund – Debt Service Fund; combining nonmajor fund financial statements; Budgetary Comparison Schedule – Environmental Special Revenue Fund; combining fiduciary fund financial statements; Schedule of Deposits and Investments; 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 July 5, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to

provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

/s/Julie Blaha	*/s/Dianne Syverson*
JULIE BLAHA STATE AUDITOR	DIANNE SYVERSON, CPA DEPUTY STATE AUDITOR

July 5, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021
(Unaudited)

Wilkin County's Management's Discussion and Analysis (MD&A) provides an overview of County financial activities for the fiscal year ended December 31, 2021. 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 Wilkin County's financial statements and the notes to the financial statements. All amounts, unless otherwise indicated, are expressed in whole dollars.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of Wilkin County exceeded its liabilities and deferred inflows of resources by $88,558,444 at the close of 2021. Of this amount, $3,141,991 (unrestricted net position) may be used to meet Wilkin County's ongoing obligations to citizens and creditors.

The County's net position increased by $601,832 for the year ended December 31, 2021.

The net cost of Wilkin County's governmental activities for the year ended December 31, 2021, was $8,775,284. The net cost was funded by general revenues of $9,377,116.

Wilkin County's fund balances of the governmental funds increased by $14,379,538 in 2021. This net increase consisted of an increase of $13,882,293 in the General Fund, an increase of $1,017,784 in the Road and Bridge Special Revenue Fund, a decrease of $530,076 in the Human Services Special Revenue Fund, a decrease of $70,529 in the Public Health Special Revenue Fund, a decrease of $3,765 in the Debt Service Fund, and an increase of $83,831 in other governmental funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to Wilkin County's basic financial statements. The County's financial statements are comprised of three components: (1) government-wide financial statements, (2) fund level financial statements, and (3) notes to the financial statements. The MD&A (this section) is required to accompany the basic financial statements and is included as required supplementary information. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all assets, deferred inflows of resources, deferred outflows of resources, and liabilities of Wilkin County using the full accrual basis of accounting, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial health of the County is improving or deteriorating. It is important to consider other nonfinancial factors, such as changes in the County's property tax base and the condition of County roads and other capital assets, to assess the overall health of the County.

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

The County's government-wide financial statements report functions of the County that are principally supported by taxes and intergovernmental revenues. The governmental activities of Wilkin County include general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, economic development, and interest. Property taxes and state and federal grants finance most of these activities. Wilkin County has no business-type activities or component units for which the County is legally accountable.

The government-wide statements can be found as Exhibits 1 and 2 of this report.

Fund Level Statements

Fund financial statements provide detailed information about the significant funds—not the County as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Board establishes some funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

<u>Governmental funds</u> are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of these funds and the balances left at the end of the year available for spending. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Wilkin County adopts an annual appropriated budget for its General Fund, Road and Bridge Special Revenue Fund, Human Services Special Revenue Fund, Environmental Special Revenue Fund, Public Health Nurse Special Revenue Fund, and Debt Service Fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements are Exhibits 3 through 6 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the County. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the County's own programs or activities. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All fiduciary activities are reported in a separate Statement of Fiduciary Net Position on Exhibit 7 and a separate Statement of Changes in Fiduciary Net Position on Exhibit 8.

Notes to the Financial Statements

Notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

Other information is provided as supplementary information regarding Wilkin County's budgeted funds, deposits and investments, intergovernmental revenues, and federal award programs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position serves as a useful indicator of the County's financial position. Wilkin County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $88,558,444 at the close of 2021. The largest portion of the County's net position (60 percent) reflects the County's investment in capital assets (land, buildings, equipment, and infrastructure such as roads and bridges), less any related debt used to acquire those assets. However, it should be noted that these assets are not for future spending or for liquidating any remaining debt.

Net Position

	2021	2020
Assets		
Current and other assets	$ 45,698,549	$ 43,718,709
Capital assets	53,210,006	53,041,666
Total Assets	$ 98,908,555	$ 96,760,375
Deferred Outflows of Resources		
Deferred pension outflows	$ 2,901,612	$ 847,026
Deferred other postemployment benefits outflows	14,159	8,602
Total Deferred Outflows of Resources	$ 2,915,771	$ 855,628
Liabilities		
Long-term liabilities	$ 7,488,437	$ 7,875,093
Other liabilities	1,312,064	519,086
Total Liabilities	$ 8,800,501	$ 8,394,179
Deferred Inflows of Resources		
Deferred pension inflows	$ 3,758,169	$ 819,717
Deferred other postemployment benefits inflows	21,404	25,686
Prepaid taxes	685,808	419,809
Total Deferred Inflows of Resources	$ 4,465,381	$ 1,265,212
Net Position		
Net investment in capital assets	$ 53,210,006	$ 52,730,883
Restricted	32,206,447	32,718,937
Unrestricted	3,141,991	2,506,792
Total Net Position, as reported	$ 88,558,444	$ 87,956,612

The unrestricted net position amount of $3,141,991, 3.5 percent of the net position, as of December 31, 2021, may be used to meet the County's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements.

Governmental Activities

Wilkin County's activities increased net position during 2021 by 0.68 percent. The net position for 2021 was $88,558,444, compared to $87,956,612 in 2020. Key elements in this increase in net position are as follows.

Changes in Net Position

	2021	2020
Revenues		
Program revenues		
Fees, charges, fines, and other	$ 2,505,225	$ 1,562,583
Operating grants and contributions	7,651,432	5,926,170
Capital grants and contributions	110,003	2,375,288
General revenues		
Property taxes	8,319,775	8,185,534
Other taxes	23,365	14,748
Grants and contributions not restricted	874,730	888,867
Other general revenues	159,246	155,361
Special item – flood diversion settlement agreement	-	30,000,000
Total Revenues	$ 19,643,776	$ 49,108,551
Expenses		
Program expenses		
General government	$ 3,671,664	$ 3,217,872
Public safety	2,521,133	2,384,648
Highways and streets	5,875,356	6,058,045
Sanitation	410,277	375,193
Human services	3,258,976	3,065,707
Health	1,155,695	970,462
Culture and recreation	73,432	72,645
Conservation of natural resources	1,916,511	402,417
Economic development	28,812	23,932
Interest	130,088	66,290
Total Expenses	$ 19,041,944	$ 16,637,211
Increase (Decrease) in Net Position	$ 601,832	$ 32,471,340
Net Position – January 1	87,956,612	55,485,272
Net Position – December 31	$ 88,558,444	$ 87,956,612

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of $24,701,898, an increase of $14,379,538 in comparison with the prior year. Of the ending fund balance, $10,345,921 represents unrestricted (committed, assigned, and unassigned) fund balance, which is available for spending at the County's discretion. The remainder of fund balance is nonspendable or restricted to indicate that it is not available for new spending because it has already been restricted for various reasons either by state law, grant agreements, or bond covenants, or is nonspendable.

The General Fund is a main operating fund for the County. At the end of the current fiscal year, it had an unrestricted fund balance of $3,937,622. As a measure of the General Fund's liquidity, it may be useful to compare unrestricted fund balance to total expenditures. The General Fund's unrestricted fund balance represents 45.33 percent of total General Fund expenditures. In 2021, ending fund balance in the General Fund increased by $13,882,293 due to excess revenues over expenditures.

The Road and Bridge Special Revenue Fund's unrestricted fund balance of $5,116,477 at year-end represents 80.08 percent of expenditures. The ending fund balance increased $1,017,784 due to excess revenues over expenditures of $1,019,521 and a decrease in inventory of $1,737.

The Human Services Special Revenue Fund's unrestricted fund balance of $565,239 at year-end represents 17.03 percent of the fund's annual expenditures. The ending fund balance decreased $530,076 during 2021, which was a planned reduction due to a lower levy amount in order to spend down excess funds and excess expenditures over revenues.

The Public Health Nurse Special Revenue Fund's unrestricted fund balance of $488,322 at year-end represents 51.88 percent of the fund's annual expenditures. The ending fund balance decreased $70,529 during 2021, which was a planned reduction due to a lower levy amount in order to spend down excess funds.

All Other Governmental Funds' unrestricted fund balance of $238,261 at year-end represents 59.14 percent of the funds' annual expenditures. The ending fund balances increased $83,831 during 2021 due to excess revenues over expenditures.

Governmental Activities

The County's total revenues were $19,643,776. Table 1 presents the percent of total County revenues by source for the year ended December 31, 2021.

Table 1
Total County Revenues

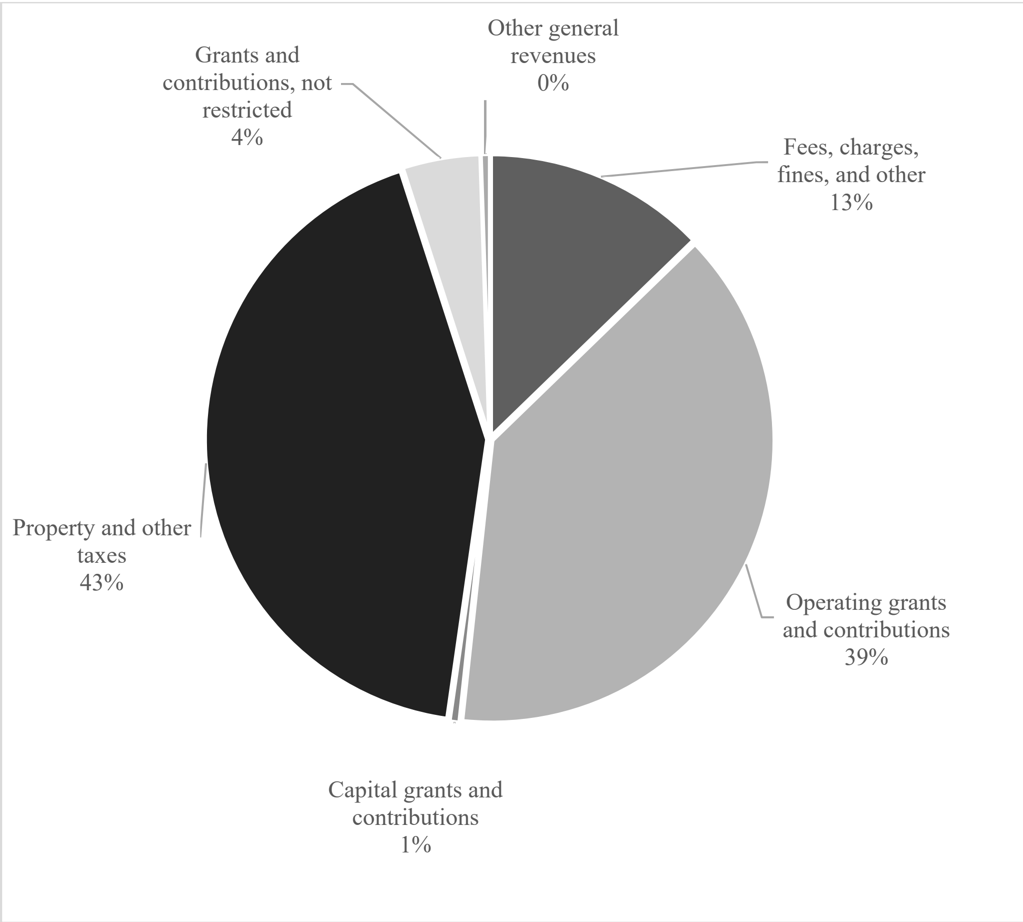

Table 2 presents the cost and revenue of each program, as well as the County's general revenues.

Total program and general revenues for the County were $19,643,776, while total expenses were $19,041,944. This reflects a $601,832 increase in net position for the year ended December 31, 2021.

Table 2
General Revenues, Program Revenues, and Expenses

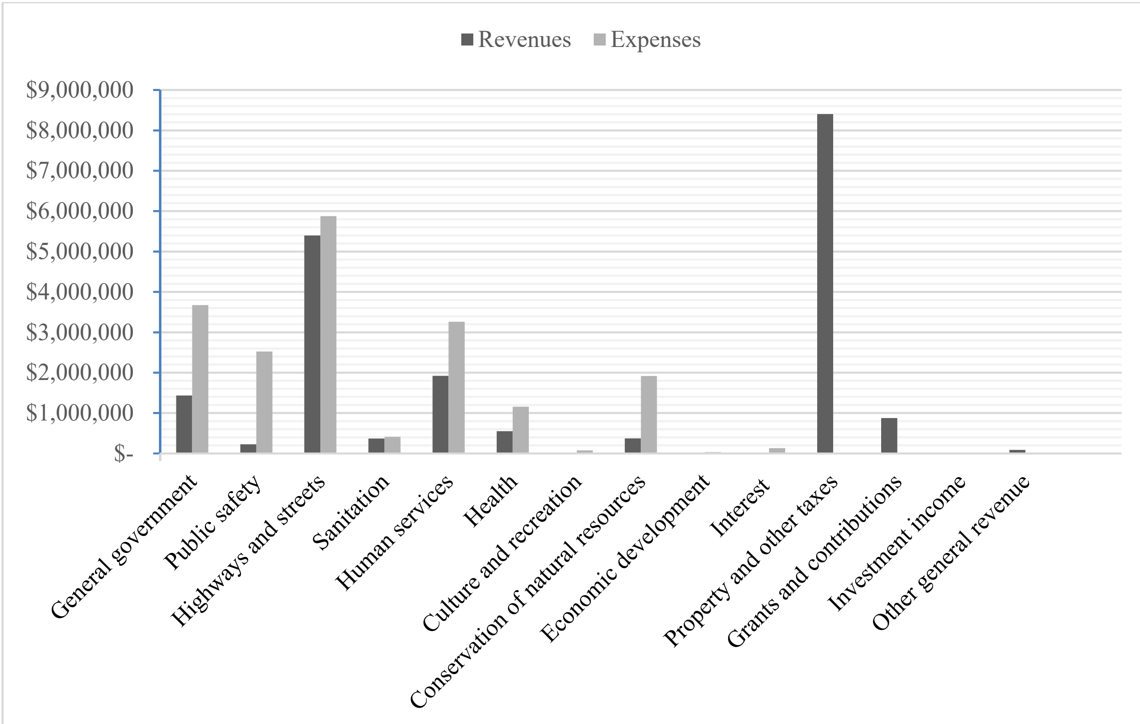

Table 3 presents the cost of each of the County's four largest program functions, as well as each function's net cost (total cost, less revenues generated by the activity). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

Table 3
Governmental Activities

	Total Cost of Services	Net Cost of Services
General government	$ 3,671,664	$ 2,238,609
Public safety	2,521,133	2,295,355
Highways and streets	5,875,356	478,650
Human services	3,258,976	1,337,533
All others	3,714,815	2,425,137
Totals	$ 19,041,944	$ 8,775,284

General Fund Budgetary Highlights

The Wilkin County Board of Commissioners, over the course of the year, may amend/revise the County's budget. These budget amendments usually will fall into one of two categories: new information changing original budget estimations and greater than anticipated revenues or costs. During 2021, the County made budgetary amendments/revisions of $103,000 for Professional Services and $44,070 for Data Processing expenses in the General Revenue Fund.

Actual revenues were greater than budgeted revenues by $15,148,048, primarily due to miscellaneous revenue transactions.

Actual expenditures were more than budgeted expenditures by $2,584,918, due to a remittance of revenues received for another governmental entity.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Wilkin County's capital assets for its governmental activities at December 31, 2021, totaled $53,210,006 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure. The investments in capital assets increased $168,340, or 0.3 percent, from the previous year.

Governmental Capital Assets
(Net of Depreciation)

	2021	2020
Land	$ 1,224,023	$ 1,224,023
Infrastructure	43,960,854	42,379,255
Buildings	5,153,009	5,377,619
Improvements other than buildings	43,398	53,873
Machinery, furniture, and equipment	2,206,694	2,527,337
Software	194,458	221,053
Construction in progress	427,570	1,258,506
Total	$ 53,210,006	$ 53,041,666

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

Long-Term Debt

At the end of the current fiscal year, the County had total outstanding debt of $3,965,000.

	2021	2020
General obligation drainage bonds	$ 3,965,000	$ 2,620,000
General obligation refunding bonds	-	310,000
Total	$ 3,965,000	$ 2,930,000

The County's debt related to general obligation bonds decreased by $1,035,000 during the fiscal year.

Additional information on the County's long-term debt can be found in Notes 3.C.2 to 3.C.4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Wilkin County's elected and appointed officials considered many factors when setting the 2022 budget and tax levy. These factors include state-aid levels, increasing input costs, appropriate fund balances, being mindful of the burden on County taxpayers, and a need to provide a certain level of services to Wilkin County residents/taxpayers.

- The unemployment rate for Wilkin County at the end of 2021 was 2.0 percent, which is a decrease of 1.5 percent from the end of 2020.

- The County's expenditures for 2022 are budgeted to increase 8.39 percent ($1,524,062) over the 2021 original budget. The 2022 anticipated revenues, other than tax levy and special assessments, are budgeted to increase 20.02 percent ($1,672,378) over the 2021 original budget.

- The net tax levy (the amount spread to taxpayers) increased 2.553 percent ($217,299) from 2021.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Wilkin County's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to: Wilkin County Auditor-Treasurer, Janelle Krump, Wilkin County Courthouse, 300 South 5th Street, PO Box 409, Breckenridge, Minnesota 56520.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT 1

STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021

Assets		
Cash and pooled investments	$	12,804,824
Cash held by others		12,841,725
Taxes receivable – delinquent		68,086
Accounts receivable		287,766
Loans receivable		37,642
Accrued interest receivable		3,723
Due from other governments		19,237,259
Inventories		369,768
Capital assets		
Non-depreciable		1,651,593
Depreciable – net of accumulated depreciation		51,558,413
Net pension asset		47,756
Total Assets	**$**	**98,908,555**
Deferred Outflows of Resources		
Deferred pension outflows	$	2,901,612
Deferred other postemployment benefits outflows		14,159
Total Deferred Outflows of Resources	**$**	**2,915,771**
Liabilities		
Accounts payable	$	283,519
Salaries payable		118,351
Contracts payable		3,096
Due to other governments		98,701
Accrued interest payable		36,920
Unearned revenue		771,477
Long-term liabilities		
Due within one year		457,768
Due in more than one year		3,853,073
Other postemployment benefits		256,185
Net pension liability		2,921,411
Total Liabilities	**$**	**8,800,501**
Deferred Inflows of Resources		
Deferred pension inflows	$	3,758,169
Deferred other postemployment benefits inflows		21,404
Prepaid taxes		685,808
Total Deferred Inflows of Resources	**$**	**4,465,381**

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

EXHIBIT 1
(Continued)

**STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021**

Net Position

Investment in capital assets	$	53,210,006
Restricted for		
General government		239,481
Public safety		279,932
Highways and streets		2,374,121
Economic development		67,584
Diversion settlement agreement projects		29,241,725
Held in trust for other purposes		3,604
Unrestricted		3,141,991
Total Net Position	**$**	**88,558,444**

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

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Governmental activities					
General government	$ 3,671,664	$ 1,097,602	$ 335,453	$ -	$ (2,238,609)
Public safety	2,521,133	76,861	148,917	-	(2,295,355)
Highways and streets	5,875,356	303,373	4,983,330	110,003	(478,650)
Sanitation	410,277	191,076	177,205	-	(41,996)
Human services	3,258,976	353,212	1,568,231	-	(1,337,533)
Health	1,155,695	258,586	292,286	-	(604,823)
Culture and recreation	73,432	-	-	-	(73,432)
Conservation of natural resources	1,916,511	224,515	146,010	-	(1,545,986)
Economic development	28,812	-	-	-	(28,812)
Interest	130,088	-	-	-	(130,088)
Total Governmental Activities	**$ 19,041,944**	**$ 2,505,225**	**$ 7,651,432**	**$ 110,003**	**$ (8,775,284)**

General Revenues	
Property taxes	$ 8,319,775
Taxes – other	23,365
Payments in lieu of tax	57,742
Grants and contributions not restricted to specific programs	874,730
Investment income	17,123
Miscellaneous	84,381
Total general revenues	**$ 9,377,116**
Change in net position	**$ 601,832**
Net Position – Beginning	**87,956,612**
Net Position – Ending	**$ 88,558,444**

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Road and Bridge
Assets		
Cash and pooled investments	$ 5,265,890	$ 5,469,526
Petty cash and change funds	650	-
Cash held by others	12,841,725	-
Taxes receivable – delinquent	39,303	15,997
Accounts receivable	34,097	1,393
Loans receivable	37,642	-
Accrued interest receivable	3,723	-
Due from other funds	3,916	192
Due from other governments	16,442,750	2,365,050
Inventories	-	369,768
Total Assets	**$ 34,669,696**	**$ 8,221,926**
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	$ 122,728	$ 75,249
Salaries payable	55,459	27,985
Contracts payable	-	3,096
Due to other funds	330	-
Due to other governments	43,002	26,426
Unearned revenues	602,819	159,128
Total Liabilities	**$ 824,338**	**$ 291,884**
Deferred Inflows of Resources		
Unavailable revenue	$ 16,420,004	$ 2,318,744
Prepaid taxes	55,406	21,578
Total Deferred Inflows of Resources	**$ 16,475,410**	**$ 2,340,322**

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

EXHIBIT 3

Human Services		Public Health Nurse		Debt Service		Other Governmental Funds		Total Governmental Funds	
$	431,762	$	367,026	$	1,037,297	$	227,673	$	12,799,174
	-		-		-		5,000		5,650
	-		-		-		-		12,841,725
	6,997		2,507		2,550		732		68,086
	151,367		78,511		-		22,398		287,766
	-		-		-		-		37,642
	-		-		-		-		3,723
	169		10,570		-		-		14,847
	261,215		168,244		-		-		19,237,259
	-		-		-		-		369,768
$	**851,510**	**$**	**626,858**	**$**	**1,039,847**	**$**	**255,803**	**$**	**45,665,640**
$	82,798	$	1,091	$	-	$	1,653	$	283,519
	23,464		10,200		-		1,243		118,351
	-		-		-		-		3,096
	25,414		287		-		192		26,223
	12,877		-		-		5,020		87,325
	-		9,530		-		-		771,477
$	**144,553**	**$**	**21,108**	**$**	**-**	**$**	**8,108**	**$**	**1,289,991**
$	130,024	$	113,292	$	1,207	$	4,672	$	18,987,943
	11,694		4,136		591,804		1,190		685,808
$	**141,718**	**$**	**117,428**	**$**	**593,011**	**$**	**5,862**	**$**	**19,673,751**

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Road and Bridge
Liabilities, Deferred Inflows of Resources, and Fund Balances (Continued)		
Fund Balances		
Nonspendable		
Inventories	$ -	$ 369,768
Missing heirs	3,604	-
Restricted		
Debt service	-	-
Real estate tax shortfall	21,330	-
Law library	49,296	-
Recorder's technology equipment	92,596	-
Enhanced 911	274,932	-
Flood mitigation development	12,841,725	-
Recorder's compliance fund	76,259	-
Economic development	67,584	-
Gravel pit restoration	-	-
County state-aid highway system	-	103,475
Investigating and securing evidence	5,000	-
Committed		
Future aggregate	-	258,130
Assigned		
Highways and streets	-	4,858,347
Human services	-	-
Sanitation	-	-
Public health	-	-
Unassigned	3,937,622	-
Total Fund Balances	**$ 17,369,948**	**$ 5,589,720**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 34,669,696**	**$ 8,221,926**

EXHIBIT 3
(Continued)

Human Services	Public Health Nurse	Debt Service	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 369,768
-	-	-	-	3,604
-	-	446,836	-	446,836
-	-	-	-	21,330
-	-	-	-	49,296
-	-	-	-	92,596
-	-	-	-	274,932
-	-	-	-	12,841,725
-	-	-	-	76,259
-	-	-	-	67,584
-	-	-	3,572	3,572
-	-	-	-	103,475
-	-	-	-	5,000
-	-	-	-	258,130
-	-	-	-	4,858,347
565,239	-	-	-	565,239
-	-	-	238,261	238,261
-	488,322	-	-	488,322
-	-	-	-	3,937,622
$ 565,239	**$ 488,322**	**$ 446,836**	**$ 241,833**	**$ 24,701,898**
$ 851,510	**$ 626,858**	**$ 1,039,847**	**$ 255,803**	**$ 45,665,640**

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT 4

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION—GOVERNMENTAL ACTIVITIES DECEMBER 31, 2021

Fund balances – total governmental funds (Exhibit 3)		**$ 24,701,898**
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		53,210,006
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in the governmental funds.		2,901,612
Deferred outflows of resources resulting from changes in the components of the other postemployment benefits liability are not reported in the governmental funds.		14,159
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		18,987,943
Net pension assets are not available to pay for current period expenditures and, therefore, are not reflected in the governmental funds.		47,756
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	$ (3,965,000)	
Bond premium	(9,927)	
Accrued interest payable	(36,920)	
Compensated absences	(335,914)	
Net other postemployment benefits liability	(256,185)	
Net pension liability	(2,921,411)	(7,525,357)
Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(3,758,169)
Deferred inflows resulting from other postemployment obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(21,404)
Net Position of Governmental Activities (Exhibit 1)		**$ 88,558,444**

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General	Road and Bridge
Revenues		
Taxes	$ 4,930,629	$ 1,922,812
Special assessments	-	-
Licenses and permits	6,382	-
Intergovernmental	1,249,978	5,179,205
Charges for services	388,360	259,812
Fines and forfeits	3,778	-
Gifts and contributions	-	-
Investment earnings	26,331	-
Miscellaneous	14,462,184	46,670
Total Revenues	**$ 21,067,642**	**$ 7,408,499**
Expenditures		
Current		
General government	$ 4,012,771	$ -
Public safety	2,600,043	-
Highways and streets	-	5,952,972
Sanitation	-	-
Human services	-	-
Health	2,277	-
Culture and recreation	71,273	1,777
Conservation of natural resources	1,916,133	-
Economic development	28,812	-
Intergovernmental		
Highways and streets	-	434,229
Debt service		
Principal	-	-
Interest	-	-
Bond issuance costs	28,658	-
Administrative (fiscal) charges	26,615	-
Total Expenditures	**$ 8,686,582**	**$ 6,388,978**
Other Financing Sources (Uses)		
Bonds issued	$ 1,495,000	$ -
Premium on bonds issued	6,233	-
Total Other Financing Sources (Uses)	**$ 1,501,233**	**$ -**
Net Change in Fund Balance	**$ 13,882,293**	**$ 1,019,521**
Fund Balance – January 1	**3,487,655**	**4,571,936**
Increase (decrease) in inventories	**-**	**(1,737)**
Fund Balance – December 31	**$ 17,369,948**	**$ 5,589,720**

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

Human Services	Public Health Nurse	Debt Service	Other Governmental Funds	Total
$ 796,650	$ 303,432	$ 302,234	$ 107,683	$ 8,363,440
-	-	193,261	-	193,261
-	-	-	750	7,132
1,639,317	395,417	30,198	187,959	8,682,074
341,110	161,424	-	96,861	1,247,567
-	-	-	-	3,778
-	5,000	-	-	5,000
5	-	-	-	26,336
11,780	5,494	-	93,465	14,619,593
$ 2,788,862	**$ 870,767**	**$ 525,693**	**$ 486,718**	**$ 33,148,181**
$ -	$ -	$ -	$ -	$ 4,012,771
-	-	-	-	2,600,043
-	-	-	-	5,952,972
-	-	-	289,880	289,880
3,318,938	-	-	-	3,318,938
-	941,296	-	-	943,573
-	-	-	-	73,050
-	-	-	113,007	2,029,140
-	-	-	-	28,812
-	-	-	-	434,229
-	-	460,000	-	460,000
-	-	67,858	-	67,858
-	-	-	-	28,658
-	-	1,600	-	28,215
$ 3,318,938	**$ 941,296**	**$ 529,458**	**$ 402,887**	**$ 20,268,139**
$ -	$ -	$ -	$ -	$ 1,495,000
-	-	-	-	6,233
$ -	**$ -**	**$ -**	**$ -**	**$ 1,501,233**
$ (530,076)	**$ (70,529)**	**$ (3,765)**	**$ 83,831**	**$ 14,381,275**
1,095,315	**558,851**	**450,601**	**158,002**	**10,322,360**
-	**-**	**-**	**-**	**(1,737)**
$ 565,239	**$ 488,322**	**$ 446,836**	**$ 241,833**	**$ 24,701,898**

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES—GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balance – total governmental funds (Exhibit 5)		**$ 14,381,275**
Amounts reported for governmental activities in the statement of activities are different because:		
In the funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenues between the fund statements and the statement of activities is the increase or decrease in revenues deferred as unavailable.		
Unavailable revenue – December 31	$ 18,987,943	
Unavailable revenue – January 1	(32,487,749)	(13,499,806)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the statement of activities, the net book value of assets disposed of is expensed, while not reported in the fund statements.		
Expenditures for general capital assets and infrastructure	$ 3,017,336	
Current year depreciation	(2,848,996)	168,340
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 net position.		
Proceeds of new debt		
General obligation bonds issued	$ (1,495,000)	
Premium on bonds issued	(6,233)	(1,501,233)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General obligation bonds		460,000
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the statement of activities.		1,268

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT 6
(Continued)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES—GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

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 the governmental funds.		
Change in accrued interest payable	$ (6,625)	
Change in compensated absences	15,515	
Change in other postemployment benefits liability	(23,349)	
Change in net pension asset	47,756	
Change in net pension liability	1,434,455	
Change in deferred pension outflows of resources	2,054,586	
Change in deferred pension inflows of resources	(2,938,452)	
Change in deferred other postemployment benefits outflows	5,557	
Change in deferred other postemployment benefits inflows	4,282	
Change in inventories	(1,737)	591,988
Change in Net Position of Governmental Activities (Exhibit 2)		**$ 601,832**

FIDUCIARY FUNDS

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT 7

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Assets		
Cash and pooled investments	$ 69,487	$ 255,775
Taxes receivable for other governments	-	109,743
Accounts receivable	-	4,789
Due from other funds	-	11,376
Due from other governments	-	229
Total Assets	**$ 69,487**	**$ 381,912**
Liabilities		
Due to other governments	$ -	$ 186,502
Due to others	3,175	2,184
Total Liabilities	**$ 3,175**	**$ 188,686**
Deferred Inflows of Resources		
Prepaid taxes	**$ -**	**$ 34,045**
Net Position		
Restricted for		
Individuals, organizations, other governments	**$ 66,312**	**$ 159,181**

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

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT 8

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Additions		
Contributions		
Individuals	$ 582,428	$ 132,246
Investment earnings		
Interest, dividends, and other	-	259
Property tax collections for other governments	-	6,796,229
Contributions from participants	-	48,687
License and fees collected for the state	-	292,906
Miscellaneous	-	31,123
Total Additions	**$ 582,428**	**$ 7,301,450**
Deductions		
Beneficiary payments to individuals	$ 576,874	$ -
Payments of property tax to other governments	-	6,786,363
Payments to the state	-	425,152
Administrative expense	-	1,000
Distribution to participants	-	45,651
Payments to other entities	-	30,126
Total Deductions	**$ 576,874**	**$ 7,288,292**
Change in net position	**$ 5,554**	**$ 13,158**
Net Position – January 1	**60,758**	**146,023**
Net Position – December 31	**$ 66,312**	**$ 159,181**

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, 2021. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

Wilkin County was established March 6, 1868, 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.

Joint Ventures and Jointly-Governed Organizations

The County participates in joint ventures and jointly-governed organizations, which are described in Notes 5.B and 5.C, respectively.

B. Basic Financial Statements

1. Government-Wide Statements

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

1. Summary of Significant Accounting Policies

B. Basic Financial Statements

1. Government-Wide Statements (Continued)

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

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

2. 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.

1. Summary of Significant Accounting Policies

B. Basic Financial Statements

2. Fund Financial Statements (Continued)

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 Public Health Nurse Special Revenue Fund is used to account for providing nursing service care to the elderly and other residents of the County. Financing is provided by health care service grants, County contributions, and user service charges.

The Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term debt of the government.

Additionally, the County reports the following fund types:

The Private-Purpose Trust Fund accounts for funds held in trust that the County acts on behalf of individuals as representative payee.

Custodial funds are custodial in nature. These funds account for activity that the County holds for others in an agent capacity.

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. 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. Shared revenues are generally recognized in the period the appropriation goes into effect. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. Summary of Significant Accounting Policies

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Wilkin County considers all revenue as available if collected within 60 days after the end of the current period. Property taxes are recognized as revenues in the year for which they are levied, provided they are also available. Shared revenues are generally recognized in the period the appropriation goes into effect and the revenues are available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and are available. Property and other taxes, licenses, and interest are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on 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 capital 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.

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

1. 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. Investments are reported at their fair value at December 31, 2021. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value or fair value per share. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund.

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

1. Summary of Significant Accounting Policies

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

1. Deposits and Investments (Continued)

Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2021 were $26,331.

2. 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."

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

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 taxes receivable – delinquent.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out method. Inventories in governmental funds are recorded as expenditures when purchased rather than when consumed. Inventories at the government-wide level are recorded as expenses when consumed.

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

1. Summary of Significant Accounting Policies

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

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (for example, roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than the capitalization threshold 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 County's capitalization threshold for capital assets is as follows:

Assets	Capitalization Threshold
Land	$ 1
Buildings	5,000
Building improvements	5,000
Public domain infrastructure	5,000
Furniture, equipment, and vehicles	5,000

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:

Assets	Years
Buildings	25 - 40
Improvements other than buildings	20 - 35
Infrastructure	15 - 75
Machinery, furniture, and equipment	3 - 15

1. Summary of Significant Accounting Policies

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

5. Compensated Absences

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

6. Long-Term Obligations

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

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

1. Summary of Significant Accounting Policies

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

7. Pension Plan

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

8. Deferred Outflows/Inflows of Resources and Unearned Revenue

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. 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. Currently, the County has four types of deferred inflows—unavailable revenue, prepaid property taxes, deferred pension inflows, and OPEB inflows—that qualify for reporting in this category. The governmental funds report unavailable revenue from delinquent taxes receivable and for amounts that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet.

1. Summary of Significant Accounting Policies

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

8. Deferred Outflows/Inflows of Resources and Unearned Revenue (Continued)

The unavailable revenue amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Prepaid property taxes arise under both the modified accrual and the full accrual basis of accounting and, accordingly, are reported in the governmental funds balance sheet, the fiduciary funds statement of fiduciary net position, and the statement of net position. The County also reports deferred inflows of resources associated with pension and OPEB benefits. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

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

9. Classification of Net Position

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

Investment in capital assets – represents capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

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

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

10. 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:

1. Summary of Significant Accounting Policies

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

      10. Classification of Fund Balances (Continued)

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

Restricted – amounts on which constraints have been placed on the use of resources 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.

Assigned – amounts the County intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Board or the County Auditor-Treasurer, 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.

1. Summary of Significant Accounting Policies

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

      10. Classification of Fund Balances (Continued)

      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.

      11. Minimum Fund Balance

      Wilkin County is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. Wilkin County has adopted a minimum fund balance policy to address cash flow or working capital needs. The County is heavily reliant on property tax revenues to fund current operations. However, current property tax revenues are not available for distribution until June. Therefore, the County will maintain an unrestricted fund balance level of no less than five months of operating expenditures.

      12. 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, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

   Excess of Expenditures Over Budget

   The following nonmajor individual fund and debt service fund had expenditures in excess of budget for the year ended December 31, 2021:

2. Stewardship, Compliance, and Accountability

Excess of Expenditures Over Budget (Continued)

	Expenditures	Budget	Excess
Environmental Special Revenue Fund	$ 402,887	$ 366,182	$ 36,705
Debt Service Fund	529,458	329,825	199,633

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

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

Governmental activities	
Cash and pooled investments	$ 12,804,824
Cash held by others	12,841,725
Fiduciary funds	
Cash and pooled investments	325,262
Total Cash and Investments	$ 25,971,811

a. Deposits

The County is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and to invest in certificates of deposit. The County is required by Minn. Stat. § 118A.03 to protect deposits with insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit at the close of the financial institution's banking day, not covered by insurance or bonds.

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

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

a. Deposits (Continued)

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, 2021, the County's deposits were not exposed to custodial credit risk.

b. Investments

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

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

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

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

(4) bankers' acceptances of United States banks;

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

3. Detailed Notes on All Funds

   A. Assets

      1. Deposits and Investments

         b. Investments (Continued)

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

            Interest Rate Risk

            Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County minimizes its exposure to interest rate risk by investing in both short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

            Credit Risk

            Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the County's policy to invest only in securities that meet the ratings requirement set by state statute.

            Custodial Credit Risk

            The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party. The County does not have a policy on custodial credit risk. As of December 31, 2021, the County's investments were not exposed to custodial credit risk.

3. Detailed Notes on All Funds

   A. Assets

      1. Deposits and Investments

         b. Investments (Continued)

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. It is the County's policy that U.S. Treasury securities, U.S. agency securities, and obligations backed by U.S. Treasury and/or U.S. agency securities may be held without limit.

The following table presents the County's cash and investment balances at December 31, 2021, and information relating to potential investment risks:

	Credit Risk		Concentration Risk	Interest Rate Risk		
Investment Type	Credit Rating	Rating Agency	Over 5 Percent of Portfolio	Maturity Date		Carrying (Fair) Value
U.S. government agency securities						
Federal Home Loan Bank Bonds	AA+	S&P		11/24/23	$	149,913
Federal Home Loan Bank Bonds	AA+	S&P		03/30/22		197,828
Federal Home Loan Bank Bonds	AA+	S&P		11/24/26		199,840
Total Federal Home Loan Bank Bonds			20.13%		$	547,581
Investment pools/mutual funds						
MAGIC Fund			72.73%	N/A		1,978,203
Negotiable certificates of deposit						
J.P. Morgan Chase Bank NA			7.14%	12/16/26		194,318
Total investments					$	2,720,102
Deposits						10,404,334
Cash held by others						12,841,725
Change funds						5,650
Total Cash and Investments					$	25,971,811

N/A – Not Applicable

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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

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

At December 31, 2021, the County had the following recurring fair value measurements.

	December 31, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Federal Home Loan Bank Bonds	$ 547,581	$ -	$ 547,581	$ -
Negotiable certificates of deposit	194,318	-	194,318	-
Total investments by fair value level	$ 741,899	$ -	$ 741,899	$ -
Investments measured at the net asset value (NAV)				
MAGIC Portfolio	1,978,203			
Total Investments	$ 2,720,102			

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

All Level 2 debt securities are valued using a market approach based on the securities' relationship to benchmark quoted prices.

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

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

2. Receivables

Receivables as of December 31, 2021, for the County's governmental activities are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Taxes	$ 68,086	$ -
Accounts	287,766	-
Loans	37,642	32,415
Interest	3,723	-
Due from other governments	19,237,259	16,000,000
Total	$ 19,634,476	$ 16,032,415

3. Detailed Notes on All Funds

A. Assets

2. Receivables (Continued)

During 2020, the Metro Flood Diversion Authority and local governments in the geographic area agreed on the Red River Diversion Plan. Wilkin County's share of the settlement will be $30,000,000, of which $14,000,000 was collected in 2021. The remainder of $16,000,000 will be paid in future years, with regular annual payments to begin in 2027 and go through 2059.

3. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	$ 1,224,023	$ -	$ -	$ 1,224,023
Construction in progress	1,258,506	363,448	1,194,384	427,570
Total capital assets not depreciated	$ 2,482,529	$ 363,448	$ 1,194,384	$ 1,651,593
Capital assets depreciated				
Improvements other than buildings	$ 174,350	$ -	$ -	$ 174,350
Buildings	8,959,191	-	-	8,959,191
Machinery, furniture, and equipment	7,281,701	196,774	228,824	7,249,651
Software	333,523	-	-	333,523
Infrastructure	77,990,486	3,651,498	-	81,641,984
Total capital assets depreciated	$ 94,739,251	$ 3,848,272	$ 228,824	$ 98,358,699
Less: accumulated depreciation for				
Improvements other than buildings	$ 120,477	$ 10,475	$ -	$ 130,952
Buildings	3,581,572	224,610	-	3,806,182
Machinery, furniture, and equipment	4,754,364	517,417	228,824	5,042,957
Software	112,470	26,595	-	139,065
Infrastructure	35,611,231	2,069,899	-	37,681,130
Total accumulated depreciation	$ 44,180,114	$ 2,848,996	$ 228,824	$ 46,800,286
Total capital assets depreciated, net	$ 50,559,137	$ 999,276	$ -	$ 51,558,413
Governmental Activities Capital Assets, Net	$ 53,041,666	$ 1,362,724	$ 1,194,384	$ 53,210,006

3. Detailed Notes on All Funds

A. Assets

3. Capital Assets (Continued)

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

General government	$	74,013
Public safety		202,054
Highways and streets, including depreciation of infrastructure assets		2,528,377
Culture and recreation		1,993
Human services		20,754
Sanitation		21,805
Total Depreciation Expense	$	2,848,996

B. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2021, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund		Amount
General Fund	Human Services Special Revenue Fund	$	3,629
	Public Health Nurse Special Revenue Fund		287
Total due to General Fund		$	3,916
Road and Bridge Special Revenue Fund	Environmental Special Revenue Fund	$	192
Human Services Special Revenue Fund	General Fund	$	169
Public Health Nurse Special Revenue Fund	General Fund	$	161
	Human Services Special Revenue Fund		10,409
Total due to Public Health Nurse Special Revenue Fund		$	10,570
Children's Collaborative Custodial Fund	Human Services Special Revenue Fund	$	11,376
Total Due To/From Other Funds		$	26,223

3. Detailed Notes on All Funds

B. Interfund Receivables and Payables (Continued)

The outstanding balances between the funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

C. Liabilities and Deferred Inflows of Resources

1. Payables

Payables at December 31, 2021, were as follows:

	Governmental Activities
Accounts	$ 283,519
Salaries	118,351
Contracts	3,096
Due to other governments	98,701
Unearned revenue	771,477
Total Payables	$ 1,275,144

2. Long-Term Debt

Bond payments are made from the Debt Service Fund. Information on individual bonds payable was as follows:

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2021
General obligation bonds					
2018 G.O. Drainage Bonds	2034	$50,000 - $70,000	3.2693	$ 865,000	$ 765,000
2019 G.O. Drainage Bonds	2035	$105,000 - $145,000	2.5020	1,805,000	1,705,000
2021 G.O. Drainage Bonds	2038	$95,000 - $105,000	1.5516	1,495,000	1,495,000
Total general obligation bonds				$ 4,165,000	$ 3,965,000
Add: unamortized premium					9,927
Total General Obligation Bonds, Net					$ 3,974,927

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

3. Debt Service Requirements

Debt service requirements at December 31, 2021, were as follows:

Year Ending December 31	General Obligation Bonds Principal	Interest
2022	$ 155,000	$ 83,608
2023	155,000	76,808
2024	260,000	72,608
2025	260,000	67,808
2026	260,000	63,008
2027 - 2031	1,395,000	236,383
2032 - 2036	1,270,000	77,687
2037 - 2038	210,000	3,570
Total	$ 3,965,000	$ 681,480

4. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term liabilities					
Bonds payable					
General obligation bonds	$ 2,930,000	$ 1,495,000	$ 460,000	$ 3,965,000	$ 155,000
Add: Unamortized premium	4,962	6,233	1,268	9,927	-
Total bonds payable	$ 2,934,962	$ 1,501,233	$ 461,268	$ 3,974,927	$ 155,000
Compensated absences	351,429	346,438	361,953	335,914	302,768
Total Long-Term Liabilities	$ 3,286,391	$ 1,847,671	$ 823,221	$ 4,310,841	$ 457,768

Compensated absences are liquidated by the General Fund and other funds that have personal services.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

5. Unearned Revenue /Deferred Inflows of Resources – Unavailable Revenues/Prepaid Property Taxes

Unearned revenue consists of federal grants received but not yet earned. Unavailable revenue consists of taxes, special assessments, state and/or federal grants and highway users tax allotments, and other receivables not collected soon enough after year-end to pay liabilities of the current period. Prepaid property taxes consist of the County's share of property taxes and special assessments collected in advance. Unearned revenue and deferred inflows of resources at December 31, 2021, are summarized below by fund.

	Taxes	Grants and Allotments	Other	Total
Major governmental funds				
General	$ 73,180	$ 602,819	$ 16,402,230	$ 17,078,229
Road and Bridge Special Revenue	29,041	2,458,916	11,493	2,499,450
Human Services Special Revenue	15,135	29,283	97,300	141,718
Public Health Nurse Special Revenue	5,312	9,530	112,116	126,958
Debt Service Fund	593,011	-	-	593,011
Nonmajor governmental fund				
Environmental Special Revenue	5,862	-	-	5,862
Total	$ 721,541	$ 3,100,548	$ 16,623,139	$ 20,445,228
Liability				
Unearned revenue	$ -	$ 771,477	$ -	$ 771,477
Deferred inflows of resources				
Unavailable revenue	35,733	2,329,071	16,623,139	18,987,943
Prepaid taxes	685,808	-	-	685,808
Total	$ 721,541	$ 3,100,548	$ 16,623,139	$ 20,445,228

3. Detailed Notes on All Funds (Continued)

D. Other Postemployment Benefits (OPEB)

1. Plan Description

Wilkin County provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical insurance benefits. The County provides benefits for retirees as required by Minn. Stat. § 471.61, subd. 2b.

No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The OPEB plan does not issue a stand-alone financial report.

As of the January 1, 2020, actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Active plan participants	99
Total	99

2. Total OPEB Liability

The County's total OPEB liability of $256,185 was measured as of January 1, 2021, determined by an actuarial valuation as of January 1, 2020.

The total OPEB liability in the fiscal year-end December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	Service graded table
Health care cost trend	6.25 percent, grading to 5 percent over 5 years and then to 4 percent over the next 47 years

The current year discount rate is 2.90 percent based on the estimated yield of 20-Year AA-rated municipal bonds.

3. Detailed Notes on All Funds

D. Other Postemployment Benefits (OPEB)

2. Total OPEB Liability (Continued)

Mortality rates are based on Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2019 Generational Improvement Scale.

The actuarial assumptions are currently based on a combination of historical information, projected future data, and the most recent actuarial experience studies for PERA.

The method to develop starting claims costs, by age adjusting the premium information, was done under the Alternative Measurement Method.

3. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2021	$ 232,836
Changes for the year	
Service cost	$ 24,609
Interest	7,342
Benefit payments	(8,602)
Net change	$ 23,349
Balance at December 31, 2021	$ 256,185

OPEB liability is liquidated by the General Fund and other funds that have personal services.

4. 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:

3. Detailed Notes on All Funds

D. Other Postemployment Benefits (OPEB)

4. OPEB Liability Sensitivity (Continued)

	Discount Rate	Total OPEB Liability
1% Decrease	1.90%	$ 273,005
Current	2.90	256,185
1% Increase	3.90	240,205

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:

	Health Care Trend Rate	Total OPEB Liability
1% Decrease	5.25% Decreasing to 4.00%	$ 228,305
Current	6.25% Decreasing to 5.00%	256,185
1% Increase	7.25% Decreasing to 6.00%	289,495

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

For the year ended December 31, 2021, the County recognized OPEB expense of $13,510. The County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability gains	$ -	$ 17,650
Assumption changes	-	3,754
Contributions made subsequent to the measurement date	14,159	-
Total	$ 14,159	$ 21,404

3. Detailed Notes on All Funds

D. Other Postemployment Benefits (OPEB)

5. OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB (Continued)

The $14,159 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, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	OPEB Expense Amount
2022	$ (4,282)
2023	(4,282)
2024	(4,282)
2025	(4,282)
2026	(4,276)

6. Changes in Actuarial Assumptions

There were no changes in actuarial assumptions in 2021.

E. Pension Plans

1. Defined Benefit Pension Plans

a. Plan Description

All full-time and certain part-time employees of Wilkin County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (the General Employees Plan), the Public Employees Police and Fire Plan (the Police and Fire Plan), and the Public Employees Local Government Correctional Service Retirement Plan (the Correctional Plan), which are cost-sharing, multiple-employer retirement

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

a. Plan Description (Continued)

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, and the Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service. No Wilkin 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, but before July 1, 2014, 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 for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years and increasing five percent for each year of service until fully vested after 20 years.

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

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans (Continued)

b. 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 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. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

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

Correctional Plan benefit recipients will receive a post-retirement increase equal to 100 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 2.50 percent. If the Correctional Plan’s funding status declines to 85 percent or below for two consecutive years, or 80 percent for one year,

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

b. Benefits Provided (Continued)

the maximum will be lowered from 2.50 percent to 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.

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

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

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

b. Benefits Provided (Continued)

For General Employees Plan members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. For Police and Fire Plan and Correctional Plan members, normal retirement age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits are available for vested members and are based on years of service and average high-five salary.

c. 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 2020.

In 2021, the County and members were required to contribute the following percentages of annual covered salary:

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

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

c. Contributions (Continued)

The County's contributions for the year ended December 31, 2021, to the pension plans were:

General Employees Plan	$	323,928
Police and Fire Plan		96,174
Correctional Plan		60,716

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

d. Pension Costs

General Employees Plan

At December 31, 2021, the County reported a liability of $2,532,376 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2021, the County's proportion was 0.0593 percent. It was 0.0594 percent measured as of June 30, 2020. The County recognized pension expense of $3,390 for its proportionate share of the General Employees Plan's pension expense.

The County also recognized $6,238 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's expense related to its contribution to the General Employees Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute $16 million to the General Employees Plan annually until September 15, 2031.

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

General Employees Plan (Continued)

The County's proportionate share of the net pension liability	$	2,532,376
State of Minnesota's proportionate share of the net pension liability associated with the County		77,320
Total	$	2,609,696

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:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual economic experience	$	15,243	$	77,512
Changes in actuarial assumptions		1,546,216		55,721
Difference between projected and actual investment earnings		-		2,190,955
Changes in proportion		42,872		4,497
Contributions paid to PERA subsequent to the measurement date		176,281		-
Total	$	1,780,612	$	2,328,685

The $176,281 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

General Employees Plan (Continued)

Year Ended December 31	Pension Expense Amount
2022	$ (83,530)
2023	(21,559)
2024	(21,080)
2025	(598,185)

Police and Fire Plan

At December 31, 2021, the County reported a liability of $389,035 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2021, the County's proportion was 0.0504 percent. It was 0.0547 percent measured as of June 30, 2020. The County recognized pension expense of $27 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, 2021. 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.

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Police and Fire Plan (Continued)

Legislation requires the State of Minnesota to pay direct state aid of $9 million on October 1, 2020, and to pay $9 million by October 1 of each subsequent year until full funding is reached, or July 1, 2048, whichever is earlier. The County recognized an additional $3,187 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's pension expense related to the special funding situation.

The County's proportionate share of the net pension liability	$	389,035
State of Minnesota's proportionate share of the net pension liability associated with the County		17,501
Total	$	406,536

Legislation also requires the State of Minnesota to contribute $9 million to the Police and Fire Plan each year, starting in fiscal year 2014, until the plan is 90 percent funded, or until the State Patrol Plan is 90 percent funded, whichever occurs later. The County also recognized $4,536 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:

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Police and Fire Plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 75,829	$ -
Changes in actuarial assumptions	571,779	213,199
Difference between projected and actual investment earnings	-	734,552
Changes in proportion	83,303	66,701
Contributions paid to PERA subsequent to the measurement date	52,484	-
Total	$ 783,395	$ 1,014,452

The $52,484 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	$ (218,335)
2023	(47,787)
2024	(44,021)
2025	(89,126)
2026	115,728

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs (Continued)

Correctional Plan

At December 31, 2021, the County reported an asset of $47,756 for its proportionate share of the Correctional Plan's net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The County's proportion of the net pension asset was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2021, the County's proportion was 0.29 percent. It was 0.27 percent measured as of June 30, 2020. The County recognized pension expense of ($106,982) for its proportionate share of the Correctional Plan's pension expense.

The County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 25,897
Changes in actuarial assumptions	298,941	4,100
Difference between projected and actual investment earnings	-	385,035
Changes in proportion	5,166	-
Contributions paid to PERA subsequent to the measurement date	33,498	-
Total	$ 337,605	$ 415,032

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Correctional Plan (Continued)

The $33,498 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	$ (12,495)
2023	(1,464)
2024	7,252
2025	(104,218)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2021, was ($103,565).

e. Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

	General Employees Fund	Police and Fire Fund	Correctional Fund
Inflation	2.25% per year	2.25% per year	2.25% per year
Active Member Payroll Growth	3.00% per year	3.00% per year	3.00% per year
Investment Rate of Return	6.50%	6.50%	6.50%

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

e. Actuarial Assumptions (Continued)

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

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 27, 2019. The experience study for the Police and Fire Plan was dated July 14, 2020. The experience study for the Correctional Plan was dated July 10, 2020. For all plans, a review of inflation and investment assumptions dated June 24, 2021, was utilized.

The long-term expected rate of return on pension plan investments is 6.50 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans (Continued)

f. Discount Rate

The discount rate used to measure the total pension liability was 6.50 percent in 2021, which is a decrease of one percent from 2020. 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 positions of the General Employees Plan, the Police and Fire Plan, and the Correctional Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Changes in Actuarial Assumptions and Plan Provisions

The following changes in actuarial assumptions occurred in 2021:

General Employees Plan

- 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.

Police and Fire Plan

- 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.

3. Detailed Notes on All Funds

   E. Pension Plans

      1. Defined Benefit Pension Plans

         g. Changes in Actuarial Assumptions and Plan Provisions

            Police and Fire Plan (Continued)

- 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 MN-2020.

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

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

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

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

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

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

3. Detailed Notes on All Funds

   E. Pension Plans

      1. Defined Benefit Pension Plans

         g. Changes in Actuarial Assumptions and Plan Provisions (Continued)

            Correctional Plan

            - 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 MN-2020.

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

            - Assumed rates of salary increase were modified as recommended in the July 10, 2020, experience study. The overall impact is a decrease in gross salary increase rates.

            - Assumed rates of retirement were changed as recommended in the July 10, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

            - Assumed rates of withdrawal were changed as recommended in the July 10, 2020, experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).

3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

g. Changes in Actuarial Assumptions and Plan Provisions

Correctional Plan (Continued)

- Assumed rates of disability were lowered.
- Assumed percent married for active members was lowered from 85 percent to 75 percent.
- Minor changes to form of payment assumptions were applied.

h. 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:

	Proportionate Share of the					
	General Employees Plan		Police and Fire Plan		Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% Decrease	5.50%	$ 5,164,754	5.50%	$ 1,235,119	5.50%	$ 497,013
Current	6.50	2,532,376	6.50	389,035	6.50	(47,756)
1% Increase	7.50	372,349	7.50	(304,545)	7.50	(480,088)

i. 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.

3. Detailed Notes on All Funds

E. Pension Plans (Continued)

2. Defined Contribution Plan

Four Board Commissioners of Wilkin 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 Wilkin County during the year ended December 31, 2021, were:

	Employee	Employer
Contribution amount	$ 4,624	$ 4,624
Percentage of covered payroll	5.00%	5.00%

4. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). MCIT is a public entity risk pool currently operated as a common risk management and insurance program for its members.

4. Risk Management (Continued)

The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. For other risks, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at $500,000 per claim in 2021 and 2022. 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.

5. Summary of Significant Contingencies and Other Items

A. 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 judgements, claims, and litigations; it is expected that the final settlement of these matters will not materially affect the financial statements of the County.

5. Summary of Significant Contingencies and Other Items (Continued)

B. Joint Ventures

Central Minnesota Emergency Services Board

The Central Minnesota Regional Radio Board was established in 2007, under the authority conferred upon the member parties by Minn. Stat. §§ 471.59 and 403.39. As of June 1, 2011, the Central Minnesota Regional Radio Board changed its name to the Central Minnesota Emergency Services Board. Members include the City of St. Cloud and the Counties of Benton, Big Stone, Douglas, Grant, Kandiyohi, Meeker, Mille Lacs, Morrison, Otter Tail, Pope, Sherburne, Stearns, Stevens, Swift, Todd, Traverse, Wadena, Wilkin, and Wright.

The purpose of the Central Minnesota Emergency Services Board is to provide for regional administration of enhancements to the Statewide Public Safety Radio and Communication System (ARMER) owned and operated by the State of Minnesota.

The Central Minnesota Emergency Services Board is composed of one Commissioner of each county appointed by their respective County Board and one City Council member from the city appointed by its City Council, as provided in the Central Minnesota Emergency Services Board's by-laws.

In the event of dissolution of the Central Minnesota Emergency Services Board, all property, assets, and funds of the Board shall be distributed to the parties of the agreement upon termination in direct proportion to their participation and contribution. Any city or county that has withdrawn from the agreement prior to termination of the Board shall share in the distribution of property, assets, and funds of the Board only to the extent they shared in the original expense.

The Central Minnesota Emergency Services Board has no long-term debt. Financing is provided by the appropriations from member parties and by state and federal grants. During 2021, Wilkin County did not contribute any funds to the Board.

Complete financial information can be obtained from the Central Minnesota Emergency Services Board, City of St. Cloud, Office of the Mayor, City Hall, 400 Second Street South, St. Cloud, Minnesota 56301.

5. Summary of Significant Contingencies and Other Items

B. Joint Ventures (Continued)

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. Wilkin County and 22 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.

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.

Financing is primarily from county member contributions. During 2021, Wilkin County did not provide any contributions to CPT.

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

Lakes to River Drug and Violent Crimes Task Force

The Lakes to River Drug and Violent Crimes Task Force was established in 2016 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes Clay and Wilkin Counties and the Cities of Breckenridge and Moorhead. The Task Force's objectives are to investigate and prosecute criminal activity, including narcotics trafficking related to violent crimes and gang activity.

5. Summary of Significant Contingencies and Other Items

B. Joint Ventures

Lakes to River Drug and Violent Crimes Task Force (Continued)

Control of the Task Force is vested in a Board of Directors. The Board consists of the chief law enforcement officer from each participating agency, or their designee. Any participating agency may withdraw from the Task Force by written notification to the Executive Director. In the event of dissolution, after all financial obligations are met, any remaining funds will be equally distributed to the participating agencies based upon their level of participation.

Fiscal agent responsibilities for the Task Force are with the City of Moorhead Police Department. During 2021, Wilkin County did not contribute any funds to the Task Force.

Separate financial information can be obtained from the Moorhead Law Enforcement Center, 911 – 11th Street North, Moorhead, Minnesota 56560.

Northwest Regional Development Commission

The Northwest Regional Development Commission provides services to Kittson, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau Counties in Northwest and West Central Minnesota. Through the Dancing Sky Area Agency on Aging program, the Northwest Regional Development Commission serves 21 counties in Regions I, II, and IV. This combined area on aging was established to administer all aspects of the Older Americans Act by providing programs to meet the needs of the elderly in the 21-county area.

Control is vested in the Northwest Regional Development Commission Board. The Board consists of one Commissioner from each of the seven counties. Each member of the Board is appointed by the County Commissioners of the county he or she represents. The Northwest Regional Development Commission Board meets quarterly to discuss and approve major items such as the area plan and dollar allocations, while the advisory councils and joint powers boards continue to meet monthly to make decisions affecting their local counties.

5. Summary of Significant Contingencies and Other Items

B. Joint Ventures

Northwest Regional Development Commission (Continued)

Financing is provided by appropriations from member parties and by state and federal grants. During 2021, Wilkin County provided $1,277 to this organization.

Complete financial information can be obtained from the Northwest Regional Development Commission, 109 South Minnesota Street, Warren, Minnesota 56762.

Wilkin County Children's Collaborative

The Wilkin County Children's Collaborative was established in 1997, under the authority of the Joint Powers Act, pursuant to Minn. Stat. §§ 471.59 and 124D.23. The Collaborative includes Wilkin County; Wilkin County Family Service Agency; Wilkin County Public Health Nursing Service; Wilkin County Court Services; Independent School District Nos. 846, 850, and 852; St. Mary School; St. Francis Medical Center/Hope Unit; and Clay-Wilkin Opportunity Council/Head Start. The purpose of the Collaborative is to provide coordinated family services and to commit resources to an integrated fund.

Control of the Wilkin County Children's Collaborative is vested in a Board of Directors, which is composed of one member appointed by each member party.

In the event of a withdrawal from the Wilkin County Children's Collaborative, the withdrawing party shall give a 90-day notice. The withdrawing party shall not be entitled to a refund of monies contributed to the Collaborative prior to the effective date of withdrawal. The Board shall continue to exist if the Collaborative is terminated for the limited purpose of discharging the Board's debts and liabilities, settling its affairs, and disposing of its remaining property.

Financing is provided by state grants and appropriations and contributions from its member parties. Wilkin County, in an agent capacity, reports the cash transactions of the Wilkin County Children's Collaborative as a custodial fund on its financial statements. During 2021, Wilkin County did not contribute to the Collaborative.

5. Summary of Significant Contingencies and Other Items

B. Joint Ventures (Continued)

Rural Minnesota Concentrated Employment Program, Inc. (WIOA – Rural Minnesota Workforce Service Area 2)

The Rural Minnesota Concentrated Employment Program, 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 Innovation 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 2021, Wilkin County did not contribute any funds to this organization.

Lake Agassiz Regional Library

The Lake Agassiz Regional Library was formed pursuant to Minn. Stat. §§ 134.20 and 471.59, effective January 1, 1961, and includes Becker, Clay, Clearwater, Mahnomen, Norman, Polk, and Wilkin Counties, as well as the cities of Breckenridge, Crookston, Detroit Lakes, Mahnomen, and Moorhead. Control of the Library is vested in the Agassiz Regional Library Board of Trustees, with 23 members with staggered terms made up of the following: one member appointed by each Board of County Commissioners who may be a member of the Board of Commissioners; one member appointed by each participating city; and one additional member appointed by each county and city for each 6,000 of population or major percentage (85 percent) thereof.

In 2021, Wilkin County provided $56,795 in the form of an appropriation.

Financial information can be obtained from Lake Agassiz Regional Library Regional Office, 118 – 5th Street South, Moorhead, Minnesota 56560.

5. Summary of Significant Contingencies and Other Items

B. Joint Ventures (Continued)

Court Services – Big Stone, Grant, Stevens, Traverse, and Wilkin Counties

Big Stone, Grant, Stevens, Traverse, and Wilkin Counties participate in a joint venture to provide corrections services to the five-county area. The joint powers agreement was effective June 1, 1962.

Court services are headquartered in Wheaton, Minnesota, with office locations at the county seats of the member counties.

The two probation officers for the five-county area are appointed by three area judges, who also set the probation officer salaries. The Minnesota Department of Corrections reimburses Traverse County for a portion of the probation officer salaries. The remaining expenses are allocated to each participating county based on population. During 2021, Wilkin County contributed $64,844 to the entity.

Traverse County acts as fiscal agent. Traverse County reports the probation activity in a separate department within the General Fund.

Financial information can be obtained from the Traverse County Auditor/Treasurer, PO Box 428, Wheaton, Minnesota 56296.

Partnership4Health Community Health Board

Partnership4Health Community Health Board was originally established July 1, 2014, by a joint powers agreement among Becker, Clay, Otter Tail, and Wilkin Counties, pursuant to Minn. Stat. ch. 145A, and pursuant to Minn. Stat. § 471.59, for the purpose of transitioning grant contracts. The Community Health Board became operational as of January 1, 2015. The joint powers agreement remains in force until any single county provides a resolution of withdrawal, duly passed by its governing board, to the County Boards and the Auditor of the other counties participating in the agreement, and the Commissioner of Health for the State of Minnesota, at least one year before the beginning of the calendar year in which it takes effect.

5. Summary of Significant Contingencies and Other Items

B. Joint Ventures

Partnership4Health Community Health Board (Continued)

Partnership4Health's purpose is to engage in activities designed to protect and promote the health of the general population within a community health service area by emphasizing the prevention of disease, injury, disability, and preventable death through the promotion of effective coordination and use of community resources, and by extending health services into the community.

Control is vested in Partnership4Health's Board, which consists of five members comprised of four County Commissioners and one community member. Members of the Board serve an annual term, with no term limit.

The financial activities of Partnership4Health are accounted for in a fiduciary fund by Clay County. The individuals who administer the activities of Partnership4Health are considered to be employees of Clay County Public Health and Otter Tail County Public Health.

During 2021, Wilkin County did not contribute to Partnership4Health Community Health Board.

Separate financial information can be obtained from Partnership4Health Community Health Board, 715 – 11th Street North, Moorhead, Minnesota 56560.

Southern Valley Economic Development Authority

The Southern Valley Economic Development Authority was formed pursuant to North Dakota Century Code Chapters 40.05 and 54-40.3, along with Article VII, Section 10 of the North Dakota Constitution, and Minn. Stat. § 471.59, effective November 22, 2017, and includes Richland County Jobs Development Authority (North Dakota); Wilkin County; and the Cities of Wahpeton, North Dakota, and Breckenridge, Minnesota. The purpose of the Economic Development Authority is to aid, assist, and promote economic development, new wealth creation, and job growth within the Economic Development Authority's geographic area. Each entity is responsible for its proportionate share of the annual budget. Control is vested in a Joint Powers Board consisting of eight members, with two members appointed by each member agency.

5. Summary of Significant Contingencies and Other Items

B. Joint Ventures

Southern Valley Economic Development Authority (Continued)

In the event of termination of the agreement, the Joint Powers Board may sell and liquidate any and all non-monetary assets prior to distribution that are not otherwise owned by a member. Upon dissolution, the entities will have 120 days to agree upon a division of the assets among themselves, otherwise the proceeds will be distributed in proportion to the members' respective contributions. Any remaining funds and assets shall be divided and distributed to the members in proportion to the percentage of annual contribution. During 2021, Wilkin County contributed $23,366 to the Southern Valley Economic Development Authority.

C. Jointly-Governed Organizations

Wilkin County, in conjunction with other governmental entities and various private organizations, formed the jointly-governed organizations listed below:

Buffalo-Red River Watershed District

The Buffalo-Red River Watershed District was formed pursuant to Minn. Stat. § 103D.201, effective June 17, 1963, and includes land within Becker, Clay, Otter Tail and Wilkin Counties. The purpose of the District is to conserve the natural resources of the state by land-use planning, flood control, and other conservation projects by using sound scientific principles for the protection of the public health and welfare and the provident use of natural resources. Control of the District is vested in the Buffalo-Red River Watershed District Board of Managers, which is composed of seven members having staggered terms of three years each, with one appointed by the Becker County Board, three appointed by the Clay County Board, one appointed by the Otter Tail County Board, and two appointed by the Wilkin County Board.

Minnesota Criminal Justice Data Communications Network

The Minnesota Criminal Justice Data Communications Network Joint Powers Agreement exists to create access for the County Sheriff and County Attorney to systems and tools available from the State of Minnesota, Department of Public Safety, and the Bureau of Criminal Apprehension to carry out criminal justice. During the year, Wilkin County made no payments to the joint powers.

5. Summary of Significant Contingencies and Other Items

C. Jointly-Governed Organizations (Continued)

District IV Transportation Planning

Wilkin County and 13 other cities and counties entered into a joint powers agreement to establish the District IV Transportation Planning Joint Powers Board, effective December 11, 1996, and empowered under Minn. Stat. § 471.59. The purpose of the Board is to develop a multi-modal transportation plan for the geographical jurisdiction of the member cities and counties. The Board is composed of 14 members, with one member appointed by each member city and county.

Minnesota Red River Basin of the North Joint Powers Board

The Minnesota Red River Basin of the North Joint Powers Board was established November 29, 1999, by an agreement between Wilkin County and 17 other counties.

The agreement was made to serve as a focal point for land and water concerns for those counties surrounding the Minnesota Red River Basin. Each county is responsible for its proportionate share of the administrative budget.

Control is vested in a Joint Powers Board comprised of one Commissioner from each member county. Each member of the Board is appointed by the County Commissioners of the county he or she represents.

In the event of termination of the agreement, any unexpended funds and surplus property shall be disposed of equally among the member counties. During 2021, Wilkin County contributed $178 to the Joint Powers Board.

Complete financial statements can be obtained from The International Coalition for Land – Water, Stewardship in the Red River Basin, 119 – 5th Street South, Moorhead, Minnesota 56560.

Southwest Minnesota Immunization Information Connection

The Southwest Minnesota Immunization Information Connection (SW-MIIC) Joint Powers Board promotes an implementation and maintenance of a regional immunization information system to ensure age-appropriate immunizations through complete and accurate records. Wilkin County did not contribute to the SW-MIIC during 2021.

5. Summary of Significant Contingencies and Other Items

C. Jointly-Governed Organizations (Continued)

Richland-Wilkin Joint Powers Authority

Wilkin County, Minnesota, and Richland County, North Dakota, entered into a joint powers agreement for the purpose of protecting the citizens and properties of these two counties and to oppose the planned construction of dams on the Wild Rice and Red Rivers as currently proposed in the Fargo Metropolitan Area Flood and Risk Management Project. This agreement is established pursuant to Minn. Stat. § 471.59 and North Dakota Century Chapter 54-40. Control is vested in the Board, which is composed of two members appointed by the Wilkin County Board and two members appointed by the Richland County Board. During the year, Wilkin County made payments of $106,845 to the Authority.

Minnesota Rural Counties

The Minnesota Rural Counties (formerly Minnesota Rural Counties Caucus) was established in 1997 and includes Aitkin, Becker, Big Stone, Clay, Cottonwood, Douglas, Grant, Kittson, Koochiching, Lake of the Woods, Mahnomen, Marshal, McLeod, Mille Lacs, Mower, Murray, Norman, Pennington, Pine, Pipestone, Polk, Pope, Red Lake, Redwood, Roseau, Stevens, Todd, Traverse, Wadena, Watonwan, Wilkin and Wright Counties. Control is vested in the Minnesota Rural Counties Executive Committee, which is composed of 12 appointees, each with an alternate, who are appointed annually by each respective County Board they represent. Each county also appoints a delegate and alternate to the Board of Directors. Wilkin County's responsibility does not extend beyond making these appointments.

Bois de Sioux Watershed District

Effective November 19, 1991, and authorized under Minn. Stat. § 103D.335, subds. 2 and 21, Wilkin County and the Bois de Sioux Watershed District entered into a joint powers agreement for the purpose of providing for the repair and maintenance of Wilkin County Ditch No. 8. Ditch No. 8 lies outside the present boundaries of the Bois de Sioux Watershed District. The Board is composed of nine members, one member of which is appointed by Wilkin County.

6. Subsequent Events

COVID Pandemic

On March 11, 2021, the President of the United States signed an amended version of the COVID Relief Package, the American Rescue Plan, which includes $65.1 billion in direct, flexible aid for counties in America. The U.S. Department of the Treasury will oversee and administer payments of the State and Local Coronavirus Recovery Funds to state and local governments, for which every county is eligible to receive a direct allocation from the Treasury. Counties will receive funds in two tranches – 50 percent in 2021 and the remaining 50 percent no earlier than 12 months from the first payment. The U.S. Treasury is required to pay the first tranche to counties no later than 60 days after enactment. Wilkin County's projected allocation of the State and Local Coronavirus Recovery Funds is $1,205,637. The first tranche of $602,818.50 was received on June 1, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT A-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 5,351,337	$ 5,351,337	$ 4,930,629	$ (420,708)
Licenses and permits	5,800	5,800	6,382	582
Intergovernmental	232,697	232,697	1,249,978	1,017,281
Charges for services	253,200	253,200	388,360	135,160
Fines and forfeits	-	-	3,778	3,778
Investment earnings	70,000	70,000	26,331	(43,669)
Miscellaneous	6,560	6,560	14,462,184	14,455,624
Total Revenues	**$ 5,919,594**	**$ 5,919,594**	**$ 21,067,642**	**$ 15,148,048**
Expenditures				
Current				
General government				
Commissioners	$ 189,198	$ 189,198	$ 193,084	$ (3,886)
Courts	103,077	103,077	110,197	(7,120)
County auditor-treasurer	568,609	568,609	567,079	1,530
County assessor	296,504	296,504	277,508	18,996
Human resources	129,257	165,257	160,845	4,412
Elections	6,020	6,020	5,693	327
Data processing	191,818	235,888	200,892	34,996
Attorney	258,000	308,000	302,696	5,304
Law library	-	-	3,716	(3,716)
Recorder	286,349	286,349	279,432	6,917
Planning and zoning	5,000	5,000	1,767	3,233
Buildings and plant	304,974	304,974	290,888	14,086
Veterans service officer	93,559	93,559	92,301	1,258
Geographic information systems	56,500	56,500	55,629	871
Unallocated	347,695	347,695	1,471,044	(1,123,349)
Total general government	**$ 2,836,560**	**$ 2,966,630**	**$ 4,012,771**	**$ (1,046,141)**
Public safety				
Sheriff	$ 1,301,253	$ 1,301,253	$ 1,195,206	$ 106,047
K-9 unit	8,000	8,000	603	7,397
Communications	471,055	471,055	487,028	(15,973)
Coroner	13,000	30,000	29,204	796
E-911 system	21,200	21,200	55,328	(34,128)
County jail	794,200	794,200	786,619	7,581
Emergency management	46,934	46,934	46,055	879
Total public safety	**$ 2,655,642**	**$ 2,672,642**	**$ 2,600,043**	**$ 72,599**

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

EXHIBIT A-1
(Continued)

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Health				
Land of the Dancing Sky	$ 1,277	$ 1,277	$ 1,277	$ -
Rothsay Partners	1,000	1,000	1,000	-
Total health	**$ 2,277**	**$ 2,277**	**$ 2,277**	**$ -**
Culture and recreation				
Historical society	$ 10,000	$ 10,000	$ 10,000	$ -
Regional library	56,795	56,795	56,795	-
Memorial celebrations	400	400	400	-
Red River Valley Emerging Leaders	900	900	900	-
Red River Basin Commission	178	178	178	-
Senior citizens	3,000	3,000	3,000	-
Total culture and recreation	**$ 71,273**	**$ 71,273**	**$ 71,273**	**$ -**
Conservation of natural resources				
County extension	$ 158,577	$ 158,577	$ 152,564	$ 6,013
Soil and water conservation	112,750	112,750	112,750	-
Aquatic invasive species	8,159	8,159	8,159	-
Riparian protection	53,748	53,748	143,762	(90,014)
Agricultural society/County fair	10,000	10,000	10,000	-
Weed control	11,292	11,292	5,273	6,019
Forfeited lands	-	-	11,050	(11,050)
Watershed contribution	-	-	1,472,575	(1,472,575)
Total conservation of natural resources	**$ 354,526**	**$ 354,526**	**$ 1,916,133**	**$ (1,561,607)**
Economic development				
Economic development	$ 32,066	$ 32,066	$ 26,812	$ 5,254
Community development	2,250	2,250	2,000	250
Total economic development	**$ 34,316**	**$ 34,316**	**$ 28,812**	**$ 5,504**
Debt service				
Bond issuance costs	$ -	$ -	$ 28,658	$ (28,658)
Administrative (fiscal) charges	-	-	26,615	(26,615)
Total debt service	**$ -**	**$ -**	**$ 55,273**	**$ (55,273)**
Total Expenditures	**$ 5,954,594**	**$ 6,101,664**	**$ 8,686,582**	**$ (2,584,918)**

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

EXHIBIT A-1
(Continued)

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Excess of Revenues Over (Under) Expenditures	**$ (35,000)**	**$ (182,070)**	**$ 12,381,060**	**$ 12,563,130**
Other Financing Sources (Uses)				
Bonds issued	$ -	$ -	$ 1,495,000	$ 1,495,000
Premium on bonds issued	-	-	6,233	6,233
Total Other Financing Sources (Uses)	**$ -**	**$ -**	**$ 1,501,233**	**$ 1,501,233**
Net Change in Fund Balance	**$ (35,000)**	**$ (182,070)**	**$ 13,882,293**	**$ 14,064,363**
Fund Balance – January 1	**3,487,655**	**3,487,655**	**3,487,655**	**-**
Fund Balance – December 31	**$ 3,452,655**	**$ 3,305,585**	**$ 17,369,948**	**$ 14,064,363**

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT A-2

BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 2,100,527	$ 2,100,527	$ 1,922,812	$ (177,715)
Intergovernmental	4,904,082	4,904,082	5,179,205	275,123
Charges for services	156,500	156,500	259,812	103,312
Miscellaneous	40,500	40,500	46,670	6,170
Total Revenues	**$ 7,201,609**	**$ 7,201,609**	**$ 7,408,499**	**$ 206,890**
Expenditures				
Current				
Highways and streets				
Administration	$ 262,458	$ 262,458	$ 327,485	$ (65,027)
Maintenance	2,187,407	2,187,407	1,597,786	589,621
Construction	3,317,735	3,317,735	3,008,531	309,204
Equipment maintenance and shop	896,063	896,063	865,927	30,136
Unallocated – highways and streets	134,873	134,873	153,243	(18,370)
Total highways and streets	**$ 6,798,536**	**$ 6,798,536**	**$ 5,952,972**	**$ 845,564**
Culture and recreation				
Parks	1,650	1,650	1,777	(127)
Intergovernmental				
Highways and streets	401,423	401,423	434,229	(32,806)
Total Expenditures	**$ 7,201,609**	**$ 7,201,609**	**$ 6,388,978**	**$ 812,631**
Net Change in Fund Balance	**$ -**	**$ -**	**$ 1,019,521**	**$ 1,019,521**
Fund Balance – January 1	**4,571,936**	**4,571,936**	**4,571,936**	**-**
Increase (decrease) in inventories	**-**	**-**	**(1,737)**	**(1,737)**
Fund Balance – December 31	**$ 4,571,936**	**$ 4,571,936**	**$ 5,589,720**	**$ 1,017,784**

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

EXHIBIT A-3

BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 875,576	$ 875,576	$ 796,650	$ (78,926)
Intergovernmental	1,617,108	1,617,108	1,639,317	22,209
Charges for services	234,654	234,654	341,110	106,456
Investment earnings	453	453	5	(448)
Miscellaneous	18,080	18,080	11,780	(6,300)
Total Revenues	**$ 2,745,871**	**$ 2,745,871**	**$ 2,788,862**	**$ 42,991**
Expenditures				
Current				
Human services				
Income maintenance	$ 1,088,464	$ 1,088,464	$ 1,071,753	$ 16,711
Social services	2,124,612	2,124,612	2,247,185	(122,573)
Total Expenditures	**$ 3,213,076**	**$ 3,213,076**	**$ 3,318,938**	**$ (105,862)**
Net Change in Fund Balance	**$ (467,205)**	**$ (467,205)**	**$ (530,076)**	**$ (62,871)**
Fund Balance – January 1	**1,095,315**	**1,095,315**	**1,095,315**	**-**
Fund Balance – December 31	**$ 628,110**	**$ 628,110**	**$ 565,239**	**$ (62,871)**

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

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT A-4

BUDGETARY COMPARISON SCHEDULE
PUBLIC HEALTH NURSE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 331,173	$ 331,173	$ 303,432	$ (27,741)
Intergovernmental	278,783	278,783	395,417	116,634
Charges for services	176,856	176,856	161,424	(15,432)
Gifts and contributions	-	-	5,000	5,000
Miscellaneous	-	-	5,494	5,494
Total Revenues	**$ 786,812**	**$ 786,812**	**$ 870,767**	**$ 83,955**
Expenditures				
Current				
Health				
Nursing service	1,036,812	1,036,812	941,296	95,516
Net Change in Fund Balance	**$ (250,000)**	**$ (250,000)**	**$ (70,529)**	**$ 179,471**
Fund Balance – January 1	**558,851**	**558,851**	**558,851**	**-**
Fund Balance – December 31	**$ 308,851**	**$ 308,851**	**$ 488,322**	**$ 179,471**

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

EXHIBIT A-5

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS
DECEMBER 31, 2021**

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 24,609	$ 23,834	$ 17,597	$ 17,084
Interest	7,342	8,676	8,108	8,092
Changes of benefit terms	-	(5,258)	-	-
Differences between expected and actual experience	-	(24,710)	-	-
Benefit payments	(8,602)	(17,418)	(12,066)	(38,171)
Net change in total OPEB liability	**$ 23,349**	**$ (14,876)**	**$ 13,639**	**$ (12,995)**
Total OPEB Liability – Beginning, as restated	**232,836**	**247,712**	**234,073**	**247,068**
Total OPEB Liability – Ending	**$ 256,185**	**$ 232,836**	**$ 247,712**	**$ 234,073**
Covered-employee payroll	$ 5,362,588	$ 5,193,790	$ 5,205,424	$ 5,053,810
Total OPEB liability (asset) as a percentage of covered-employee payroll	4.78%	4.48%	4.76%	4.63%

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

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

EXHIBIT A-6

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2021**

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 Wilkin 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
2021	0.0593 %	$ 2,532,376	$ 77,320	$ 2,609,696	$ 4,271,044	59.29 %	87.00 %
2020	0.0594	3,561,301	109,940	3,671,241	4,237,794	84.04	79.06
2019	0.0581	3,212,219	99,829	3,312,048	4,149,937	77.40	80.23
2018	0.0576	3,195,412	104,834	3,300,246	3,831,770	83.39	79.53
2017	0.0600	3,830,360	48,194	3,878,554	3,770,074	101.60	75.90
2016	0.0599	4,863,583	63,539	4,927,122	3,717,541	130.83	68.91
2015	0.0620	3,213,162	N/A	3,213,162	3,647,074	88.10	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

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT A-7

SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2021

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)
2021	$ 323,928	$ 323,928	$ -	$ 4,319,038	7.50 %
2020	331,442	331,442	-	4,419,220	7.50
2019	316,370	316,370	-	4,218,269	7.50
2018	293,995	293,995	-	3,919,930	7.50
2017	291,553	291,553	-	3,887,374	7.50
2016	286,140	286,140	-	3,815,203	7.50
2015	273,724	273,724	-	3,649,653	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.

EXHIBIT A-8

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2021

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 Wilkin 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
2021	0.050 %	$ 389,035	$ 17,501	$ 406,536	$ 595,641	68.25 %	93.66 %
2020	0.055	721,005	16,989	737,994	617,445	119.52	87.19
2019	0.056	599,370	N/A	599,370	594,204	100.87	89.26
2018	0.048	513,762	N/A	513,762	508,013	101.13	88.84
2017	0.050	675,060	N/A	675,060	463,127	145.76	85.43
2016	0.044	1,765,797	N/A	1,765,797	427,232	413.31	63.88
2015	0.041	465,856	N/A	465,856	374,631	124.35	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

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT A-9

SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2021

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)
2021	$ 96,174	$ 96,174	$ -	$ 543,359	17.70 %
2020	115,626	115,626	-	653,257	17.70
2019	103,366	103,366	-	609,828	16.95
2018	87,497	87,497	-	540,105	16.20
2017	84,851	84,851	-	523,770	16.20
2016	77,330	77,330	-	477,342	16.20
2015	62,192	62,192	-	383,901	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.

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT A-10

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES LOCAL GOVERNMENT CORRECTIONAL SERVICE RETIREMENT PLAN
DECEMBER 31, 2021

Measurement Date	Employer's Proportion of the Net Pension Liability/ Asset	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.29 %	$ (47,756)	$ 642,753	(7.43) %	101.61 %
2020	0.27	73,560	589,986	12.47	96.67
2019	0.26	35,665	549,477	6.49	98.17
2018	0.25	41,397	514,087	8.05	97.64
2017	0.26	741,003	497,051	149.08	67.89
2016	0.26	949,816	486,463	195.25	58.16
2015	0.25	38,650	374,631	10.32	96.95

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.

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT A-11

SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES LOCAL GOVERNMENT CORRECTIONAL SERVICE RETIREMENT PLAN
DECEMBER 31, 2021

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)
2021	$ 60,716	$ 60,716	$ -	$ 693,893	8.75 %
2020	54,283	54,283	-	620,379	8.75
2019	51,040	51,040	-	583,309	8.75
2018	44,365	44,365	-	507,034	8.75
2017	46,555	46,555	-	532,058	8.75
2016	43,867	43,867	-	501,334	8.75
2015	40,214	40,214	-	459,589	8.75

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.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

1. <u>Budgetary Information</u>

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Gravel Tax Reserve Special Revenue Fund. All annual appropriations lapse at fiscal year-end.

On or before mid-June of each year, all departments and agencies submit requests for appropriations to the Wilkin County Auditor 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 budgetary amendments in the General Fund.

2. <u>Budget Amendments</u>

Expenditure budgets were amended for the following fund:

	Original Budget	Increase (Decrease)	Final Budget
General Fund	$ 5,954,594	$ 147,070	$ 6,101,664

3. <u>Excess of Expenditures Over Budget</u>

The following individual major funds had expenditures in excess of final budgets for the year ended December 31, 2021:

	Expenditures	Budget	Excess
General Fund	$ 8,686,582	$ 6,101,664	$ 2,584,918
Human Services Special Revenue Fund	3,318,938	3,213,076	105,862

4. Other Postemployment Benefits Funding Status

Assets have not been accumulated in a trust that meets the criteria in paragraph four of GASB Statement 75 to pay related benefits. See Note 3.D in the notes to the financial statements for additional information regarding the County's other postemployment benefits.

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

The following changes in actuarial assumptions occurred:

2021

None.

2020

- The health care trend rates, mortality tables, and salary increase rates were updated.
- The discount rate was changed from 3.30 percent to 2.90 percent.

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 (PERA) for the fiscal year June 30:

General Employees Retirement Plan

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.

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

General Employees Retirement Plan (Continued)

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.

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

General Employees Retirement Plan

2020 (Continued)

- 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.

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-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.

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

General Employees Retirement Plan

2018 (Continued)

- Contribution stabilizer provisions were repealed.

- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost of living adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.

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

2017

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

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

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

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

General Employees Retirement Plan (Continued)

2016

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

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

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

Public Employees Police and Fire Plan

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 MN-2020.

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

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Public Employees Police and Fire Plan

2021 (Continued)

- 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.

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Public Employees Police and Fire Plan

2018 (Continued)

- 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.

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Public Employees Police and Fire Plan

2017 (Continued)

- 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.

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Public Employees Police and Fire Plan

2016 (Continued)

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

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

Public Employees Local Government Correctional Service Retirement Plan

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 MN-2020.

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

- Assumed rates of salary increase were modified as recommended in the July 10, 2020, experience study. The overall impact is a decrease in gross salary increase rates.

- Assumed rates of retirement were changed as recommended in the July 10, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Public Employees Local Government Correctional Service Retirement Plan

2021 (Continued)

- Assumed rates of withdrawal were changed as recommended in the July 10, 2020, experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).

- Assumed rates of disability were lowered.

- Assumed percent married for active members was lowered from 85 percent to 75 percent.

- Minor changes to form of payment assumptions were applied.

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 single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum.

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

- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Public Employees Local Government Correctional Service Retirement Plan

2018 (Continued)

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Post-retirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level, to 100 percent of the Social Security cost of living adjustment, not less than 1.00 percent and not more than 2.50 percent, beginning January 1, 2019. If the funding status declines to 85 percent for two consecutive years, or 80 percent for one year, the maximum increase will be lowered to 1.50 percent.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to Scale MP-2016).
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA load has been changed to 35 percent for vested members and 1.00 percent for non-vested members.

6. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Public Employees Local Government Correctional Service Retirement Plan

2017 (Continued)

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

2016

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

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

SUPPLEMENTARY INFORMATION

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT B-1

BUDGETARY COMPARISON SCHEDULE OTHER MAJOR FUND
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	**Final**	**Amounts**	**Final Budget**
Revenues				
Taxes	$ 329,825	$ 329,825	$ 302,234	$ (27,591)
Special assessments	-	-	193,261	193,261
Intergovernmental	-	-	30,198	30,198
Total Revenues	**$ 329,825**	**$ 329,825**	**$ 525,693**	**$ 195,868**
Expenditures				
Debt service				
Principal	$ 325,500	$ 325,500	$ 460,000	$ (134,500)
Interest	3,225	3,225	67,858	(64,633)
Administrative (fiscal) fees	1,100	1,100	1,600	(500)
Total Expenditures	**$ 329,825**	**$ 329,825**	**$ 529,458**	**$ (199,633)**
Net Change in Fund Balance	**$ -**	**$ -**	**$ (3,765)**	**$ (3,765)**
Fund Balance – January 1	**450,601**	**450,601**	**450,601**	**-**
Fund Balance – December 31	**$ 450,601**	**$ 450,601**	**$ 446,836**	**$ (3,765)**

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Environmental Fund – to account for the financial transactions of providing environmental services. Financing is provided by special assessments, charges for services, and intergovernmental revenues designated for environmental purposes.

Gravel Tax Reserve Fund – to account for the proceeds of a special gravel removal or occupation tax restricted to expenditures for the restoration of abandoned gravel pits.

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT C-1

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2021

	Environmental	Gravel Tax Reserve	Total (Exhibit 3)
Assets			
Cash and pooled investments	$ 224,593	$ 3,080	$ 227,673
Petty cash and change funds	5,000	-	5,000
Taxes receivable – delinquent	732	-	732
Accounts receivable	20,694	1,704	22,398
Total Assets	**$ 251,019**	**$ 4,784**	**$ 255,803**
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	$ 1,653	$ -	$ 1,653
Salaries payable	1,243	-	1,243
Due to other funds	192	-	192
Due to other governments	3,808	1,212	5,020
Total Liabilities	**$ 6,896**	**$ 1,212**	**$ 8,108**
Deferred Inflows of Resources			
Unavailable revenue	$ 4,672	$ -	$ 4,672
Prepaid taxes	1,190	-	1,190
Total Deferred Inflows of Resources	**$ 5,862**	**$ -**	**$ 5,862**
Fund Balances			
Restricted			
Gravel pit restoration	$ -	$ 3,572	$ 3,572
Assigned			
Sanitation	238,261	-	238,261
Total Fund Balances	**$ 238,261**	**$ 3,572**	**$ 241,833**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 251,019**	**$ 4,784**	**$ 255,803**

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT C-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Environmental	Gravel Tax Reserve	Total (Exhibit 3)
Revenues			
Taxes	$ 106,886	$ 797	$ 107,683
Licenses and permits	750	-	750
Intergovernmental	187,959	-	187,959
Charges for services	96,861	-	96,861
Miscellaneous	93,465	-	93,465
Total Revenues	**$ 485,921**	**$ 797**	**$ 486,718**
Expenditures			
Current			
Sanitation	$ 289,880	$ -	$ 289,880
Conservation of natural resources	113,007	-	113,007
Total Expenditures	**$ 402,887**	**$ -**	**$ 402,887**
Net Change in Fund Balance	**$ 83,034**	**$ 797**	**$ 83,831**
Fund Balance – January 1	**155,227**	**2,775**	**158,002**
Fund Balance – December 31	**$ 238,261**	**$ 3,572**	**$ 241,833**

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT C-3

BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 117,440	$ 117,440	$ 106,886	$ (10,554)
Licenses and permits	1,500	1,500	750	(750)
Intergovernmental	113,242	113,242	187,959	74,717
Charges for services	94,000	94,000	96,861	2,861
Miscellaneous	40,000	40,000	93,465	53,465
Total Revenues	**$ 366,182**	**$ 366,182**	**$ 485,921**	**$ 119,739**
Expenditures				
Current				
Sanitation				
Solid waste	$ 200,970	$ 200,970	$ 167,440	$ 33,530
Recycling	110,470	110,470	122,440	(11,970)
Total sanitation	**$ 311,440**	**$ 311,440**	**$ 289,880**	**$ 21,560**
Conservation of natural resources				
Water planning	$ 24,732	$ 24,732	$ 24,732	$ -
Wetland conservation	8,778	8,778	8,778	-
Subsurface sewage treatment	18,600	18,600	79,497	(60,897)
Total conservation of natural resources	**$ 54,742**	**$ 54,742**	**$ 113,007**	**$ (58,265)**
Total Expenditures	**$ 366,182**	**$ 366,182**	**$ 402,887**	**$ (36,705)**
Net Change in Fund Balance	**$ -**	**$ -**	**$ 83,034**	**$ 83,034**
Fund Balance – January 1	**155,227**	**155,227**	**155,227**	**-**
Fund Balance – December 31	**$ 155,227**	**$ 155,227**	**$ 238,261**	**$ 83,034**

FIDUCIARY FUNDS – CUSTODIAL FUNDS

Children's Collaborative – to account for the collection and disbursement of funds for the local Collaborative.

Jail Inmate – to account for any funds collected from the jail inmates at the time of booking or other monies brought in for their personal use, and the disbursement of these funds for commissary purchases, bonds, booking fees, and other similar fees.

Recoveries – to account for the State of Minnesota's share of estate recoveries associated with the Medical Assistance Program, and MAXIS recoveries associated with Minnesota Family Investment Program/Temporary Assistance to Needy Families/Aid to Families with Dependent Children/General Assistance/General Assistance Medical Care and Group Residential Housing programs.

State Revenue – to account for the collection and payment of amounts due to the state.

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

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
DECEMBER 31, 2021

	Children's Collaborative	Jail Inmate
Assets		
Cash and pooled investments	$ 36,542	$ 8,103
Taxes receivable for other governments	-	-
Accounts receivable	-	-
Due from other funds	11,376	-
Due from other governments	229	-
Total Assets	**$ 48,147**	**$ 8,103**
Liabilities		
Due to other governments	$ -	$ 4,628
Due to others	250	1,934
Total Liabilities	**$ 250**	**$ 6,562**
Deferred Inflows of Resources		
Prepaid taxes	**$ -**	**$ -**
Net Position		
Restricted for		
Individuals, organizations, other governments	**$ 47,897**	**$ 1,541**

EXHIBIT D-1

Recoveries	State Revenue	Taxes and Penalties	Total Custodial Funds
$ 67,803	$ 24,124	$ 119,203	$ 255,775
-	4,171	105,572	109,743
4,787	2	-	4,789
-	-	-	11,376
-	-	-	229
$ 72,590	**$ 28,297**	**$ 224,775**	**$ 381,912**
$ 72,590	$ 24,126	$ 85,158	$ 186,502
-	-	-	2,184
$ 72,590	**$ 24,126**	**$ 85,158**	**$ 188,686**
$ -	**$ -**	**$ 34,045**	**$ 34,045**
$ -	**$ 4,171**	**$ 105,572**	**$ 159,181**

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Children's Collaborative	Jail Inmate
Additions		
Contributions		
Individuals	$ -	$ -
Investment earnings		
Interest, dividends, and other	259	-
Property tax collections for other governments	-	-
Contributions from participants	48,687	-
License and fees collected for the state	-	-
Miscellaneous	-	31,123
Total Additions	**$ 48,946**	**$ 31,123**
Deductions		
Payments of property tax to other governments	$ -	$ -
Payments to the state	-	-
Administrative expense	1,000	-
Distributions to participants	45,651	-
Payments to other entities	-	30,126
Total Deductions	**$ 46,651**	**$ 30,126**
Change in net position	**$ 2,295**	**$ 997**
Net Position – January 1	**45,602**	**544**
Net Position – December 31	**$ 47,897**	**$ 1,541**

EXHIBIT D-2

Recoveries	State Revenue	Taxes and Penalties	Total Custodial Funds
$ 132,246	$ -	$ -	$ 132,246
-	-	-	259
-	517,060	6,279,169	6,796,229
-	-	-	48,687
-	292,906	-	292,906
-	-	-	31,123
$ 132,246	**$ 809,966**	**$ 6,279,169**	**$ 7,301,450**
$ -	$ 515,604	$ 6,270,759	$ 6,786,363
132,246	292,906	-	425,152
-	-	-	1,000
-	-	-	45,651
-	-	-	30,126
$ 132,246	**$ 808,510**	**$ 6,270,759**	**$ 7,288,292**
$ -	**$ 1,456**	**$ 8,410**	**$ 13,158**
-	**2,715**	**97,162**	**146,023**
$ -	**$ 4,171**	**$ 105,572**	**$ 159,181**

SCHEDULES

EXHIBIT E-1

SCHEDULE OF DEPOSITS AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Number	Interest Rate (%)	Maturity Dates	Fair Value
Cash and Pooled Investments				
Cash on hand	N/A	N/A	N/A	$ 5,650
Cash held by others	N/A	N/A	N/A	12,841,725
Noninterest-bearing checking	Two	N/A	Continuous	77,590
Interest-bearing checking	One	Various	Continuous	1,664,041
Certificates of deposit	Four	0.30 to 0.75	April 13, 2022 to July 10, 2023	531,530
Money market savings	Three	Variable	Continuous	8,131,173
Brokerage certificates of deposit	One	0.50	December 16, 2026	194,318
Government bonds	Three	0.50 to 1.00	November 24, 2023 to November 24, 2026	547,581
Minnesota Association of Governments Investing for Counties Fund	N/A	Variable	Continuous	1,978,203
Total Cash and Pooled Investments				**$ 25,971,811**

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT E-2

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021

		Governmental Funds
Appropriations and Shared Revenue		
State		
Highway users tax	$	4,675,508
County program aid		544,611
Disparity reduction credit		85,343
Pension contribution		18,560
Police aid		71,242
Market value credit		140,233
Disparity reduction aid		10,350
Border cities reimbursement		1,081
Aquatic invasive species aid		8,159
Riparian protection aid		146,010
Total appropriations and shared revenue	**$**	**5,701,097**
Reimbursement for Services		
State		
Human services	**$**	**480,891**
Payments		
Local		
Capital payback	$	25,000
Payments in lieu of taxes		57,742
Total payments	**$**	**82,742**
Grants		
State		
Minnesota Department/Board of		
Corrections	$	10,581
Employment and Economic Development		256,250
Public Safety		170,424
Health		70,018
Human Services		362,639
Veterans Affairs		7,500
Transportation		110,003
Water and Soil Resources		106,139
Pollution Control Agency		71,066
Peace Officer Standards and Training Board		9,273
Total state	**$**	**1,173,893**

EXHIBIT E-2
(Continued)

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Governmental Funds
Grants (Continued)	
Federal	
Department of	
Agriculture	$ 168,139
Education	2,100
Health and Human Services	902,147
Homeland Security	167,298
Transportation	3,767
Total federal	**$ 1,243,451**
Total state and federal grants	**$ 2,417,344**
Total Intergovernmental Revenue	**$ 8,682,074**

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

EXHIBIT E-3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Number		Expenditures
U.S. Department of Agriculture				
Passed Through Partnership4Health Community Health Board				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	Not Provided	$	69,221
Passed Through Minnesota Department of Human Services				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	212MN101S2514		85,311
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	212MN101S2520		737
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	212MN127Q7503		12,870
(Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 $98,918)				
Total U.S. Department of Agriculture			**$**	**168,139**
U.S. Department of Transportation				
Passed Through Minnesota Department of Public Safety				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC21-2021-WILKINSO-041	$	173
Highway Safety Cluster				
National Priority Safety Programs	20.616	A-ENFRC21-2021-WILKINSO-041		19
Passed Through City of Saint Cloud				
E-911 Grant Program	20.615	A-DECN-NGGIS-2019-CMESB-1		3,575
Total U.S. Department of Transportation			**$**	**3,767**
U.S. Department of Education				
Passed Through Partnership4Health Community Health Board				
Special Education – Grants for Infants and Families	84.181	Not Provided	**$**	**2,100**
U.S. Department of Health and Human Services				
Direct				
COVID-19 – Provider Relief Fund	93.498		$	41
Passed Through Northwest Regional Development Commission				
Special Programs for the Aging, Title III, Part D – Disease Prevention and Health Promotion Services	93.043	314-21-003D-921		1,200
Aging Cluster				
Special Programs for the Aging – Title III, Part B – Grants for Services and Senior Centers	93.044	Not Provided		14,362

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

EXHIBIT E-3
(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Number	Expenditures
U.S. Department of Health and Human Services (Continued)			
Passed Through Partnership4Health Community Health Board			
Public Health Emergency Preparedness	93.069	Not Provided	8,934
Immunization Cooperative Agreements	93.268	Not Provided	34,706
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Not Provided	33,647
Temporary Assistance for Needy Families	93.558	Not Provided	5,702
(Total Temporary Assistance for Needy Families 93.558 $82,404)			
Maternal and Child Health Services Block Grant to the States	93.994	Not Provided	9,287
Passed Through Children's Dental Services			
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	Not Provided	12,467
Passed Through Minnesota Department of Human Services			
Promoting Safe and Stable Families	93.556	2101MNFPSS	3,248
Temporary Assistance for Needy Families	93.558	2101MNTANF	76,702
(Total Temporary Assistance for Needy Families 93.558 $82,404)			
Child Support Enforcement	93.563	2101MNCEST	247,568
Child Support Enforcement	93.563	2101MNCSES	25,303
(Total Child Support Enforcement 93.563 $272,871)			
Refugee and Entrant Assistance – State Administered Programs	93.566	2101MNRCMA	188
CCDF Cluster			
Child Care and Development Block Grant	93.575	2101MNCCDF	992
Community-Based Child Abuse Prevention Grants	93.590	1901MNBCAP	1,681
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWSS	1,206
COVID-19 – Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWC3	1,684
(Total Stephanie Tubbs Jones Child Welfare Services Program 93.645 $2,890)			
Foster Care – Title IV-E	93.658	2101MNFOST	47,821
Social Services Block Grant	93.667	2101MNSOSR	52,840
Child Abuse and Neglect State Grants	93.669	2101MNNCAN	608
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2101MNCILP	2,060
Children's Health Insurance Program	93.767	2105MN5021	376
Medicaid Cluster			
Medical Assistance Program	93.778	2105MN5ADM	323,409
Medical Assistance Program	93.778	2105MN5MAP	2,087
(Total Medical Assistance Program 93.778 $325,496)			
Total U.S. Department of Health and Human Services			**$ 908,119**

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

EXHIBIT E-3
(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Number		Expenditures
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Public Safety				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	EMGP-20210305-3785	$	151,384
Emergency Management Performance Grants	97.042	F-EMPG-2020-WILKINCO-3451		15,914
Total U.S. Department of Homeland Security			**$**	**167,298**
Total Federal Awards			**$**	**1,249,423**

The County did not pass on any federal awards through to subrecipients during the year ended December 31, 2021.

Totals by Cluster		
Total expenditures for SNAP Cluster	$	98,918
Total expenditures for Highway Safety Cluster		19
Total expenditures for Aging Cluster		14,362
Total expenditures for CCDF Cluster		992
Total expenditures for Medicaid Cluster		325,496

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. Summary of Significant Accounting Policies

   A. Reporting Entity

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

   B. Basis of Presentation

      The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Wilkin County under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Wilkin County, it is not intended to and does not present the financial position or changes in net position of Wilkin 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.

2. De Minimis Cost Rate

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

3. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	$ 1,243,451
Grants received more than 60 days after year-end, deferred in 2021	
Promoting Safe and Stable Families (AL No. 93.556)	303
Temporary Assistance for Needy Families (AL No. 93.558)	21,126
Community-Based Child Abuse Prevention Grants (AL No. 93.590)	475
Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645)	960
Child Abuse and Neglect State Grants (AL No. 93.669)	608
Children's Health Insurance Program (AL No. 93.767)	250
Grants deferred in 2020, recognized as revenue in 2021	
Promoting Safe and Stable Families (AL No. 93.556)	(38)
Temporary Assistance for Needy Families (AL No. 93.558)	(16,846)
Community-Based Child Abuse Prevention Grants (AL No. 93.590)	(753)
Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645)	(113)
Expenditures Per Schedule of Expenditures of Federal Awards	$ 1,249,423

Management and Compliance Section

STATE OF MINNESOTA

Office of the State Auditor

Julie Blaha
State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

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

Independent Auditor's Report

Board of County Commissioners
Wilkin County
Breckenridge, 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, each major fund, and the aggregate remaining fund information of Wilkin County, Minnesota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 5, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wilkin County's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, 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.

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

Minnesota Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that Wilkin 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, 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/Dianne Syverson

DIANNE SYVERSON, CPA
DEPUTY STATE AUDITOR

July 5, 2022

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 UNIFORM GUIDANCE

Independent Auditor's Report

Board of County Commissioners
Wilkin County
Breckenridge, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wilkin County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Wilkin County's major federal programs for the year ended December 31, 2021. Wilkin County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Wilkin County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

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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 Wilkin County's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Wilkin 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 Wilkin County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

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

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Wilkin 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 Wilkin 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 Wilkin County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters
The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 to be a significant deficiency.

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

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

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

/s/Julie Blaha	*/s/Dianne Syverson*
JULIE BLAHA STATE AUDITOR	DIANNE SYVERSON, CPA DEPUTY STATE AUDITOR

July 5, 2022

WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 GAAP: **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 major programs:
- Material weaknesses identified? **No**
- Significant deficiencies identified? **Yes**

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

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

The major federal programs are:

Assistance Listing Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
93.778	Medicaid Cluster

The threshold for distinguishing between Types A and B programs was $750,000.

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

II. FINDINGS RELATED TO FINANCIAL STATEMENTS AUDITED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

2021-001 **Local Collaborative Time Study (LCTS) Reporting and Expenditures**
Prior Year Finding Number: N/A
Repeat Finding Since: N/A
Type of Finding: Internal Control Over Compliance and Compliance
Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services
Program: 93.778 Medical Assistance Program
Award Number and Year: Award 2105MN5ADM, 2021

Pass-Through Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. For federal awards received from the Minnesota Department of Human Services (DHS), internal controls should be established and maintained to provide assurance that program reports submitted to Minnesota DHS are completed in accordance with Minnesota DHS reporting instructions. As part of Wilkin County's reporting requirements, the Public Health Department submits the Local Collaborative Time Study (LCTS) Public Health Cost Schedules DHS 3220.3 on a quarterly basis.

Minnesota DHS Bulletin 16-32-04 requires Line 2 of the report to include administrative, supervisory, and clerical salary and benefits and only the amount of time actually spent. The method for determining the time spent is required to be documented and retained.

Condition: Instead of reporting a percentage of LCTS administrative, supervisory, and clerical support payroll expenditures and maintaining the support for the percentage reported, the Public Health Department reported 25 percent of direct labor and benefits payroll expenditures of LCTS participants and did not maintain support for the rationale of 25 percent.

Questioned Costs: $68,344

Context: The Wilkin County Public Health Department had staff turnover in 2021 that affected who was filling out the DHS-3220.3 quarterly reports. Minnesota DHS relies on accurate submission of program costs to ensure that resulting grant funds paid to Wilkin County are for applicable federal program activities/costs.

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

Effect: The County did not comply with the reporting requirements in accordance with DHS Bulletin 16-32-04. Errors in the submission of costs on the quarterly reports can result in Wilkin County receiving either more or less federal funding than can be justified based on the actual underlying activity.

Cause: The new Public Health Director misunderstood the reporting guidance provided in DHS Bulletin 16-32-04.

Recommendation: We recommend the quarterly DHS-3220.3 reports be completed in accordance with the Minnesota DHS' guidance as provided in DHS Bulletin 16-32-04.

View of Responsible Official: Concur.

OFFICE OF COUNTY AUDITOR-TREASURER

Wilkin County, Minnesota

JANELLE KRUMP, AUDITOR-TREASURER
KARI WARD, DEPUTY
DENISE NORDICK, DEPUTY
BRENDA CONZEMIUS, DEPUTY
LINDA KLINDT, DEPUTY
SUE SOLBERG, DEPUTY

AUDITOR PHONE 218-643-7165
TREASURER PHONE 218-643-7112
FAX 218-643-7169
AUDITOR P.O. BOX 409
TREASURER P.O. BOX 368
BRECKENRIDGE, MN 56520

REPRESENTATION OF WILKIN COUNTY
BRECKENRIDGE, MINNESOTA

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2021

Finding Number: 2021-001
Finding Title: Local Collaborative Time Study (LCTS) Reporting and Expenditures (DHS 3220.3 Report)
Program: Medical Assistance Program, (AL No. 93.778)

Name of Contact Person Responsible for Corrective Action:

Janelle Krump

Corrective Action Planned:

The quarterly DHS-3320.3 reports will be completed in accordance with Minnesota Department of Human Services' guidance as provided in DHS Bulletin 16-32-04.

Anticipated Completion Date:

May 31, 2022

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

Finding Number: 2020-001
Year of Finding Origination: 2016
Finding Title: Audit Adjustment

Summary of Condition: A material audit adjustment was identified that resulted in a significant change to the County's financial statements. Due from other governments and deferred inflows of resources – unavailable revenue was increased by $30,000,000 in the General Fund and due from other governments and special item was increased by $30,000,000 in the governmental activities.

Summary of Corrective Action Previously Reported: The Auditor's Office will be more diligent in asking additional questions regarding events that affect the financial statements to ensure that all transactions are correctly accounted for and consult with the Office of the State Auditor when questions arise.

Status: Fully Corrected. Corrective action was taken.

Was corrective action taken significantly different than the action previously reported?
Yes ______ No __X__

Finding Number: 2020-002
Year of Finding Origination: 2020
Finding Title: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Availability
Program: Coronavirus Relief Fund (AL No. 21.019)

Summary of Condition: The County reported costs in the amount of $96,982 for the first phase of the CaseWorks software implementation project, which was budgeted by the County to be purchased in 2020, $4,400 of which were incurred prior to the period of performance. The County also reported prepaid costs in the amount of $27,844 for CaseWorks services provided in 2021, also outside the period of performance.

Summary of Corrective Action Previously Reported: Wilkin County will establish and implement procedures to follow guidance related to the Coronavirus Relief Fund, AL No. 21.019, and claim the actual costs incurred under the grant and within the covered period.

Status: Fully Corrected. Corrective action was taken.

Was corrective action taken significantly different than the action previously reported?
Yes _______ No ___X___

Finding Number: 2020-003
Year of Finding Origination: 2020
Finding Title: Subrecipient Monitoring
Program: Coronavirus Relief Fund (AL No. 21.019)

Summary of Condition: The signed subrecipient agreements provided some award information; however, the federal award identification number, federal awarding agency, AL number, subrecipient's unique entity identifier, and the County's role as a pass-through entity were not provided. The County does not have documented policies and procedures for subrecipient monitoring in place, however the County documented the subrecipients were school districts and the County verified that funding did not exceed $500 per student.

Summary of Corrective Action Previously Reported: Wilkin County will establish and implement documented risk assessment procedures over its subrecipients.

Status: Fully Corrected. Not required for current year federal expenditures.

Was corrective action taken significantly different than the action previously reported?
Yes _______ No ___X___