

# State of Minnesota



## Office of the State Auditor

Julie Blaha  
State Auditor

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**Winona County**  
**Winona, 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.

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**Winona County  
Winona, Minnesota**

Year Ended December 31, 2021



**Office of the State Auditor**

**Audit Practice Division  
Office of the State Auditor  
State of Minnesota**

**WINONA COUNTY  
WINONA, MINNESOTA**

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## **INTRODUCTORY SECTION**

**WINONA COUNTY  
WINONA, MINNESOTA**

**ORGANIZATION  
DECEMBER 31, 2021**

| <u>Office</u>                                       | <u>Name</u>     | <u>Term Expires</u> |
|---|-----------------|---------------------|
| <b>Commissioners</b>                                |                 |                     |
| First District                                      | Chris Meyer     | January 2023        |
| Second District                                     | Marie Kovcesi   | January 2023        |
| Third District                                      | Steve Jacob     | January 2025        |
| Fourth District                                     | Greg Olson      | January 2025        |
| Fifth District                                      | Marcia Ward     | January 2023        |
| <b>Officers</b>                                     |                 |                     |
| <b>Elected</b>                                      |                 |                     |
| Attorney  | Karin Sonneman  | January 2023        |
| Recorder  | Robert Bambenek | January 2023        |
| Sheriff   | Ron Ganrude     | January 2023        |
| Auditor/Treasurer                                   | Sandra Suchla   | January 2023        |
| <b>Appointed</b>                                    |                 |                     |
| Interim County Administrator/<br>Personnel Director | Maureen Holte   | Indefinite          |
| Community Health Director                           | Karen Sanness   | Indefinite          |
| County Assessor                                     | John Conway     | December 2024       |
| Planning & Environmental<br>Services Director       | Kay Qualley     | Indefinite          |
| Building Superintendent                             | David Kramer    | Indefinite          |
| Finance Director                                    | Patrick Moga    | Indefinite          |
| Highway Engineer                                    | David Kramer    | May 2023            |
| Information Technology Director                     | Chad Lang       | Indefinite          |



**WINONA COUNTY  
WINONA, MINNESOTA**

**ORGANIZATION OF THE COUNTY**

An elected Board of County Commissioners, officials appointed by the Board, and other elected officials manage Winona County. The Board of County Commissioners is elected by districts, while all other elected County officials are elected at large.

Elected officials are primarily responsible to the voters of Winona County and the State of Minnesota. They are also under certain jurisdiction of the County Board as defined in state statutes.

**FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Winona County  
Winona, 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 Winona 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 Winona 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.

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, 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 Winona County's basic financial statements. The Capital Projects Fund budgetary comparison schedule, combining statements for the nonmajor governmental funds, budgetary comparison schedules for the nonmajor governmental funds, combining statements for custodial funds, 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 September 9, 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*

JULIE BLAHA  
STATE AUDITOR

September 9, 2022

*/s/Dianne Syverson*

DIANNE SYVERSON, CPA  
DEPUTY STATE AUDITOR

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WINONA COUNTY  
WINONA, MINNESOTA**

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

In the Management's Discussion and Analysis (MD&A), we will provide readers with a narrative overview and both a short-term and long-term analysis of the financial activities of Winona County, Minnesota, for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements, including the notes, to enhance their understanding of the County's financial activity and performance. All amounts are expressed in dollars, unless specifically noted.

**FINANCIAL HIGHLIGHTS**

- At the end of 2021, Winona County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$99.4 million (net position). Of that amount, \$9.1 million is restricted; \$4.1 million is unrestricted net position and may be used to meet the County's ongoing obligations to citizens and creditors. The remaining \$86.2 million is the net investment in capital assets.
- At the close of the current year, the ending fund balances for all governmental funds were \$40.7 million. This is an increase of \$6.4 million from the previous year fund balance. Of the combined ending fund balances, \$12.9 million is unassigned fund balance available for spending by the County.
- At the end of the year, the General Fund's unassigned fund balance was \$12.9 million. The County is not able to assign for cash flow and compensated absences due to Governmental Accounting Standards Board (GASB) Statement 54. The County will pay for compensated absences and cash flow from the unassigned fund balance.
- Total long-term debt increased by \$10.6 million, or 101.0 percent, during the year. The increase was due to sale of a bond for the Law Enforcement Center.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The three main sections of this report are: introductory, financial, and supplementary. The introductory section contains the County's organizational structure and principal officials. The financial section includes the MD&A and is intended to serve as a roadmap of the basic financial statements. The basic financial statements have three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The required supplementary information section contains the budget-to-actual presentations for the County's

major special revenue funds and the General Fund. Other supplementary information is included to enhance reader understanding of the County's financial activity. An example is information about federal grant programs.

The government-wide financial statements are designed to provide the reader with a long-term and broad overview of the County's finances as a whole in a manner similar to a private-sector business. To accomplish this goal, transactions are valued on a full accrual basis.

The Statement of Net Position presents information on all County assets and deferred outflows of resources (what we own), and liabilities and deferred inflows of resources (what we owe). The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as net position. Over time, changes in net position may be an indication of an improving or deteriorating County financial position.

The Statement of Activities presents information on the change in net position for the most recent year. Said changes are reported as soon as a financial event results in a change, regardless of the timing of related cash flows. Therefore, results reported will result in cash flows in a future period (for example, uncollected property taxes and earned, but unused vacation leave).

The principal support for governmental activities for Winona County is property taxes and intergovernmental revenue. Included in governmental activities are:

- general government,
- public safety,
- highways and streets,
- human services,
- health,
- sanitation,
- culture and recreation,
- conservation of natural resources, and
- economic development.

General government includes services such as general administration, courts, property assessment, records management, and tax collections. Additional information is included in the notes to the financial statements.

Budgetary comparisons—Winona County adopts an annual budget for all governmental funds, and budgetary comparison schedules are presented for each fund.



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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

A useful tool for analyzing financial statements is comparative information from previous years. Net position may be a useful indicator of a government’s financial position over time. As of December 31, 2021, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$99.4 million. The following table provides a summary of Winona County’s governmental net position.

| <b>Governmental Net Position</b>                |                       |                       |                                   |
|---|-----------------------|-----------------------|-----------------------------------|
|   | <u>2021</u>           | <u>2020</u>           | <u>Percent<br/>Change<br/>(%)</u> |
| <b>Assets</b>                                   |                       |                       |                                   |
| Current and other assets                        | \$ 56,693,323         | \$ 44,411,607         | 28                                |
| Capital assets                                  | <u>89,355,565</u>     | <u>84,214,705</u>     | 6                                 |
| Total Assets                                    | <u>\$ 146,048,888</u> | <u>\$ 128,626,312</u> | 14                                |
| <b>Deferred Outflows of Resources</b>           |                       |                       |                                   |
| Deferred other postemployment benefits outflows | \$ 644,524            | \$ 358,598            | 80                                |
| Deferred pension outflows                       | <u>9,498,975</u>      | <u>2,417,758</u>      | 293                               |
| Total Deferred Outflow of Resources             | <u>\$ 10,143,499</u>  | <u>\$ 2,776,356</u>   | 265                               |
| <b>Liabilities</b>                              |                       |                       |                                   |
| Current and other liabilities                   | \$ 7,775,353          | \$ 2,922,904          | 166                               |
| Long-term liabilities                           | <u>36,871,529</u>     | <u>30,783,791</u>     | 20                                |
| Total Liabilities                               | <u>\$ 44,646,882</u>  | <u>\$ 33,706,695</u>  | 32                                |
| <b>Deferred Inflows of Resources</b>            |                       |                       |                                   |
| Deferred other postemployment benefits inflows  | \$ 138,619            | \$ 173,276            | (20)                              |
| Deferred pension inflows                        | <u>12,046,546</u>     | <u>2,226,763</u>      | 441                               |
| Total Deferred Inflows of Resources             | <u>\$ 12,185,165</u>  | <u>\$ 2,400,039</u>   | 408                               |
| <b>Net Position</b>                             |                       |                       |                                   |
| Net investment in capital assets                | \$ 86,160,598         | \$ 83,061,266         | 4                                 |
| Restricted                                      | 9,107,082             | 11,473,154            | (21)                              |
| Unrestricted                                    | <u>4,092,660</u>      | <u>761,514</u>        | 437                               |
| Total Net Position                              | <u>\$ 99,360,340</u>  | <u>\$ 95,295,934</u>  | 4                                 |

The largest portion of Winona County’s net position, 86.7 percent, or \$86.2 million, represents investments in capital assets, less any related debt used to acquire those assets. Capital assets are investments in land, buildings, machinery and equipment, and roads and bridges. These assets are used to provide services and utilities to County citizens and, consequently, are not available for

future spending. Capital assets are reported net of related debt; however, resources needed to repay the debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional \$9.1 million of the County’s net position, or 9.2 percent, represents resources that are subject to external restrictions on how they may be used. Included in this category are items such as public safety projects.

The remaining \$4.1 million of net position, or 4.1 percent, represents unrestricted net position that is needed to meet ongoing obligations to citizens and creditors.

Change in net position—In 2021, government-wide revenues exceeded expenses by \$4.1 million, thereby increasing net position. Net position changed as follows:

| <b>Change in Net Position</b>                                   |                      |                      |                          |
|---|----------------------|----------------------|--------------------------|
|   | 2021                 | 2020                 | Percent<br>Change<br>(%) |
| <b>Revenues</b>   |                      |                      |                          |
| <b>Program revenues</b>   |                      |                      |                          |
| Fees, charges, fines, and other                                 | \$ 7,007,989         | \$ 4,364,034         | 61                       |
| Operating grants and contributions                              | 18,894,965           | 20,233,858           | (7)                      |
| Capital grants and contributions                                | 1,996,353            | 599,676              | 233                      |
| <b>General revenues</b>   |                      |                      |                          |
| Property taxes  | 20,322,210           | 20,222,853           | -                        |
| Grants and contributions not restricted to<br>specific programs | 3,958,054            | 9,721,107            | (59)                     |
| Local sales tax   | 3,478,184            | 3,166,561            | 10                       |
| Unrestricted investment earnings                                | 81,062               | 259,426              | (69)                     |
| Other   | 675,776              | 579,852              | 17                       |
| <b>Total Revenues</b>   | <b>\$ 56,414,593</b> | <b>\$ 59,147,367</b> | <b>(5)</b>               |
| <b>Expenses</b>   |                      |                      |                          |
| General government  | \$ 9,627,347         | \$ 10,929,734        | (12)                     |
| Public safety   | 8,168,336            | 8,038,467            | 2                        |
| Highways and streets  | 11,915,833           | 11,162,902           | 7                        |
| Sanitation  | 1,344,573            | 1,374,511            | (2)                      |
| Human services  | 16,762,837           | 15,875,382           | 6                        |
| Health  | 1,625,385            | 1,314,417            | 24                       |
| Interest  | 382,899              | 226,599              | 69                       |
| Other   | 2,522,977            | 4,394,578            | (43)                     |
| <b>Total Expenses</b>   | <b>\$ 52,350,187</b> | <b>\$ 53,316,590</b> | <b>(2)</b>               |
| <b>Change in Net Position</b>                                   | <b>\$ 4,064,406</b>  | <b>\$ 5,830,777</b>  | <b>(30)</b>              |
| <b>Net Position – January 1</b>                                 | <b>95,295,934</b>    | <b>89,465,157</b>    | <b>7</b>                 |
| <b>Net Position – December 31</b>                               | <b>\$ 99,360,340</b> | <b>\$ 95,295,934</b> | <b>4</b>                 |

The following three statements depict relationships:

- Program revenues indicate the proportion of program revenues available to fund expenses. Program revenues derive from the program itself or outside the County's taxpayers or citizenry and help reduce the cost of the program.
- General revenues by source indicate the proportion of revenue obtained from various unrestricted sources. Most notable is the fact that property taxes supply only 36.0 percent of the total revenue for the County.
- Expense by function depicts the relationship between governmental activities functions. Property taxes of \$20.3 million are leveraged to provide \$52.4 million in services.

Governmental activities increased Winona County's net position by \$4.1 million, which is 4.2 percent of current year revenues, 7.8 percent of current year expenses, or 4.3 percent of beginning net position. The following is the major component of this increase:

- Overall, expenses decreased by 1.7 percent from 2021 to 2020 due to prior year CARES funding expenses.

## **FUND LEVEL FINANCIAL ANALYSIS**

The fund financial statements provide more detailed information than the government-wide statements. Using separate funds provides a way to ensure and demonstrate compliance with finance-related legal requirements.

The funds are separated into two categories: (1) governmental funds and (2) fiduciary funds.

**Governmental funds** are used to account for the same functions or programs reported as governmental activities in the government-wide financial statements, such as general government or human services. However, the governmental fund financial statements differ from the government-wide statements.

The focus of Winona County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Therefore, the timing of cash flows is taken into account on the governmental fund financial statements, while it is disregarded in the government-wide statements. This information may be useful in evaluating a government's near-term financing requirements as well as the available resources. Reconciliations of governmental funds to government-wide governmental activities appear in Exhibits 4 and 6.

For the year ended December 31, 2021, the combined ending fund balances of governmental funds were \$40.7 million. Approximately 41.5 percent, or \$16.9 million, of the combined ending fund balances consist of unassigned and assigned fund balances. Assigned fund balances are available as working capital and for current spending consistent with the purposes of each of the specific funds. The remainder of fund balance is nonspendable or restricted to indicate that it is not available for new spending because it is restricted or in nonspendable form for the following purposes:

- inventories,
- prepaids,
- missing heirs,
- debt service,
- forfeited property,
- donations, and
- other restricted for specific purposes.

Winona County has four major governmental funds. These funds are: (1) General Fund, (2) Road and Bridge Special Revenue Fund, (3) Health and Human Services Special Revenue Fund, and (4) Capital Projects Fund.

- (1) The General Fund is the primary operating fund of Winona County. The General Fund's fund balance was \$14.6 million at the end of 2021. Of that amount, \$1.6 million is restricted for such items as forfeited property and donations. Nonspendable fund balance of \$111.7 thousand is for missing heirs. In addition, the Board of County Commissioners has assigned \$36.7 thousand for tobacco wellness. The comparison of fund balance to expenditures is useful for two purposes. The first purpose is to measure liquidity. Unassigned fund balance is \$12,871,259, or 60.0 percent, of 2021 expenditures, while total fund balance is 68.3 percent of the same amount. The County is not able to assign fund balance for compensated absences and cash flow due to GASB 54. Winona County will use the unassigned amount to cover compensated absences and cash flow. A listing of compensated absences can be obtained in Note 3.C.2 (Compensated Absences). The second purpose is to compare the unrestricted fund balance percentages to the recommended percentage given by the Office of the State Auditor. The recommendations are 35 to 50 percent of operating revenues, or no less than five months of expenditures. Winona County's General Fund unrestricted fund balance is sufficient to cover almost seven months of expenditures.

When compared to 2020, the ending fund balance of the General Fund decreased \$2,083,594.

- (2) The Road and Bridge Special Revenue Fund accounts for maintenance and improvements to the infrastructure of the County. The fund had a \$5.2 million fund balance at the end of 2021 that represented a \$172 thousand, or 3.4 percent, increase from 2020. The increase was due to decreased transportation projects.
- (3) The Health and Human Services Special Revenue Fund exists to account for resources expended to operate income maintenance and social services and health programs supported by federal, state, and local taxpayer dollars. The fund had a \$927 thousand fund balance at the end of 2021, representing a \$649 thousand, or 234.0 percent, increase from the 2020 fund balance. The increase was due mainly to decreased out-of-home placement costs in the Health and Human Services Special Revenue Fund.
- (4) The Capital Projects Fund accounts for financial resources for capital acquisition, construction, or improvement of capital facilities. The fund had a \$18.1 million fund balance at the end of 2021 that represented a 72.8 percent increase from the 2020 fund balance. The increase was due to bond proceeds for the construction of a new jail.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the County. Since the resources of those funds are not available to support the County’s programs, these funds are not included in the government-wide financial statements. Winona County has fiduciary funds for a private-purpose trust and five custodial funds.

The basic fiduciary funds financial statements are Exhibits 7 and 8 of this report.

### General Fund Budgetary Highlights

The Winona County Board of Commissioners approves the budget for all governmental funds for the next year during a December Board meeting. Approval is done by resolution. The most significant budgeted fund is the General Fund.

For 2021, the Board of County Commissioners adopted the following budget:

| General Fund             | Revenues      | Expenditures  | Other Sources<br>(Uses) |
|--------------------------|---------------|---------------|-------------------------|
| Board-adopted (Original) | \$ 20,971,052 | \$ 21,726,830 | \$ 340,139              |
| Board-adopted (Final)    | 20,971,052    | 21,726,830    | 340,139                 |
| Actual                   | 20,219,352    | 21,537,028    | (765,918)               |

The adopted budget anticipated revenues of \$21,971,052, expenditures of \$21,726,830, and other financing sources of \$340,139.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Winona County's investment in capital assets for its governmental activities as of December 31, 2021, was \$89.4 million (net of accumulated depreciation). The investment in capital assets includes land, buildings, furniture and equipment, infrastructure, and construction in progress.

Additional information about capital assets can be found in Note 3.A.3.

|  | Capital Assets |                | Percent<br>Change<br>(%) |
|--|----------------|----------------|--------------------------|
|  | 2021           | 2020           |                          |
| Capital assets not depreciated                 |                |                |                          |
| Land   | \$ 6,942,657   | \$ 6,361,941   | 9                        |
| Construction in progress                       | 10,959,182     | 5,389,946      | 103                      |
| Total capital assets not depreciated           | \$ 17,901,839  | \$ 11,751,887  | 52                       |
| Capital assets depreciated                     |                |                |                          |
| Buildings                                      | \$ 25,370,745  | \$ 25,370,745  | -                        |
| Improvements other than buildings              | 485,641        | 485,641        | -                        |
| Machinery, furniture, and equipment            | 10,385,114     | 10,516,132     | (1)                      |
| Infrastructure                                 | 76,836,807     | 75,824,278     | 1                        |
| Total capital assets depreciated               | \$ 113,078,307 | \$ 112,196,796 | 1                        |
| Less: accumulated depreciation for             |                |                |                          |
| Buildings                                      | \$ 5,680,686   | \$ 5,411,082   | 5                        |
| Improvements other than buildings              | 312,142        | 303,647        | 3                        |
| Machinery, furniture, and equipment            | 7,977,463      | 7,782,973      | 2                        |
| Infrastructure                                 | 27,654,290     | 26,236,276     | 5                        |
| Total accumulated depreciation                 | \$ 41,624,581  | \$ 39,733,978  | 5                        |
| Total capital assets depreciated, net          | \$ 71,453,726  | \$ 72,462,818  | (1)                      |
| Governmental Activities<br>Capital Assets, Net | \$ 89,355,565  | \$ 84,214,705  | 6                        |

### Outstanding Long-Term Debt

At the end of the current year, Winona County had two general obligation bond issues and capital leases.

### Outstanding Long-Term Debt

|                          | Governmental Activities |               |
|--------------------------|-------------------------|---------------|
|                          | 2021                    | 2020          |
| Capital leases           | \$ 211,229              | \$ 310,406    |
| General obligation bonds | 20,746,475              | 10,463,697    |
| Total                    | \$ 20,957,704           | \$ 10,774,103 |

The outstanding debt listed above for Winona County increased \$10,570,420, due to the issuance of the 2021A bond.

The most recent bond rating the County has received is AA.

Additional information about Winona County's long-term debt can be found in Notes 3.C.3 to 3.C.5 in the financial statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

#### Unemployment

The 12-month average for unemployment in 2021 for the U.S., Minnesota, and Winona County was 5.3 percent, 3.4 percent, and 3.0 percent, respectively. This compared to 2020 averages of 8.1 percent, 6.3 percent, and 4.5 percent.

#### New Construction

New construction for all of Winona County was valued at \$48.9 million in 2021, which is payable in 2022.

#### State Financial Position

The state forecast has improved related to the pandemic due to the federal revenue that is available from the Coronavirus Relief package. The county program aid for counties will have a slight increase for all counties. At the present time, counties do not have levy limits. There have been no significant mandate reliefs for counties.

#### Budgeting Approach

The Winona County Board of Commissioners continues to use a three-prong approach to budgeting. The budget is balanced using an approach to reduce expenditures where possible, increase revenue sources, and use cash reserves.

All of these factors are being considered in preparing the Winona County budget for 2023.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Winona County's finances for those with an interest in the government's financial activities. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Patrick Moga, Finance Director, 202 West Third Street, Winona, Minnesota 55987. The telephone number is 507-457-8820.



## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT 1**

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

**Assets**

|   |           |                    |
|---|-----------|--------------------|
| Cash and pooled investments                   | \$        | 45,209,703         |
| Petty cash and change funds                   |           | 3,050              |
| Taxes receivable – delinquent                 |           | 206,128            |
| Special assessments receivable – delinquent   |           | 30,847             |
| Accounts receivable – net                     |           | 655,399            |
| Accrued interest receivable                   |           | 1,884              |
| Loans receivable                              |           | 225,975            |
| Due from other governments                    |           | 9,437,211          |
| Inventories                                   |           | 703,859            |
| Prepaid items                                 |           | 98,225             |
| Net pension asset                             |           | 121,042            |
| Capital assets                                |           |                    |
| Non-depreciable                               |           | 17,901,839         |
| Depreciable – net of accumulated depreciation |           | 71,453,726         |
|   |           | 71,453,726         |
| <b>Total Assets</b>                           | <b>\$</b> | <b>146,048,888</b> |

**Deferred Outflows of Resources**

|   |           |                   |
|---|-----------|-------------------|
| Deferred other postemployment benefits outflows | \$        | 644,524           |
| Deferred pension outflows                       |           | 9,498,975         |
|   |           | 9,498,975         |
| <b>Total Deferred Outflows of Resources</b>     | <b>\$</b> | <b>10,143,499</b> |

**Liabilities**

|   |           |                   |
|---|-----------|-------------------|
| Accounts payable                        | \$        | 830,888           |
| Salaries payable                        |           | 445,232           |
| Contracts payable                       |           | 1,370,619         |
| Due to other governments                |           | 487,109           |
| Accrued interest payable                |           | 21,826            |
| Unearned revenue                        |           | 4,604,054         |
| Customer deposits                       |           | 15,625            |
| Long-term liabilities                   |           |                   |
| Due within one year                     |           | 694,614           |
| Due in more than one year               |           | 22,612,339        |
| Net pension liability                   |           | 10,138,171        |
| Other postemployment benefits liability |           | 3,426,405         |
|   |           | 3,426,405         |
| <b>Total Liabilities</b>                | <b>\$</b> | <b>44,646,882</b> |

WINONA COUNTY  
WINONA, MINNESOTA

*EXHIBIT 1*  
*(Continued)*

STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2021

**Deferred Inflows of Resources**

|  |           |                          |
|--|-----------|--------------------------|
| Deferred other postemployment benefits inflows | \$        | 138,619                  |
| Deferred pension inflows                       |           | <u>12,046,546</u>        |
| <b>Total Deferred Inflows of Resources</b>     | <b>\$</b> | <b><u>12,185,165</u></b> |

**Net Position**

|                                   |           |                          |
|-----------------------------------|-----------|--------------------------|
| Net investment in capital assets  | \$        | 86,160,598               |
| Restricted for                    |           |                          |
| General government                |           | 929,281                  |
| Public safety                     |           | 641,414                  |
| Highways and streets              |           | 6,097,004                |
| Debt service                      |           | 71,108                   |
| Economic development              |           | 1,278,406                |
| Conservation of natural resources |           | 89,869                   |
| Unrestricted                      |           | <u>4,092,660</u>         |
| <b>Total Net Position</b>         | <b>\$</b> | <b><u>99,360,340</u></b> |

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT 2**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

| <u>Functions/Programs</u>                                    | <u>Program Revenues</u> |  |   | <u>Net (Expense)<br/>Revenue and<br/>Changes in<br/>Net Position</u> |
|--|-------------------------|--|---|--|
|  | <u>Expenses</u>         | <u>Fees, Charges,<br/>Fines, and Other</u> | <u>Operating<br/>Grants and<br/>Contributions</u> |  |
| <b>Primary government</b>                                    |                         |  |   |  |
| <b>Governmental activities</b>                               |                         |  |   |  |
| General government   | \$ 9,627,347            | \$ 1,712,497                               | \$ 704,042  | \$ -   |
| Public safety  | 8,168,336               | 515,190                                    | 692,465   | -  |
| Highways and streets   | 11,915,833              | 2,744                                      | 6,756,839   | 1,996,353  |
| Sanitation   | 1,344,573               | 1,301,975                                  | 215,958   | -  |
| Human services   | 16,762,837              | 1,404,679                                  | 8,383,582   | -  |
| Health   | 1,625,385               | 1,997,067                                  | 1,582,486   | -  |
| Culture and recreation                                       | 390,502                 | 3,698                                      | -   | -  |
| Conservation of natural<br>resources                         | 695,822                 | 58,041                                     | 193,252   | -  |
| Economic development   | 1,436,653               | 12,098                                     | 366,341   | -  |
| Interest   | 382,899                 | -  | -   | -  |
| <b>Total Governmental<br/>Activities</b>                     | <b>\$ 52,350,187</b>    | <b>\$ 7,007,989</b>                        | <b>\$ 18,894,965</b>                              | <b>\$ 1,996,353</b>  |
|  |                         |  |   | <b>\$ (24,450,880)</b>   |
| <b>General Revenues</b>                                      |                         |  |   |  |
| Property taxes   |                         |  |   | \$ 20,322,210  |
| Mortgage registry and deed tax                               |                         |  |   | 58,177   |
| Local option sales tax                                       |                         |  |   | 3,478,184  |
| Taxes – other  |                         |  |   | 18,027   |
| Payments in lieu of tax                                      |                         |  |   | 327,789  |
| Grants and contributions not restricted to specific programs |                         |  |   | 3,958,054  |
| Unrestricted investment earnings                             |                         |  |   | 81,062   |
| Miscellaneous  |                         |  |   | 271,783  |
| <b>Total general revenues</b>                                |                         |  |   | <b>\$ 28,515,286</b>   |
| <b>Change in net position</b>                                |                         |  |   | <b>\$ 4,064,406</b>  |
| <b>Net Position – Beginning</b>                              |                         |  |   | <b>95,295,934</b>  |
| <b>Net Position – Ending</b>                                 |                         |  |   | <b>\$ 99,360,340</b>   |

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT 3**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

|   | <u>General</u>       | <u>Special Revenue Funds</u> |                                      | <u>Capital<br/>Projects</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total</u>         |
|---|----------------------|------------------------------|--------------------------------------|-----------------------------|---|----------------------|
|   |                      | <u>Road and<br/>Bridge</u>   | <u>Health and<br/>Human Services</u> |                             |   |                      |
| <b><u>Assets</u></b>  |                      |                              |                                      |                             |   |                      |
| Cash and pooled investments   | \$ 19,540,430        | \$ 4,824,213                 | \$ 90,261                            | \$ 18,804,948               | \$ 1,949,851                            | \$ 45,209,703        |
| Petty cash and change funds   | 2,950                | -                            | 100                                  | -                           | -                                       | 3,050                |
| Taxes receivable – delinquent   | 126,870              | 13,229                       | 57,581                               | 4,571                       | 3,877                                   | 206,128              |
| Special assessments – delinquent  | -                    | -                            | -                                    | -                           | 30,847                                  | 30,847               |
| Accounts receivable – net   | 300,854              | 28,948                       | 243,590                              | -                           | 82,007                                  | 655,399              |
| Accrued interest receivable   | 1,884                | -                            | -                                    | -                           | -                                       | 1,884                |
| Loans receivable  | 79,292               | -                            | -                                    | -                           | 146,683                                 | 225,975              |
| Due from other funds  | 31,875               | -                            | -                                    | -                           | -                                       | 31,875               |
| Due from other governments  | 2,167,213            | 5,605,469                    | 1,663,481                            | -                           | 1,048                                   | 9,437,211            |
| Prepaid Items   | -                    | -                            | -                                    | 98,225                      | -                                       | 98,225               |
| Inventories   | -                    | 703,859                      | -                                    | -                           | -                                       | 703,859              |
| <b>Total Assets</b>   | <b>\$ 22,251,368</b> | <b>\$ 11,175,718</b>         | <b>\$ 2,055,013</b>                  | <b>\$ 18,907,744</b>        | <b>\$ 2,214,313</b>                     | <b>\$ 56,604,156</b> |
| <b><u>Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</u></b> |                      |                              |                                      |                             |   |                      |
| <b>Liabilities</b>  |                      |                              |                                      |                             |   |                      |
| Accounts payable  | \$ 285,652           | \$ 66,864                    | \$ 392,912                           | \$ -                        | \$ 85,460                               | \$ 830,888           |
| Salaries payable  | 240,343              | 37,993                       | 163,152                              | -                           | 3,744                                   | 445,232              |
| Contracts payable   | -                    | 540,408                      | -                                    | 830,211                     | -                                       | 1,370,619            |
| Due to other funds  | 25                   | -                            | 55,497                               | -                           | -                                       | 55,522               |
| Due to other governments  | 281,264              | 3,009                        | 179,189                              | -                           | -                                       | 463,462              |
| Unearned revenue  | 4,604,054            | -                            | -                                    | -                           | -                                       | 4,604,054            |
| Customer deposits   | 15,625               | -                            | -                                    | -                           | -                                       | 15,625               |
| <b>Total Liabilities</b>  | <b>\$ 5,426,963</b>  | <b>\$ 648,274</b>            | <b>\$ 790,750</b>                    | <b>\$ 830,211</b>           | <b>\$ 89,204</b>                        | <b>\$ 7,785,402</b>  |
| <b>Deferred Inflows of Resources</b>  |                      |                              |                                      |                             |   |                      |
| Unavailable revenue   | \$ 2,242,467         | \$ 5,358,753                 | \$ 337,178                           | \$ 3,497                    | \$ 178,532                              | \$ 8,120,427         |



**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT 3  
(Continued)**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

|   | General              | Special Revenue Funds |                           | Capital Projects     | Other Governmental Funds | Total                |
|---|----------------------|-----------------------|---------------------------|----------------------|--------------------------|----------------------|
|   |                      | Road and Bridge       | Health and Human Services |                      |                          |                      |
| <b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b> |                      |                       |                           |                      |                          |                      |
| <b>(Continued)</b>  |                      |                       |                           |                      |                          |                      |
| <b>Fund Balances</b>  |                      |                       |                           |                      |                          |                      |
| Nonspendable  |                      |                       |                           |                      |                          |                      |
| Inventories   | \$ -                 | \$ 703,859            | \$ -                      | \$ -                 | \$ -                     | \$ 703,859           |
| Prepays   | -                    | -                     | -                         | 98,225               | -                        | 98,225               |
| Missing heirs   | 111,661              | -                     | -                         | -                    | -                        | 111,661              |
| Restricted for  |                      |                       |                           |                      |                          |                      |
| Debt service  | -                    | -                     | -                         | -                    | 71,108                   | 71,108               |
| Law library   | 135,895              | -                     | -                         | -                    | -                        | 135,895              |
| Capital projects  | -                    | -                     | -                         | 17,762,736           | -                        | 17,762,736           |
| Recorder's unallocated equipment purchases                                  | 125,131              | -                     | -                         | -                    | -                        | 125,131              |
| Recorder's equipment purchases  | 449,322              | -                     | -                         | -                    | -                        | 449,322              |
| Enhanced 911  | 379,125              | -                     | -                         | -                    | -                        | 379,125              |
| Criminal justice coordination council                                       | 2,486                | -                     | -                         | -                    | -                        | 2,486                |
| Restorative justice   | 43,644               | -                     | -                         | -                    | -                        | 43,644               |
| Sheriff's contingency   | 3,110                | -                     | -                         | -                    | -                        | 3,110                |
| Sheriff's forfeited property  | 14,955               | -                     | -                         | -                    | -                        | 14,955               |
| Attorney's forfeited property   | 63,955               | -                     | -                         | -                    | -                        | 63,955               |
| Explorer post   | 332                  | -                     | -                         | -                    | -                        | 332                  |
| Permits to carry  | 244,224              | -                     | -                         | -                    | -                        | 244,224              |
| Local option sales tax projects   | -                    | 2,176,155             | -                         | -                    | -                        | 2,176,155            |
| Drug court  | 10,291               | -                     | -                         | -                    | -                        | 10,291               |
| Aquatic invasive species  | 89,869               | -                     | -                         | -                    | -                        | 89,869               |
| Economic development  | -                    | -                     | -                         | -                    | 1,278,406                | 1,278,406            |
| Assigned  |                      |                       |                           |                      |                          |                      |
| Highways and streets  | -                    | 2,288,677             | -                         | -                    | -                        | 2,288,677            |
| Capital improvements  | -                    | -                     | -                         | 213,075              | -                        | 213,075              |
| Health and human services   | -                    | -                     | 927,085                   | -                    | -                        | 927,085              |
| Recycling and solid waste   | -                    | -                     | -                         | -                    | 597,063                  | 597,063              |
| Tobacco settlement  | 36,679               | -                     | -                         | -                    | -                        | 36,679               |
| Unassigned  | 12,871,259           | -                     | -                         | -                    | -                        | 12,871,259           |
| <b>Total Fund Balances</b>  | <b>\$ 14,581,938</b> | <b>\$ 5,168,691</b>   | <b>\$ 927,085</b>         | <b>\$ 18,074,036</b> | <b>\$ 1,946,577</b>      | <b>\$ 40,698,327</b> |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>  | <b>\$ 22,251,368</b> | <b>\$ 11,175,718</b>  | <b>\$ 2,055,013</b>       | <b>\$ 18,907,744</b> | <b>\$ 2,214,313</b>      | <b>\$ 56,604,156</b> |

**WINONA COUNTY  
WINONA, MINNESOTA**

***EXHIBIT 4***

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

|   |                    |                                    |
|---|--------------------|------------------------------------|
| <b>Fund balances – total governmental funds (Exhibit 3)</b>   |                    | <b>\$ 40,698,327</b>               |
| Amounts reported for governmental activities in the statement of net position are different because:  |                    |                                    |
| Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.                    |                    | 89,355,565                         |
| Deferred outflows of resources resulting from pension and other postemployment benefits obligations are not available resources and, therefore, are not reported in the governmental funds. |                    | 10,143,499                         |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.  |                    | 8,120,427                          |
| 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  | \$ (20,746,475)    |                                    |
| Capital leases payable  | (211,229)          |                                    |
| Other postemployment benefits liability   | (3,426,405)        |                                    |
| Net pension asset   | 121,042            |                                    |
| Net pension liability   | (10,138,171)       |                                    |
| Accrued interest payable  | (21,826)           |                                    |
| Compensated absences  | <u>(2,349,249)</u> | (36,772,313)                       |
| Deferred inflows resulting from pension and other postemployment obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.      |                    | <u>(12,185,165)</u>                |
| <b>Net Position of Governmental Activities (Exhibit 1)</b>  |                    | <b><u><u>\$ 99,360,340</u></u></b> |

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT 5**

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

|   | <u>General</u>        | <u>Special Revenue Funds</u> |                                      | <u>Capital<br/>Projects</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total</u>          |
|---|-----------------------|------------------------------|--------------------------------------|-----------------------------|---|-----------------------|
|   |                       | <u>Road and<br/>Bridge</u>   | <u>Health and<br/>Human Services</u> |                             |   |                       |
| <b>Revenues</b>   |                       |                              |                                      |                             |   |                       |
| Taxes   | \$ 12,643,825         | \$ 4,661,650                 | \$ 5,917,213                         | \$ 448,096                  | \$ 272,566                              | \$ 23,943,350         |
| Special assessments                                     | -                     | -                            | -                                    | -                           | 524,036                                 | 524,036               |
| Licenses and permits                                    | 168,768               | -                            | 38,300                               | -                           | 1,650                                   | 208,718               |
| Intergovernmental                                       | 5,235,611             | 9,889,526                    | 10,668,298                           | 2,267                       | 221,405                                 | 26,017,107            |
| Charges for services                                    | 1,749,693             | 405                          | 1,133,546                            | -                           | 774,936                                 | 3,658,580             |
| Fines and forfeits                                      | 15,489                | -                            | -                                    | -                           | -                                       | 15,489                |
| Gifts and contributions                                 | 17,972                | -                            | 2,200                                | -                           | -                                       | 20,172                |
| Investment earnings                                     | 81,864                | -                            | -                                    | -                           | 6,448                                   | 88,312                |
| Miscellaneous   | 306,130               | 92,765                       | 524,286                              | -                           | 175,548                                 | 1,098,729             |
| <b>Total Revenues</b>                                   | <b>\$ 20,219,352</b>  | <b>\$ 14,644,346</b>         | <b>\$ 18,283,843</b>                 | <b>\$ 450,363</b>           | <b>\$ 1,976,589</b>                     | <b>\$ 55,574,493</b>  |
| <b>Expenditures</b>                                     |                       |                              |                                      |                             |   |                       |
| <b>Current</b>  |                       |                              |                                      |                             |   |                       |
| General government                                      | \$ 9,731,336          | \$ -                         | \$ -                                 | \$ -                        | \$ -                                    | \$ 9,731,336          |
| Public safety   | 8,917,296             | -                            | -                                    | 2,947,924                   | -                                       | 11,865,220            |
| Highways and streets                                    | -                     | 14,157,931                   | -                                    | 200,319                     | -                                       | 14,358,250            |
| Sanitation  | -                     | -                            | -                                    | -                           | 1,369,112                               | 1,369,112             |
| Human services  | 263,020               | -                            | 16,813,426                           | -                           | -                                       | 17,076,446            |
| Health  | -                     | -                            | 1,651,182                            | -                           | -                                       | 1,651,182             |
| Culture and recreation                                  | 131,618               | -                            | -                                    | -                           | -                                       | 131,618               |
| Conservation of natural resources                       | 718,929               | -                            | -                                    | -                           | -                                       | 718,929               |
| Economic development                                    | 1,515,945             | -                            | -                                    | -                           | -                                       | 1,515,945             |
| <b>Intergovernmental</b>                                |                       |                              |                                      |                             |   |                       |
| Highways and streets                                    | -                     | 278,299                      | -                                    | -                           | -                                       | 278,299               |
| Regional library  | 258,884               | -                            | -                                    | -                           | -                                       | 258,884               |
| <b>Debt service</b>                                     |                       |                              |                                      |                             |   |                       |
| Principal   | -                     | 11,355                       | -                                    | 87,822                      | 265,000                                 | 364,177               |
| Interest  | -                     | 1,870                        | -                                    | 10,403                      | 224,007                                 | 236,280               |
| Bond issuance costs                                     | -                     | -                            | -                                    | 161,573                     | -                                       | 161,573               |
| Administrative (fiscal) charges                         | -                     | -                            | -                                    | -                           | 3,675                                   | 3,675                 |
| <b>Total Expenditures</b>                               | <b>\$ 21,537,028</b>  | <b>\$ 14,449,455</b>         | <b>\$ 18,464,608</b>                 | <b>\$ 3,408,041</b>         | <b>\$ 1,861,794</b>                     | <b>\$ 59,720,926</b>  |
| <b>Excess of Revenues Over (Under)<br/>Expenditures</b> | <b>\$ (1,317,676)</b> | <b>\$ 194,891</b>            | <b>\$ (180,765)</b>                  | <b>\$ (2,957,678)</b>       | <b>\$ 114,795</b>                       | <b>\$ (4,146,433)</b> |

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT 5  
(Continued)**

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

|   | General               | Special Revenue Funds |                              | Capital<br>Projects  | Other<br>Governmental<br>Funds | Total                |
|---|-----------------------|-----------------------|------------------------------|----------------------|--------------------------------|----------------------|
|   |                       | Road and<br>Bridge    | Health and<br>Human Services |                      |                                |                      |
| <b>Other Financing Sources (Uses)</b>           |                       |                       |                              |                      |                                |                      |
| Transfers in                                    | \$ 140,717            | \$ 55,548             | \$ 851,087                   | \$ -                 | \$ -                           | \$ 1,047,352         |
| Transfers out                                   | (906,635)             | (30,964)              | (20,865)                     | -                    | (88,888)                       | (1,047,352)          |
| Bonds issued                                    | -                     | -                     | -                            | 10,000,000           | -                              | 10,000,000           |
| Premium on bonds issued                         | -                     | -                     | -                            | 570,420              | -                              | 570,420              |
| <b>Total Other Financing Sources<br/>(Uses)</b> | <b>\$ (765,918)</b>   | <b>\$ 24,584</b>      | <b>\$ 830,222</b>            | <b>\$ 10,570,420</b> | <b>\$ (88,888)</b>             | <b>\$ 10,570,420</b> |
| <b>Change in Fund Balance</b>                   | <b>\$ (2,083,594)</b> | <b>\$ 219,475</b>     | <b>\$ 649,457</b>            | <b>\$ 7,612,742</b>  | <b>\$ 25,907</b>               | <b>\$ 6,423,987</b>  |
| <b>Fund Balance – January 1</b>                 | <b>16,665,532</b>     | <b>4,995,761</b>      | <b>277,628</b>               | <b>10,461,294</b>    | <b>1,920,670</b>               | <b>34,320,885</b>    |
| <b>Increase (decrease) in inventories</b>       | <b>-</b>              | <b>(46,545)</b>       | <b>-</b>                     | <b>-</b>             | <b>-</b>                       | <b>(46,545)</b>      |
| <b>Fund Balance – December 31</b>               | <b>\$ 14,581,938</b>  | <b>\$ 5,168,691</b>   | <b>\$ 927,085</b>            | <b>\$ 18,074,036</b> | <b>\$ 1,946,577</b>            | <b>\$ 40,698,327</b> |

**WINONA COUNTY  
WINONA, MINNESOTA**

**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) \$ 6,423,987**

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 unavailable. In the statement of activities, those revenues are recognized when earned. The adjustment to revenue between the fund statements and the statement of activities is the increase or decrease in unavailable revenue.

|                                   |                    |         |
|-----------------------------------|--------------------|---------|
| Unavailable revenue – December 31 | \$ 8,120,427       |         |
| Unavailable revenue – January 1   | <u>(7,185,631)</u> | 934,796 |

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 gain or loss on the disposal of assets is reported; in the governmental funds, proceeds from the sale increase financial resources. The difference is the net book value of the assets sold.

|  |                    |           |
|--|--------------------|-----------|
| Expenditures and adjustments for general capital assets and infrastructure | \$ 7,241,809       |           |
| Current depreciation   | <u>(2,100,949)</u> | 5,140,860 |

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.

|                                 |  |              |
|---------------------------------|--|--------------|
| Proceeds of new debt            |  |              |
| General obligation bonds issued |  | (10,570,420) |

|                          |               |         |
|--------------------------|---------------|---------|
| Principal repayments     |               |         |
| General obligation bonds | \$ 265,000    |         |
| Capital lease            | 99,177        |         |
| Amortization of premiums | <u>22,642</u> | 386,819 |

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

|  |                 |                  |
|--|-----------------|------------------|
| Change in other postemployment benefits liability                                  | \$ (470,825)    |                  |
| Change in accrued interest payable   | (4,013)         |                  |
| Change in compensated absences   | 228,786         |                  |
| Change in net pension asset  | 121,042         |                  |
| Change in net pension liability  | 4,337,902       |                  |
| Change in pension and other postemployment benefits deferred outflows of resources | 7,367,143       |                  |
| Change in pension and other postemployment benefits deferred inflows of resources  | (9,785,126)     |                  |
| Change in inventories  | <u>(46,545)</u> | <u>1,748,364</u> |

**Change in Net Position of Governmental Activities (Exhibit 2) \$ 4,064,406**

**FIDUCIARY FUNDS**

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT 7*

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2021**

|   | <b>HC Garvin<br/>Private-Purpose<br/>Trust</b> | <b>Custodial<br/>Funds</b> |
|---|--|----------------------------|
| <b><u>Assets</u></b>  |  |                            |
| Cash and pooled investments   | \$ -   | \$ 833,310                 |
| Investments   | 47,715   | -                          |
| Taxes receivable for other governments                              | -  | 426,850                    |
| Due from other funds  | -  | 23,647                     |
|   | <b>\$ 47,715</b>                               | <b>\$ 1,283,807</b>        |
| <b><u>Liabilities</u></b>   |  |                            |
| Due to other governments  | \$ -   | \$ 570,346                 |
| <b><u>Deferred Inflows of Resources</u></b>                         |  |                            |
| Prepaid taxes   | \$ -   | \$ 116,006                 |
| <b><u>Net Position</u></b>  |  |                            |
| Restricted for<br>Individuals, organizations, and other governments | <b>\$ 47,715</b>                               | <b>\$ 597,455</b>          |

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT 8**

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

|   | <b>HC Garvin<br/>Private-Purpose<br/>Trust</b> | <b>Custodial<br/>Funds</b> |
|---|--|----------------------------|
| <b><u>Additions</u></b>                         |  |                            |
| Interest on investments                         | \$ 114   | \$ -                       |
| Contributions from individuals                  | -  | 239,459                    |
| Property tax collections for other governments  | -  | 61,861,463                 |
| Fees collected for the state                    | -  | 2,350,288                  |
| Payments from the state                         | -  | 115,374                    |
| <b>Total Additions</b>                          | <b>\$ 114</b>                                  | <b>\$ 64,566,584</b>       |
| <b><u>Deductions</u></b>                        |  |                            |
| Payments in accordance with trust agreements    | \$ 114   | \$ -                       |
| Payments of property taxes to other governments | -  | 62,239,709                 |
| Payments to the state                           | -  | 2,350,288                  |
| Payments to other entities                      | -  | 342,226                    |
| <b>Total Deductions</b>                         | <b>\$ 114</b>                                  | <b>\$ 64,932,223</b>       |
| <b>Change in net position</b>                   | <b>\$ -</b>                                    | <b>\$ (365,639)</b>        |
| <b>Net Position – January 1</b>                 | <b>47,715</b>                                  | <b>963,094</b>             |
| <b>Net Position – December 31</b>               | <b>\$ 47,715</b>                               | <b>\$ 597,455</b>          |



**WINONA COUNTY  
WINONA, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

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) 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

Winona County was established February 22, 1854, when Fillmore County was divided, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Winona County. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year. The County Administrator, appointed by the County Board, serves as the clerk of the Board of Commissioners, but has no vote.

Component Units

Blended component units are legally separate organizations so intertwined with the County that they are, in substance, the same as the County and, therefore, are reported as if they were part of the County.

| <u>Component Unit</u>   | <u>Component Unit<br/>Included in Reporting<br/>Entity Because</u>                                      | <u>Separate<br/>Financial Statements</u>        |
|---|---|---|
| The Winona County Economic Development Authority (EDA) provides for development within the County pursuant to Minn. Stat. § 469.1082. | The County appoints the EDA Board members, and management of the County has operational responsibility. | Separate financial statements are not prepared. |

The activity of the EDA is recorded in the General Fund of the County, except for the EDA’s loan activity, which is recorded in the EDA Loan Special Revenue Fund.

**WINONA COUNTY  
WINONA, MINNESOTA**

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1. Summary of Significant Accounting Policies

A. Financial Reporting Entity (Continued)

Joint Ventures, Jointly-Governed Organizations, and Related Organization

The County participates in joint ventures described in Note 4.C. The County also participates in jointly-governed organizations and a related organization described in Note 4.D and Note 4.E, 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 primary government. 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. Governmental activities are activities normally supported by taxes and intergovernmental revenues. The County has no business-type activities to report.

In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

Winona 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. The County does not allocate indirect expenses to functions within the financial statements.

**WINONA COUNTY  
WINONA, MINNESOTA**

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1. Summary of Significant Accounting Policies

B. Basic Financial Statements (Continued)

2. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of governmental fund financial statements is on major individual governmental funds, with each displayed as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

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

The Health and Human Services Special Revenue Fund accounts for restricted revenues from the federal and state government, and other oversight agencies, as well as property tax revenues used for economic assistance and community social services programs.

The Capital Projects Fund accounts for financial resources for capital acquisition, construction, or improvement of capital facilities.

Additionally, the County reports the following fund types:

The Debt Service Fund accounts for all financial resources restricted for the payment of principal, interest, and related costs of long-term bonded debt.

**WINONA COUNTY  
WINONA, MINNESOTA**

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1. Summary of Significant Accounting Policies

B. Basic Financial Statements

2. Fund Financial Statements (Continued)

The Private-Purpose Trust Fund accounts for resources legally held in trust for others.

Custodial funds are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

**WINONA COUNTY  
WINONA, MINNESOTA**

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1. Summary of Significant Accounting Policies (Continued)

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. Pooled and fund 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.

Winona 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.

Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2021 were \$128,450.

2. Receivables and Payables

Activity between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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.”

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. There were no advances in 2021.

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

**WINONA COUNTY  
WINONA, MINNESOTA**

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1. Summary of Significant Accounting Policies

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

2. Receivables and Payables (Continued)

Accounts receivable is shown net of an allowance for uncollectible balances.

3. Inventories and Prepaid Items

All inventories are valued at cost using an average cost 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 recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (such as roads, bridges, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets, as defined by the government, are assets with an initial, individual cost of more than \$50,000, except for infrastructure and federal awards purchases, which are capitalized when more than \$5,000, and land and construction in progress are capitalized regardless of cost, and are assets with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

**WINONA COUNTY  
WINONA, MINNESOTA**

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1. Summary of Significant Accounting Policies

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

4. Capital Assets (Continued)

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

| <u>Capital Asset Category</u>      | <u>Useful Life<br/>(Years)</u> |
|------------------------------------|--------------------------------|
| Building and building improvements | 40 - 100                       |
| Machinery and equipment            | 5 - 15                         |
| Firearms and computer equipment    | 5                              |
| Maintenance equipment              | 5                              |
| Transportation equipment           | 5 - 40                         |
| Vehicles                           | 5 - 10                         |
| Boats and trailers                 | 20                             |
| Heavy construction equipment       | 15 - 30                        |
| Furniture and fixtures             | 20                             |
| Infrastructure                     |                                |
| Roads                              | 50                             |
| Bridges                            | 75                             |

5. Compensated Absences

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

6. Unearned Revenue

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

**WINONA COUNTY  
WINONA, MINNESOTA**

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1. Summary of Significant Accounting Policies

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

7. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as 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.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and 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. The County has two types of deferred inflows. The governmental funds report unavailable revenue from delinquent taxes receivable, grants receivable, and a settlement receivable. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the



**WINONA COUNTY  
WINONA, MINNESOTA**

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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 (Continued)

governmental funds balance sheet. The unavailable amount is deferred and recognized as an inflow of resources in the period the amount becomes available. The County also reports deferred inflows of resources associated with pension benefits and other postemployment benefits (OPEB). These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

9. 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. Pension liability is liquidated from member and employer contributions by each fund with personal services and income from the investment of fund assets as administered by PERA.

10. Classification of Net Position

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

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

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

**WINONA COUNTY  
WINONA, MINNESOTA**

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1. Summary of Significant Accounting Policies

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

10. Classification of Net Position (Continued)

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

11. Classification of Fund Balances

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

Nonspendable – amounts that cannot be spent because they are not in spendable form or 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 for which constraints have been placed on the use of resources either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 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 that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Board or the County Administrator who has been delegated that authority by Board resolution.

**WINONA COUNTY  
WINONA, MINNESOTA**

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1. Summary of Significant Accounting Policies

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

11. Classification of Fund Balances (Continued)

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

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

Minimum Fund Balance Policy

Winona County has adopted a Minimum Fund Balance Policy. Winona County shall maintain a minimum unrestricted fund balance for all funds, excluding fiduciary (trust and pension), special revenue, debt service, and permanent funds, of approximately five months of projected 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, and deferred inflows of resources; and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**WINONA COUNTY  
WINONA, MINNESOTA**

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2. Stewardship, Compliance, and Accountability

Excess of Expenditures Over Budget

The Debt Service Fund expenditures of \$492,682 exceeded the final budget of \$276,650 by \$216,032 due to first interest payment of 2020A G.O. Jail Bonds not budgeted.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

Reconciliation of the County's total deposits, cash on hand, and investments to the basic financial statements follows:

|   |                      |
|---|----------------------|
| Government-wide statement of net position                       |                      |
| Governmental activities   |                      |
| Cash and pooled investments                                     | \$ 45,209,703        |
| Petty cash and change funds                                     | 3,050                |
| Statement of fiduciary net position                             |                      |
| Private-purpose trust   |                      |
| Investments   | 47,715               |
| Custodial   |                      |
| Cash and pooled investments                                     | <u>833,310</u>       |
| Total Cash and Investments                                      | <u>\$ 46,093,778</u> |
| <br>  |                      |
| Deposits  | <u>\$ 22,341,898</u> |
| <br>  |                      |
| Petty cash and change funds                                     | <u>\$ 3,050</u>      |
| <br>  |                      |
| Investments   |                      |
| Negotiable certificates of deposit                              | \$ 499,267           |
| Mutual funds  | <u>23,249,563</u>    |
| <br>  |                      |
| Total investments   | <u>\$ 23,748,830</u> |
| <br>  |                      |
| Total Deposits, Petty Cash and Change Funds,<br>and Investments | <u>\$ 46,093,778</u> |

**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

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.

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's policy is to follow state law, which requires that all deposits be insured or collateralized. 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;

**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

- (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
- (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's investment policy is to invest in both short-term and long-term investments to limit exposure to interest rate risk. The County's investments mature in less than three years.

**WINONA COUNTY  
WINONA, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments

Interest Rate Risk (Continued)

At December 31, 2021, the County had the following investments:

| <u>Investment Type</u>                           | <u>Fair Value</u>    | <u>Less Than<br/>1 Year</u> | <u>1 to 3 Years</u> |
|--|----------------------|-----------------------------|---------------------|
| Investments subject to interest<br>rate risk     |                      |                             |                     |
| Negotiable certificates of deposit               | \$ 499,267           | <u>\$ 246,798</u>           | <u>\$ 252,469</u>   |
| Investments not subject to interest<br>rate risk |                      |                             |                     |
| MAGIC Portfolio                                  | 2,686,572            |                             |                     |
| Money market mutual funds                        | <u>20,562,991</u>    |                             |                     |
| Total Investments                                | <u>\$ 23,748,830</u> |                             |                     |

Credit Risk

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

The County's exposure to credit risk as of December 31, 2021, is as follows:

|           |                      |
|-----------|----------------------|
| AAAm      | \$ 20,562,991        |
| Not rated | <u>31,185,839</u>    |
| Total     | <u>\$ 23,748,830</u> |

**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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's investment policy limits the dollar amount invested in securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name, to no more than ten percent at any time during the year. As of December 31, 2021, none of the County's investments were exposed to custodial credit risk.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. It is the County's policy 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. There are no investments in a single issuer that have more than a five percent concentration of total investments.

Fair Value Measurement

The County measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America. 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.



**WINONA COUNTY  
WINONA, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments

Fair Value Measurement (Continued)

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

|  | December 31,<br>2021 | Fair Value Measurements Using   |   |  |
|--|----------------------|---|---|--|
|  |                      | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Investments by fair value level                      |                      |   |   |  |
| Debt securities                                      |                      |   |   |  |
| Negotiable certificates of deposit                   | \$ 499,267           | \$ -  | \$ 499,267  | \$ -   |
| Investments measured at the net<br>asset value (NAV) |                      |   |   |  |
| MAGIC Portfolio                                      | \$ 2,686,572         |   |   |  |
| Money market mutual funds                            | 20,562,991           |   |   |  |
| Total Investments Measured<br>at the NAV             | \$ 23,249,563        |   |   |  |

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 as a NAV. The County invests in this pool for the purpose of the joint investment of the County's money with those of other counties to enhance the investment earnings accruing to each member.

MAGIC Portfolio is valued using amortized costs. 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

**WINONA COUNTY  
WINONA, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments

Fair Value Measurement (Continued)

redemptions that can be made as long as the County has a sufficient number of shares to meet the 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.

The County invests in money market funds for the benefit of liquid investments that can be readily re-invested or made available for use. Money market funds held by the County seek a constant NAV of \$1.00 per share. The money market fund reserves the right to require one or more days' prior notice before permitting withdrawals.

2. Receivables

Receivables as of December 31, 2021, for Winona County's governmental activities, including the applicable allowances for uncollectibles (Health and Human Services Special Revenue Fund and General Fund) accounts, are as follows:

|                            | <u>Receivable<br/>(Gross)</u> | <u>Less:<br/>Allowance for<br/>Uncollectibles</u> | <u>Total<br/>Receivables</u> | <u>Amounts Not<br/>Scheduled for<br/>Collection<br/>During the<br/>Subsequent<br/>Year</u> |
|----------------------------|-------------------------------|---|------------------------------|--|
| Governmental Activities    |                               |   |                              |  |
| Taxes                      | \$ 206,128                    | \$ -  | \$ 206,128                   | \$ -   |
| Special assessments        | 30,847                        | -   | 30,847                       | -  |
| Accounts                   | 8,693,567                     | (8,038,168)                                       | 655,399                      | -  |
| Interest                   | 1,884                         | -   | 1,884                        | -  |
| Loans receivable           | 225,975                       | -   | 225,975                      | 198,335  |
| Due from other governments | 9,437,211                     | -   | 9,437,211                    | 1,626,114  |
|                            | <u>\$ 18,595,612</u>          | <u>\$ (8,038,168)</u>                             | <u>\$ 10,557,444</u>         | <u>\$ 1,824,449</u>  |

**WINONA COUNTY  
WINONA, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

2. Receivables (Continued)

The principal and interest payments received from the 2007 disaster loans must be used to establish and maintain a revolving loan fund to further economic development in the County. The County has loaned out \$146,683 from the revolving loan fund.

Winona County received a broadband grant to install broadband in the Cedar Valley area. A vendor installed the broadband, and the County provided a \$100,000 match that will be paid back by the users. At the present time, \$79,292 is still outstanding.

3. Capital Assets

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

|                                       | Beginning<br>Balance | Increase     | Decrease/<br>Adjustment | Ending<br>Balance |
|---------------------------------------|----------------------|--------------|-------------------------|-------------------|
| Capital assets not depreciated        |                      |              |                         |                   |
| Land                                  | \$ 6,361,941         | \$ 580,716   | \$ -                    | \$ 6,942,657      |
| Construction in progress              | 5,389,946            | 6,651,765    | 1,082,529               | 10,959,182        |
| Total capital assets not depreciated  | \$ 11,751,887        | \$ 7,232,481 | \$ 1,082,529            | \$ 17,901,839     |
| Capital assets depreciated            |                      |              |                         |                   |
| Buildings                             | \$ 25,370,745        | \$ -         | \$ -                    | \$ 25,370,745     |
| Improvements other than buildings     | 485,641              | -            | -                       | 485,641           |
| Machinery, furniture, and equipment   | 10,516,132           | 262,852      | 393,870                 | 10,385,114        |
| Infrastructure                        | 75,824,278           | 1,012,529    | -                       | 76,836,807        |
| Total capital assets depreciated      | \$ 112,196,796       | \$ 1,275,381 | \$ 393,870              | \$ 113,078,307    |
| Less: accumulated depreciation for    |                      |              |                         |                   |
| Buildings                             | \$ 5,411,082         | \$ 269,604   | \$ -                    | \$ 5,680,686      |
| Improvements other than buildings     | 303,647              | 8,495        | -                       | 312,142           |
| Machinery, furniture, and equipment   | 7,782,973            | 404,836      | 210,346                 | 7,977,463         |
| Infrastructure                        | 26,236,276           | 1,418,014    | -                       | 27,654,290        |
| Total accumulated depreciation        | \$ 39,733,978        | \$ 2,100,949 | \$ 210,346              | \$ 41,624,581     |
| Total capital assets depreciated, net | \$ 72,462,818        | \$ (825,568) | \$ 183,524              | \$ 71,453,726     |
| Capital Assets, Net                   | \$ 84,214,705        | \$ 6,406,913 | \$ 1,266,053            | \$ 89,355,565     |

**WINONA COUNTY  
WINONA, MINNESOTA**

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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:

|   |    |           |
|---|----|-----------|
| Governmental Activities   |    |           |
| General government  | \$ | 249,653   |
| Public safety   |    | 101,536   |
| Highways and streets, including depreciation of infrastructure assets |    | 1,746,012 |
| Sanitation  |    | 3,748     |
| Total Depreciation Expense – Governmental Activities                  | \$ | 2,100,949 |

B. Interfund Receivables, Payables, and Transfers

1. Due To/From Other Funds

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

| Receivable Fund               | Payable Fund                                      | Amount    |
|-------------------------------|---|-----------|
| General Fund                  | Health and Human Services<br>Special Revenue Fund | \$ 31,875 |
| State Revenue Custodial Fund  | General Fund                                      | 25        |
| Collaborative Custodial Fund  | Health and Human Services<br>Special Revenue Fund | 23,622    |
| Total Due To/From Other Funds |   | \$ 55,522 |

These balances reflect the interfund goods and services provided and not paid at year-end but expected to be paid in the subsequent year.

**WINONA COUNTY  
WINONA, MINNESOTA**

3. Detailed Notes on All Funds

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

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2021, consisted of the following:

| Fund From                                      | Fund To  | Amount              |                            |
|--|--|---------------------|----------------------------|
| Road and Bridge Special Revenue Fund           | General Fund                                   | \$ 30,964           | Transfer retiree insurance |
| Health and Human Services Special Revenue Fund | General Fund                                   | 20,865              | Transfer retiree insurance |
| Recycling and Solid Waste Special Revenue Fund | General Fund                                   | 88,888              | Transfer for rent          |
| General Fund                                   | Health and Human Services Special Revenue Fund | 851,087             | Transfer for operations    |
| General Fund                                   | Road and Bridge Special Revenue Fund           | <u>55,548</u>       | Transfer for expenditures  |
| Total Transfers                                |  | <u>\$ 1,047,352</u> |                            |

C. Liabilities

1. Construction Commitments

The government has active construction projects as of December 31, 2021. The projects include the following:

|                         | Spent-to-Date | Remaining<br>Commitment |
|-------------------------|---------------|-------------------------|
| Governmental Activities |               |                         |
| Roads and bridges       | \$ 6,620,952  | \$ 871,760              |
| Public Safety           | 2,285,192     | 20,182,122              |

2. Compensated Absences

Employees have the option to take a cash payout or to opt for the other postemployment benefits option. Employees who leave in good standing with more than ten years of service and who have a minimum accumulation of 920 hours of unused sick leave may opt for a cash option. This option does not apply to the Professionals Union, department heads, and nonunion employees.

**WINONA COUNTY  
WINONA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

2. Compensated Absences (Continued)

The value of the compensated absences cash payout option for eligible employees at the end of 2021 is \$646,298. For governmental activities, compensated absences are liquidated by the General Fund and the Road and Bridge, Health and Human Services, and Recycling and Solid Waste Special Revenue Funds.

3. Long-Term Debt

Bonds

| Type of Indebtedness           | Final Maturity | Installment Amounts      | Interest Rate (%) | Original Issue Amount | Outstanding Balance December 31, 2021 |
|--------------------------------|----------------|--------------------------|-------------------|-----------------------|---------------------------------------|
| General obligation bonds       |                |                          |                   |                       |                                       |
| 2020 G.O. Jail Bonds           | 2046           | \$280,000 -<br>\$495,000 | 2.00 -<br>3.00    | \$ 9,610,000          | \$ 9,610,000                          |
| 2021 G.O. Jail Bonds           | 2046           | \$290,000 -<br>\$530,000 | 2.00 -<br>4.00    | <u>10,000,000</u>     | <u>10,000,000</u>                     |
| Subtotal                       |                |                          |                   | <u>\$ 19,610,000</u>  | \$ 19,610,000                         |
| Plus: unamortized premiums     |                |                          |                   |                       | <u>1,136,475</u>                      |
| Total General Obligation Bonds |                |                          |                   |                       | <u>\$ 20,746,475</u>                  |

Debt payments for the above debt are being made from the Debt Service Fund.

Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The capital leases consist of the following at December 31, 2021.

**WINONA COUNTY  
WINONA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

3. Long-Term Debt

Capital Leases (Continued)

|                  | <u>Maturity</u> | <u>Installment</u> | <u>Payment<br/>Amount</u> | <u>Original</u>   | <u>Balance</u>    |
|------------------|-----------------|--------------------|---------------------------|-------------------|-------------------|
| Survey equipment | 2022            | Yearly             | \$ 6,414                  | \$ 25,636         | \$ 6,094          |
| Survey equipment | 2024            | Yearly             | 6,810                     | 30,858            | 18,484            |
| Radios           | 2023            | Yearly             | 98,225                    | <u>274,473</u>    | <u>186,651</u>    |
| Total            |                 |                    |                           | <u>\$ 330,967</u> | <u>\$ 211,229</u> |

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

| <u>Year Ending<br/>December 31</u>      | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| 2022                                    | \$ 111,449                         |
| 2023                                    | 105,035                            |
| 2024                                    | 6,810                              |
| Less: amount representing interest      | <u>(12,065)</u>                    |
| Present Value of Minimum Lease Payments | <u>\$ 211,229</u>                  |

The lease for the radio equipment is paid from the Capital Projects Fund, and the survey equipment is paid from the Road and Bridge Special Revenue Fund.

**WINONA COUNTY  
WINONA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities (Continued)

4. Debt Service Requirements

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

| <u>Year Ending<br/>December 31</u> | General Obligation<br>Bonds |                  |
|------------------------------------|-----------------------------|------------------|
|                                    | Principal                   | Interest         |
| 2022                               | \$ 280,000                  | \$ 458,938       |
| 2023                               | 575,000                     | 471,095          |
| 2024                               | 595,000                     | 450,945          |
| 2025                               | 615,000                     | 430,095          |
| 2026                               | 640,000                     | 408,545          |
| 2027 - 2031                        | 3,540,000                   | 1,690,725        |
| 2032 - 2036                        | 4,020,000                   | 1,208,375        |
| 2037 - 2041                        | 4,440,000                   | 789,875          |
| 2042 - 2046                        | 4,905,000                   | 320,403          |
| <br>Total                          | <br>\$ 19,610,000           | <br>\$ 6,228,996 |

5. Changes in Long-Term Liabilities

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

|  | Beginning<br>Balance | Additions     | Reductions   | Ending Balance | Due Within<br>One Year |
|--|----------------------|---------------|--------------|----------------|------------------------|
| Bonds payable                                    |                      |               |              |                |                        |
| General obligation bonds                         | \$ 9,875,000         | \$ 10,000,000 | \$ 265,000   | \$ 19,610,000  | \$ 280,000             |
| Plus: deferred amounts for<br>premiums           | 588,697              | 570,420       | 22,642       | 1,136,475      | -                      |
| Total bonds payable                              | \$ 10,463,697        | \$ 10,570,420 | \$ 287,642   | \$ 20,746,475  | \$ 280,000             |
| Capital leases payable                           | 310,406              | -             | 99,177       | 211,229        | 103,676                |
| Compensated absences                             | 2,578,035            | 2,136,677     | 2,365,463    | 2,349,249      | 310,938                |
| Governmental Activities<br>Long-Term Liabilities | \$ 13,352,138        | \$ 12,707,097 | \$ 2,752,282 | \$ 23,306,953  | \$ 694,614             |



**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds

C. Liabilities (Continued)

6. Conduit Debt

The Southeast Minnesota Multi-County Housing and Redevelopment Authority (HRA) issued \$2,095,000 Housing Development Revenue Refunding Bonds (Winona County, Minnesota Unlimited Tax General Obligation), Series 2016A, on October 12, 2016. The purpose of the issuance was to refund the HRA's \$1,960,000 Housing Development Revenue Refunding Bonds (Winona County, Minnesota Unlimited Tax General Obligation), Series 2007A.

D. Deferred Outflows/Inflows of Resources

1. Deferred Outflows of Resources

Governmental funds did not report deferred outflows of resources for the year ended December 31, 2021.

2. Deferred Inflows of Resources – Unavailable Revenue

As of December 31, 2021, there were various components of unavailable revenue as follows:

|                           |                     |
|---------------------------|---------------------|
| Taxes                     | \$ 157,193          |
| Special assessments       | 28,753              |
| Intergovernmental         | 5,629,697           |
| Loans receivable          | 225,975             |
| Miscellaneous             | <u>2,078,809</u>    |
| Total Unavailable Revenue | <u>\$ 8,120,427</u> |

**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds (Continued)

E. Pension Plans

1. Defined Benefit Pension Plans

a. Plan Description

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

The General Employees Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security, 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 Winona 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.

**WINONA COUNTY  
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3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

a. Plan Description (Continued)

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.

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.

**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

b. Benefits Provided (Continued)

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, 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.

**WINONA COUNTY  
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3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

b. Benefits Provided (Continued)

Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Police and Fire Plan members, the annuity accrual rate is 3.00 percent of average salary for each year of service. For Correctional Plan members, the annuity accrual rate is 1.90 percent of average salary for each year of service.

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

|   | <u>Member<br/>Required<br/>Contribution</u> | <u>Employer<br/>Required<br/>Contribution</u> |
|---|---|---|
| General Employees Plan – Coordinated Plan members | 6.50%                                       | 7.50%   |
| Police and Fire Plan                              | 11.80                                       | 17.70   |
| Correctional Plan                                 | 5.83  | 8.75  |

**WINONA COUNTY  
WINONA, MINNESOTA**

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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 | \$ 1,210,572 |
| Police and Fire Plan   | 309,640      |
| Correctional Plan      | 133,344      |

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 \$9,040,538 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 0.2117 percent. It was 0.2070 percent measured as of June 30, 2020. The County recognized pension expense of \$371,143 for its proportionate share of the General Employees Plan's pension expense.

The County also recognized \$22,279 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.

**WINONA COUNTY  
WINONA, MINNESOTA**

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                                    | \$ | 9,040,538 |
| State of Minnesota's proportionate share of the net pension liability associated with the County |    | 276,124   |
| Total  | \$ | 9,316,662 |

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<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience   | \$ 52,788                            | \$ 275,955                          |
| Changes in actuarial assumptions                              | 5,519,965                            | 193,801                             |
| Difference between projected and actual investment earnings   | -                                    | 7,841,015                           |
| Changes in proportion   | 371,674                              | 16,643                              |
| Contributions paid to PERA subsequent to the measurement date | 631,182                              | -                                   |
| Total   | \$ 6,575,609                         | \$ 8,327,414                        |

The \$631,182 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:

**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

General Employees Plan (Continued)

| Year Ended<br>December 31 | Pension<br>Expense<br>Amount |
|---------------------------|------------------------------|
| 2022                      | \$ (249,673)                 |
| 2023                      | 8,979                        |
| 2024                      | (6,782)                      |
| 2025                      | (2,135,511)                  |

Police and Fire Plan

At December 31, 2021, the County reported a liability of \$1,097,633 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 0.1422 percent. It was 0.1401 percent measured as of June 30, 2020. The County recognized pension expense of (\$49,286) 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.



**WINONA COUNTY  
WINONA, MINNESOTA**

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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 \$8,987 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                                    | \$ 1,097,633        |
| State of Minnesota's proportionate share of the net pension liability associated with the County | <u>49,349</u>       |
| Total  | <u>\$ 1,146,982</u> |

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 \$12,798 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:

**WINONA COUNTY  
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3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Police and Fire Plan (Continued)

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience   | \$ 208,658                           | \$ -                                |
| Changes in actuarial assumptions                              | 1,613,233                            | 546,635                             |
| Difference between projected and actual investment earnings   | -                                    | 2,095,633                           |
| Changes in proportion   | 108,818                              | 13,500                              |
| Contributions paid to PERA subsequent to the measurement date | 167,774                              | -                                   |
| Total   | \$ 2,098,483                         | \$ 2,655,768                        |

The \$167,774 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<br>December 31 | Pension<br>Expense<br>Amount |
|---------------------------|------------------------------|
| 2022                      | \$ (639,764)                 |
| 2023                      | (110,458)                    |
| 2024                      | (116,928)                    |
| 2025                      | (215,690)                    |
| 2026                      | 357,781                      |

**WINONA COUNTY  
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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 \$121,042 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 0.7368 percent. It was 0.8064 percent measured as of June 30, 2020. The County recognized pension expense of (\$344,615) 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:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience   | \$ -  | \$ 73,426                                    |
| Changes in actuarial assumptions                              | 757,688                                       | 12,264                                       |
| Difference between projected and actual investment earnings   | -   | 963,169                                      |
| Changes in proportion   | 1,932   | 14,505                                       |
| Contributions paid to PERA subsequent to the measurement date | <u>65,263</u>                                 | <u>-</u>                                     |
| Total   | <u>\$ 824,883</u>                             | <u>\$ 1,063,364</u>                          |

**WINONA COUNTY  
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3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Correctional Plan (Continued)

The \$65,263 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<br>December 31 | Pension<br>Expense<br>Amount |
|---------------------------|------------------------------|
| 2022                      | \$ (45,521)                  |
| 2023                      | (10,205)                     |
| 2024                      | 16,129                       |
| 2025                      | (264,147)                    |

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2021, was (\$22,758).

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<br>Fund | Police and Fire<br>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%             |

**WINONA COUNTY  
WINONA, MINNESOTA**

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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:

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

**WINONA COUNTY  
WINONA, MINNESOTA**

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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.

**WINONA COUNTY  
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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.

**WINONA COUNTY  
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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.



**WINONA COUNTY  
WINONA, MINNESOTA**

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 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.

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<br>Rate           | Net Pension<br>Liability | Discount<br>Rate     | Net Pension<br>Liability(Asset) | Discount<br>Rate  | Net Pension<br>Liability (Asset) |
| 1% Decrease | 5.50%                      | \$ 18,438,083            | 5.50%                | \$ 3,484,800                    | 5.50%             | \$ 1,259,714                     |
| Current     | 6.50                       | 9,040,538                | 6.50                 | 1,097,633                       | 6.50              | (121,042)                        |
| 1% Increase | 7.50                       | 1,329,279                | 7.50                 | (859,252)                       | 7.50              | (1,216,818)                      |

**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds

E. Pension Plans

1. Defined Benefit Pension Plans (Continued)

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](http://www.mnpera.org).

2. Defined Contribution Plan

Four Board members and one elected official of Winona 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 Winona County during the year ended December 31, 2021, were:

|                               | <u>Employee</u> | <u>Employer</u> |
|-------------------------------|-----------------|-----------------|
| Contribution amount           | \$ 12,724       | \$ 12,724       |
| Percentage of covered payroll | 5.00%           | 5.00%           |

**WINONA COUNTY  
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3. Detailed Notes on All Funds

F. Other Postemployment Benefits (OPEB)

1. Plan Description

The County provides health insurance benefits for qualifying retired employees under a single-employer, defined benefit, self-insured plan, financed and administered by Winona County and the Southeast Service Cooperative. Blue Cross and Blue Shield of Minnesota, under contract with the Southeast Service Cooperative, is the claims administrator. The County provides benefits for retirees as required by Minn. Stat. § 471.61, subd. 2b. Active employees, who retire from the County when eligible to receive a retirement benefit from PERA (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program.

Retirees are required to pay 100 percent of the total group rate. The premium is a blended rate determined on the entire active and retiree population. The retirees, whose cost is statistically higher than the group average, are receiving an implicit rate "subsidy." As of January 1, 2021, 11 retirees were receiving health benefits from the County's health plan. As of year-end, the County has nine participants. Some employees who leave in good standing with more than ten years of service and who have a minimum accumulation of 100 days of unused sick leave may convert it to paid-up health insurance for the employee only, according to the following schedule:

- Each ten days of unused sick leave equals one month's paid-up insurance for employees only.

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.

After completing two full terms as an elected County Commissioner and being at least 50 years of age, a Commissioner may receive one year of single health insurance. This benefit is provided pursuant to County Board Resolution 2016-88. The County had no participants for 2021.

**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds

F. Other Postemployment Benefits (OPEB)

1. Plan Description (Continued)

As of the January 1, 2021, actuarial valuation, the following employees were covered by the benefit terms:

|  |                   |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefit Payments | 123               |
| Active plan participants   | <u>286</u>        |
| Total  | <u><u>409</u></u> |

2. Total OPEB Liability

The County's total OPEB liability of \$3,426,405 was measured as of January 1, 2021, and was determined by an actuarial valuation as of January 1, 2021.

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              | 2.00 percent   |
| Salary increases       | Service graded table; varies by service and contract group   |
| Health care cost trend | 6.50 percent, decreasing to 5.00 percent over six years and then to 4.00 percent over the next 48 years. |

The current year discount rate is 2.00 percent, which is a change from the prior year rate of 2.90 percent. For the current valuation, the discount rate was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

Mortality rates are based on Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2020 Generational Improvement Scale.

**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds

F. Other Postemployment Benefits (OPEB) (Continued)

3. Changes in the Total OPEB Liability

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Balance at December 31, 2020                       | \$ 2,955,580            |
| Changes for the year                               |                         |
| Service cost                                       | \$ 204,333              |
| Interest   | 89,667                  |
| Differences between expected and actual experience | 104,233                 |
| Changes in assumptions                             | 209,454                 |
| Benefit payments                                   | (136,862)               |
| Net change   | \$ 470,825              |
| Balance at December 31, 2021                       | \$ 3,426,405            |

Other postemployment benefits are liquidated by the General Fund, Road and Bridge, Health and Human Services, and Recycling and Solid Waste Special Revenue Funds.

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:

|             | Discount Rate | Total OPEB<br>Liability |
|-------------|---------------|-------------------------|
| 1% Decrease | 1.90%         | \$ 3,866,635            |
| Current     | 2.90          | 3,426,405               |
| 1% Increase | 3.90          | 3,062,392               |

**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Detailed Notes on All Funds

F. Other Postemployment Benefits (OPEB)

4. OPEB Liability Sensitivity (Continued)

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 | 5.50% Decreasing to 4.00% | \$ 3,209,088         |
| Current     | 6.50% Decreasing to 5.00% | 3,426,405            |
| 1% Increase | 7.50% Decreasing to 6.00% | 3,684,311            |

5. OPEB Expense and 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 \$103,062. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Differences between expected and actual economic experience | \$ 89,341                      | \$ 71,390                     |
| Changes in actuarial assumptions                            | 364,312                        | 67,229                        |
| Contributions made subsequent to measurement date           | 190,871                        | -                             |
| Total   | \$ 644,524                     | \$ 138,619                    |

The \$190,871 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:

**WINONA COUNTY  
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3. Detailed Notes on All Funds

F. Other Postemployment Benefits (OPEB)

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

| Year Ended<br>December 31 | OPEB<br>Expense<br>Amount |
|---------------------------|---------------------------|
| 2022                      | \$ 47,111                 |
| 2023                      | 47,111                    |
| 2024                      | 47,111                    |
| 2025                      | 47,120                    |
| 2026                      | 81,769                    |
| 2027                      | 44,812                    |

6. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2021:

- The discount rate used changed from 2.90 percent to 2.00 percent.
- The inflation rate changed from 2.50 percent to 2.00 percent.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.
- The health care trend rates were changed to better anticipate short-term and long-term medical increases. The rates changed from 6.25 percent decreasing to 5.00 percent over five years to 6.50 percent decreasing to 5.00 percent over six years and then to 4.00 percent over the next 48 years.
- The mortality tables were updated from the RP-2014 Mortality tables (Blue Collar for public safety, White Collar for others) with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General Safety) with MP-2020 Generational Improvement Scale.
- The retirement and withdrawal tables for non-public safety employees were updated.

**WINONA COUNTY  
WINONA, MINNESOTA**

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4. Summary of Significant Contingencies and Other Items

A. Risk Management

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

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

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.

Premiums are paid by the fund receiving the benefits.

The Southeast Service Cooperative provides financial risk management services that embody the concept of pooling risks for the purpose of stabilizing and/or reducing costs. Group employee benefits shall include, but not be limited to, health benefits coverage. Other employee benefits for life insurance, disability insurance, and flexible spending programs are administered by the County's Personnel Department through separate vendors. The County also administers a dental program for employees. The County's responsibility is limited to collecting the premiums and disbursing enrolled employee premiums.



**WINONA COUNTY  
WINONA, MINNESOTA**

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

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

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

C. Joint Ventures

Southeast Minnesota Multi-County HRA

Wabasha and Goodhue Counties formed the Southeast Minnesota Multi-County HRA for the purposes of providing housing and redevelopment services to southeastern Minnesota counties pursuant to Minn. Stat. § 471.59. Winona and Dodge Counties later joined the HRA. The governing body consists of an eight-member Board of Commissioners. Two Commissioners were appointed by each of the County Boards. The HRA adopts its own budget.

In 1994, the Dodge County Commissioners appointed a member to the HRA Board for a five-year term expiring in 1999. The County has not appointed a member for the vacancy starting in 1999. Dodge County has requested to be released from this HRA. Winona County made \$159,190 in contributions to the operations of the HRA in 2021 in the form of a tax levy.

Financial statements for the HRA may be obtained at its office at 134 East 2nd Street, Wabasha, Minnesota 55981.

**WINONA COUNTY  
WINONA, MINNESOTA**

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4. Summary of Significant Contingencies and Other Items

C. Joint Ventures (Continued)

Winona County Family Service Collaborative

Winona County has created the Winona County Family Service Collaborative pursuant to an interagency agreement and Minn. Stat. § 124D.23. The Collaborative is represented by the following: Winona County; the City of Winona; Independent School Districts 861, 857, and 858; Department of Economic Security Workforce Center; Southeastern Minnesota Community Action Council; and Hiawatha Valley Mental Health Center. The Collaborative Board consists of 21 members, of which Winona County appoints two.

The Collaborative was established to support and nurture individuals and families through prevention and intervention so as to ensure success for every child. The Collaborative had \$212,968 of expenditures in 2021.

Currently, the Collaborative does not prepare complete financial statements. Financial information can be obtained by contacting Kristy Millering, Winona Area Public School Business Manager, or Pat Moga, Winona County Finance Director.

Southeast Minnesota Regional Emergency Communications Board

The Southeast Minnesota Regional Emergency Communications Board was established April 16, 2008, as provided by Minn. Stat. §§ 403.39 and 471.59. This joint powers between Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona Counties and the City of Rochester serves to provide regional administration of enhancement to the allied Radio Matrix for Emergency Response (ARMER) system owned and operated by the State of Minnesota and enhance and improve interoperable public safety communications.

Control of the Southeast Minnesota Regional Emergency Communications Board is vested in a Joint Powers Board that is composed of one County Commissioner from each of the participating counties and one City Council member from the participating city.

The financial activities of the Board are accounted for by Olmsted County as fiscal agent. During the year, Winona County paid \$6,500 to the Board.

**WINONA COUNTY  
WINONA, MINNESOTA**

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4. Summary of Significant Contingencies and Other Items

C. Joint Ventures (Continued)

Southeast Minnesota Violent Crime Enforcement Team

The Southeast Minnesota Violent Crime Enforcement Team was established under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, and Winona Counties, along with the Cities of Austin, Kasson, Lake City, Red Wing, and Winona. The Enforcement Team's mission is to work cooperatively in the enforcement of controlled substance laws and violent crime-related offenses.

The Enforcement Team is governed by a governing board with members consisting of the chief law enforcement officer from each member, or his or her designee, and an attorney appointed by the governing board.

During the year, Winona County paid \$7,649 to the Enforcement Team.

Separate financial information can be obtained from Southeast Minnesota Violent Crime Enforcement Team, 101 – 4th Street Southeast, Rochester, Minnesota 55904.

D. Jointly-Governed Organizations

Winona County, in conjunction with other governmental entities and various private organizations, has formed the jointly-governed organizations listed below.

Southeast Minnesota Emergency Medical Services

The Southeast Minnesota Emergency Medical Services (SEEMS) Joint Powers Board consists of Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona Counties. The purpose of SEEMS is to ensure quality patient care is available throughout the 11-county area by maximizing the response capabilities of emergency medical personnel and to promote public education on injury prevention and appropriate response during a medical emergency. Each member county appoints one member for the Joint Powers Board. Winona County contributed \$5,000 to SEEMS in 2021.

**WINONA COUNTY  
WINONA, MINNESOTA**

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4. Summary of Significant Contingencies and Other Items

D. Jointly-Governed Organizations (Continued)

Southeastern Libraries Cooperative

The Southeastern Libraries Cooperative provides library services to counties and cities in southeastern Minnesota. During the year, Winona County paid \$258,884 to the Southeastern Libraries Cooperative.

Southeastern Minnesota Community Action Council

The Southeastern Minnesota Community Action Council (SEMCAC) provides various services on behalf of member counties to assist people to achieve or maintain independence and self-reliance through their own and community resources. SEMCAC provides services in Dodge, Fillmore, Freeborn, Houston, Mower, Steele, and Winona Counties. During the year, Winona County made payments of \$6,121 to SEMCAC.

Minnesota Counties Computer Cooperative

Under Minnesota Joint Powers Law, Minn. Stat. § 471.59, Minnesota counties have created the Minnesota Counties Computer Cooperative (MCCC) to jointly provide for the establishment, operation, and maintenance of data processing systems, facilities, and management information systems. During the year, Winona County expended \$144,360 to the MCCC.

Whitewater Joint Powers Board

The Whitewater Joint Powers Board is composed of three counties and three county soil and water conservation boards. It provides soil and water conservation services to its members. During the year, Winona County made a \$7,906 payment to the Joint Powers Board.

Southeast Service Cooperative

The Southeast Service Cooperative delivers numerous services to support administrative and instructional functions to its members and to improve learning opportunities. During the year, Winona County made payments of \$350 to the Cooperative. Winona County no longer is a member of Southeast Service Cooperative as of December 31, 2021.

**WINONA COUNTY  
WINONA, MINNESOTA**

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4. Summary of Significant Contingencies and Other Items

D. Jointly-Governed Organizations (Continued)

Sentencing to Service Program

Winona County, in conjunction with other local governments, participates in the State of Minnesota's Sentencing to Service (STS) program. STS is a project of the State Department of Administration's Strive Toward Excellence in Performance (STEP) program. STEP's goal is a statewide effort to make positive improvements in public services. It gives the courts an alternative to jail or fines for the nonviolent offenders who can work on a variety of community or state projects. Private funding, funds from various foundations and initiative funds, as well as the Minnesota Departments of Corrections and Natural Resources, provide the funds needed to operate the STS program. Although Winona County has no operational or financial control over the STS program, Winona County budgets 75 percent of the program cost for the STS program. During the year, Winona County made payments of \$110,075.

Region One – Southeast Minnesota Homeland Security Emergency Management Organization

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

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, Minnesota Department of Public Safety, and the Bureau of Criminal Apprehension to carry out criminal justice. During the year, Winona County made no payments to the joint powers.

**WINONA COUNTY  
WINONA, MINNESOTA**

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4. Summary of Significant Contingencies and Other Items

D. Jointly-Governed Organizations (Continued)

Southeast Minnesota Immunization Connection

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

E. Related Organization

Winona County appoints Board members to Watershed Number One. The County has no other control over this Board.

5. Subsequent Events

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 U.S. 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. Winona County's projected allocation of the State and Local Coronavirus Recovery Funds is \$9,805,925. Winona County received \$4,902,962 on June 10, 2021.

On January 6, 2022, Winona County issued \$7,360,000 in General Obligation County Jail Bonds, Series 2022A.

During 2022, final settlement agreements were reached with pharmaceutical companies and distributors as part of the National Prescription Opiate Litigation. For Winona County, the amount to be received as a result of this litigation is \$1,721,768, to be received over 18 years, which has been recorded as a settlement receivable in the current year. The Minnesota Opioids State-Subdivision Memorandum of Agreement was signed January 24, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-1*

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

|                                 | <u>Budgeted Amounts</u>     |                             | <u>Actual<br/>Amounts</u>   | <u>Variance with<br/>Final Budget</u> |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|
|                                 | <u>Original</u>             | <u>Final</u>                |                             |                                       |
| <b>Revenues</b>                 |                             |                             |                             |                                       |
| Taxes                           | \$ 12,657,430               | \$ 12,657,430               | \$ 12,643,825               | \$ (13,605)                           |
| Licenses and permits            | 142,485                     | 142,485                     | 168,768                     | 26,283                                |
| Intergovernmental               | 4,607,976                   | 4,607,976                   | 5,235,611                   | 627,635                               |
| Charges for services            | 2,914,341                   | 2,914,341                   | 1,749,693                   | (1,164,648)                           |
| Fines and forfeits              | 21,000                      | 21,000                      | 15,489                      | (5,511)                               |
| Gifts and contributions         | 10,700                      | 10,700                      | 17,972                      | 7,272                                 |
| Investment earnings             | 250,150                     | 250,150                     | 81,864                      | (168,286)                             |
| Miscellaneous                   | 366,970                     | 366,970                     | 306,130                     | (60,840)                              |
| <b>Total Revenues</b>           | <b><u>\$ 20,971,052</u></b> | <b><u>\$ 20,971,052</u></b> | <b><u>\$ 20,219,352</u></b> | <b><u>\$ (751,700)</u></b>            |
| <b>Expenditures</b>             |                             |                             |                             |                                       |
| <b>Current</b>                  |                             |                             |                             |                                       |
| <b>General government</b>       |                             |                             |                             |                                       |
| Commissioners                   | \$ 185,269                  | \$ 185,269                  | \$ 173,871                  | \$ 11,398                             |
| Courts                          | 226,662                     | 226,662                     | 204,365                     | 22,297                                |
| Law library                     | 45,000                      | 45,000                      | 23,669                      | 21,331                                |
| Drug court                      | 97,595                      | 97,595                      | 98,184                      | (589)                                 |
| County administration           | 464,582                     | 464,582                     | 501,699                     | (37,117)                              |
| County auditor/treasurer        | 336,125                     | 336,125                     | 329,211                     | 6,914                                 |
| Non-department                  | 361,931                     | 361,931                     | 384,581                     | (22,650)                              |
| License bureau                  | 423,462                     | 423,462                     | 416,110                     | 7,352                                 |
| Assessor                        | 746,345                     | 746,345                     | 758,305                     | (11,960)                              |
| Land survey                     | -                           | -                           | 50,279                      | (50,279)                              |
| Insurances                      | 364,010                     | 364,010                     | 336,106                     | 27,904                                |
| Elections                       | 24,765                      | 24,765                      | 28,676                      | (3,911)                               |
| Accounting and auditing         | 802,397                     | 802,397                     | 790,120                     | 12,277                                |
| Data processing                 | 1,830,411                   | 1,830,411                   | 1,194,122                   | 636,289                               |
| Personnel                       | 695,211                     | 695,211                     | 741,983                     | (46,772)                              |
| Attorney                        | 1,827,842                   | 1,827,842                   | 1,591,162                   | 236,680                               |
| Recorder                        | 682,665                     | 682,665                     | 612,725                     | 69,940                                |
| Vital statistics                | 83,050                      | 83,050                      | 80,585                      | 2,465                                 |
| Planning and zoning             | 366,952                     | 366,952                     | 355,201                     | 11,751                                |
| Maintenance                     | 1,055,543                   | 1,055,543                   | 801,470                     | 254,073                               |
| Veterans service officer        | 218,988                     | 218,988                     | 258,912                     | (39,924)                              |
| <b>Total general government</b> | <b><u>\$ 10,838,805</u></b> | <b><u>\$ 10,838,805</u></b> | <b><u>\$ 9,731,336</u></b>  | <b><u>\$ 1,107,469</u></b>            |



**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT A-1  
(Continued)**

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

|  | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|--|-------------------------|---------------------|---------------------------|---------------------------------------|
|  | <u>Original</u>         | <u>Final</u>        |                           |                                       |
| <b>Expenditures</b>                            |                         |                     |                           |                                       |
| <b>Current (Continued)</b>                     |                         |                     |                           |                                       |
| <b>Public safety</b>                           |                         |                     |                           |                                       |
| Sheriff  | \$ 3,216,969            | \$ 3,216,969        | \$ 3,292,055              | \$ (75,086)                           |
| Boat and water safety                          | 42,354                  | 42,354              | 54,214                    | (11,860)                              |
| Emergency services                             | 178,571                 | 178,571             | 275,313                   | (96,742)                              |
| E-911 system                                   | 135,407                 | 135,407             | 111,819                   | 23,588                                |
| County jail                                    | 3,398,895               | 3,398,895           | 2,968,205                 | 430,690                               |
| Law enforcement center                         | 1,434,955               | 1,434,955           | 1,391,054                 | 43,901                                |
| Probation and parole                           | 954,078                 | 954,078             | 824,636                   | 129,442                               |
| <b>Total public safety</b>                     | <b>\$ 9,361,229</b>     | <b>\$ 9,361,229</b> | <b>\$ 8,917,296</b>       | <b>\$ 443,933</b>                     |
| <b>Human services</b>                          |                         |                     |                           |                                       |
| Social services                                | \$ -                    | \$ -                | \$ 263,020                | \$ (263,020)                          |
| <b>Culture and recreation</b>                  |                         |                     |                           |                                       |
| Historical society                             | \$ 57,250               | \$ 57,250           | \$ 57,250                 | \$ -                                  |
| Parks  | 60,677                  | 60,677              | 74,368                    | (13,691)                              |
| <b>Total culture and recreation</b>            | <b>\$ 117,927</b>       | <b>\$ 117,927</b>   | <b>\$ 131,618</b>         | <b>\$ (13,691)</b>                    |
| <b>Conservation of natural resources</b>       |                         |                     |                           |                                       |
| County extension                               | \$ 176,622              | \$ 176,622          | \$ 160,245                | \$ 16,377                             |
| Soil and water conservation                    | 140,000                 | 140,000             | 140,000                   | -                                     |
| Feedlot  | 134,799                 | 134,799             | 117,869                   | 16,930                                |
| Agricultural inspection                        | 16,656                  | 16,656              | 11,270                    | 5,386                                 |
| Wetland challenge                              | 22,649                  | 22,649              | 22,029                    | 620                                   |
| Other  | 292,219                 | 292,219             | 240,966                   | 51,253                                |
| Agricultural society/County fair               | 26,550                  | 26,550              | 26,550                    | -                                     |
| <b>Total conservation of natural resources</b> | <b>\$ 809,495</b>       | <b>\$ 809,495</b>   | <b>\$ 718,929</b>         | <b>\$ 90,566</b>                      |
| <b>Economic development</b>                    |                         |                     |                           |                                       |
| Other  | \$ 292,200              | \$ 292,200          | \$ 1,515,945              | \$ (1,223,745)                        |
| <b>Intergovernmental</b>                       |                         |                     |                           |                                       |
| Regional library                               | \$ 258,884              | \$ 258,884          | \$ 258,884                | \$ -                                  |

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-1  
(Continued)*

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

|   | <u>Budgeted Amounts</u> |                      | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|----------------------|---------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>         |                           |                                       |
| <b>Debt service</b>                                     |                         |                      |                           |                                       |
| Principal   | \$ 48,290               | \$ 48,290            | \$ -                      | \$ 48,290                             |
| <b>Total Expenditures</b>                               | <u>\$ 21,726,830</u>    | <u>\$ 21,726,830</u> | <u>\$ 21,537,028</u>      | <u>\$ 189,802</u>                     |
| <b>Excess of Revenues Over (Under)<br/>Expenditures</b> | <u>\$ (755,778)</u>     | <u>\$ (755,778)</u>  | <u>\$ (1,317,676)</u>     | <u>\$ (561,898)</u>                   |
| <b>Other Financing Sources (Uses)</b>                   |                         |                      |                           |                                       |
| Transfers in  | \$ 335,139              | \$ 335,139           | \$ 140,717                | \$ (194,422)                          |
| Transfers out   | -                       | -                    | (906,635)                 | (906,635)                             |
| Proceeds from sale of capital assets                    | <u>5,000</u>            | <u>5,000</u>         | <u>-</u>                  | <u>(5,000)</u>                        |
| <b>Total Other Financing Sources<br/>(Uses)</b>         | <u>\$ 340,139</u>       | <u>\$ 340,139</u>    | <u>\$ (765,918)</u>       | <u>\$ (1,106,057)</u>                 |
| <b>Change in Fund Balance</b>                           | \$ (415,639)            | \$ (415,639)         | \$ (2,083,594)            | \$ (1,667,955)                        |
| <b>Fund Balance – January 1</b>                         | <u>16,665,532</u>       | <u>16,665,532</u>    | <u>16,665,532</u>         | <u>-</u>                              |
| <b>Fund Balance – December 31</b>                       | <u>\$ 16,249,893</u>    | <u>\$ 16,249,893</u> | <u>\$ 14,581,938</u>      | <u>\$ (1,667,955)</u>                 |

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-2*

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

|   | <u>Budgeted Amounts</u> |                       | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|-----------------------|---------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>          |                           |                                       |
| <b>Revenues</b>                             |                         |                       |                           |                                       |
| Taxes                                       | \$ 4,133,740            | \$ 4,133,740          | \$ 4,661,650              | \$ 527,910                            |
| Intergovernmental                           | 9,640,904               | 9,640,904             | 9,889,526                 | 248,622                               |
| Charges for services                        | -                       | -                     | 405                       | 405                                   |
| Miscellaneous                               | 143,400                 | 143,400               | 92,765                    | (50,635)                              |
| <b>Total Revenues</b>                       | <b>\$ 13,918,044</b>    | <b>\$ 13,918,044</b>  | <b>\$ 14,644,346</b>      | <b>\$ 726,302</b>                     |
| <b>Expenditures</b>                         |                         |                       |                           |                                       |
| <b>Current</b>                              |                         |                       |                           |                                       |
| <b>General government</b>                   |                         |                       |                           |                                       |
| Surveyor                                    | \$ 50,100               | \$ 50,100             | \$ -                      | \$ 50,100                             |
| <b>Highways and streets</b>                 |                         |                       |                           |                                       |
| Administration                              | \$ 420,368              | \$ 420,368            | \$ 429,254                | \$ (8,886)                            |
| Maintenance                                 | 2,148,501               | 2,148,501             | 1,818,665                 | 329,836                               |
| Construction                                | 12,828,702              | 12,828,702            | 10,978,906                | 1,849,796                             |
| Equipment maintenance and shop              | 715,147                 | 715,147               | 658,088                   | 57,059                                |
| Materials and services for resale           | 315,700                 | 315,700               | 273,018                   | 42,682                                |
| <b>Total highways and streets</b>           | <b>\$ 16,428,418</b>    | <b>\$ 16,428,418</b>  | <b>\$ 14,157,931</b>      | <b>\$ 2,270,487</b>                   |
| <b>Intergovernmental</b>                    | <b>\$ 265,000</b>       | <b>\$ 265,000</b>     | <b>\$ 278,299</b>         | <b>\$ (13,299)</b>                    |
| <b>Debt service</b>                         |                         |                       |                           |                                       |
| Principal                                   | \$ 10,183               | \$ 10,183             | \$ 11,355                 | \$ (1,172)                            |
| Interest                                    | 1,976                   | 1,976                 | 1,870                     | 106                                   |
| <b>Total debt service</b>                   | <b>\$ 12,159</b>        | <b>\$ 12,159</b>      | <b>\$ 13,225</b>          | <b>\$ (1,066)</b>                     |
| <b>Total Expenditures</b>                   | <b>\$ 16,755,677</b>    | <b>\$ 16,755,677</b>  | <b>\$ 14,449,455</b>      | <b>\$ 2,306,222</b>                   |
| <b>Excess of Revenues Over (Under)</b>      |                         |                       |                           |                                       |
| <b>Expenditures</b>                         | <b>\$ (2,837,633)</b>   | <b>\$ (2,837,633)</b> | <b>\$ 194,891</b>         | <b>\$ 3,032,524</b>                   |
| <b>Other Financing Sources (Uses)</b>       |                         |                       |                           |                                       |
| Transfers in                                | \$ 2,015,000            | \$ 2,015,000          | \$ 55,548                 | \$ (1,959,452)                        |
| Transfers out                               | -                       | -                     | (30,964)                  | (30,964)                              |
| <b>Total Other Financing Sources (Uses)</b> | <b>\$ 2,015,000</b>     | <b>\$ 2,015,000</b>   | <b>\$ 24,584</b>          | <b>\$ (1,990,416)</b>                 |

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-2  
(Continued)*

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

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|---------------------|---------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>        |                           |                                       |
| <b>Change in Fund Balance</b>             | \$ (822,633)            | \$ (822,633)        | \$ 219,475                | \$ 1,042,108                          |
| <b>Fund Balance – January 1</b>           | 4,995,761               | 4,995,761           | 4,995,761                 | -                                     |
| <b>Increase (decrease) in inventories</b> | <u>-</u>                | <u>-</u>            | <u>(46,545)</u>           | <u>(46,545)</u>                       |
| <b>Fund Balance – December 31</b>         | <u>\$ 4,173,128</u>     | <u>\$ 4,173,128</u> | <u>\$ 5,168,691</u>       | <u>\$ 995,563</u>                     |

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-3*

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

|   | <u>Budgeted Amounts</u> |                      | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|----------------------|---------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>         |                           |                                       |
| <b>Revenues</b>                             |                         |                      |                           |                                       |
| Taxes                                       | \$ 5,970,842            | \$ 5,970,842         | \$ 5,917,213              | \$ (53,629)                           |
| Licenses and permits                        | 30,900                  | 30,900               | 38,300                    | 7,400                                 |
| Intergovernmental                           | 10,183,411              | 10,183,411           | 10,668,298                | 484,887                               |
| Charges for services                        | 1,120,685               | 1,120,685            | 1,133,546                 | 12,861                                |
| Gifts and contributions                     | -                       | -                    | 2,200                     | 2,200                                 |
| Miscellaneous                               | 270,000                 | 270,000              | 524,286                   | 254,286                               |
| <b>Total Revenues</b>                       | <b>\$ 17,575,838</b>    | <b>\$ 17,575,838</b> | <b>\$ 18,283,843</b>      | <b>\$ 708,005</b>                     |
| <b>Expenditures</b>                         |                         |                      |                           |                                       |
| <b>Current</b>                              |                         |                      |                           |                                       |
| <b>Human services</b>                       |                         |                      |                           |                                       |
| Income maintenance                          | \$ 4,709,589            | \$ 4,709,589         | \$ 4,984,338              | \$ (274,749)                          |
| Social services                             | 11,549,174              | 11,549,174           | 11,829,088                | (279,914)                             |
| <b>Total human services</b>                 | <b>\$ 16,258,763</b>    | <b>\$ 16,258,763</b> | <b>\$ 16,813,426</b>      | <b>\$ (554,663)</b>                   |
| <b>Health</b>                               |                         |                      |                           |                                       |
| Nurse services                              | \$ 311,056              | \$ 311,056           | \$ 693,605                | \$ (382,549)                          |
| Maternal and child health                   | 552,829                 | 552,829              | 453,184                   | 99,645                                |
| County health officer                       | 453,190                 | 453,190              | 504,393                   | (51,203)                              |
| <b>Total health</b>                         | <b>\$ 1,317,075</b>     | <b>\$ 1,317,075</b>  | <b>\$ 1,651,182</b>       | <b>\$ (334,107)</b>                   |
| <b>Total Expenditures</b>                   | <b>\$ 17,575,838</b>    | <b>\$ 17,575,838</b> | <b>\$ 18,464,608</b>      | <b>\$ (888,770)</b>                   |
| <b>Excess of Revenues Over (Under)</b>      |                         |                      |                           |                                       |
| <b>Expenditures</b>                         | <b>\$ -</b>             | <b>\$ -</b>          | <b>\$ (180,765)</b>       | <b>\$ (180,765)</b>                   |
| <b>Other Financing Sources (Uses)</b>       |                         |                      |                           |                                       |
| Transfers in                                | \$ -                    | \$ -                 | \$ 851,087                | \$ 851,087                            |
| Transfers out                               | -                       | -                    | (20,865)                  | (20,865)                              |
| <b>Total Other Financing Sources (Uses)</b> | <b>\$ -</b>             | <b>\$ -</b>          | <b>\$ 830,222</b>         | <b>\$ 830,222</b>                     |
| <b>Change in Fund Balance</b>               | <b>\$ -</b>             | <b>\$ -</b>          | <b>\$ 649,457</b>         | <b>\$ 649,457</b>                     |
| <b>Fund Balance – January 1</b>             | <b>277,628</b>          | <b>277,628</b>       | <b>277,628</b>            | <b>-</b>                              |
| <b>Fund Balance – December 31</b>           | <b>\$ 277,628</b>       | <b>\$ 277,628</b>    | <b>\$ 927,085</b>         | <b>\$ 649,457</b>                     |

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

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-4*

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

|  | <u>2021</u>                       | <u>2020</u>                       | <u>2019</u>                       | <u>2018</u>                       |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Total OPEB Liability</b>  |                                   |                                   |                                   |                                   |
| Service cost   | \$ 204,333                        | \$ 158,227                        | \$ 129,683                        | \$ 139,791                        |
| Interest   | 89,667                            | 101,013                           | 91,767                            | 89,239                            |
| Changes of benefit terms   | 104,233                           | -                                 | (124,937)                         | -                                 |
| Differences between expected and actual experience                       | 209,454                           | 258,692                           | (117,653)                         | -                                 |
| Benefit payments   | <u>(136,862)</u>                  | <u>(123,584)</u>                  | <u>(136,419)</u>                  | <u>(148,106)</u>                  |
| <b>Net change in total OPEB liability</b>                                | <b>\$ 470,825</b>                 | <b>\$ 394,348</b>                 | <b>\$ (157,559)</b>               | <b>\$ 80,924</b>                  |
| <b>Total OPEB Liability – Beginning</b>                                  | <b><u>2,955,580</u></b>           | <b><u>2,561,232</u></b>           | <b><u>2,718,791</u></b>           | <b><u>2,637,867</u></b>           |
| <b>Total OPEB Liability – Ending</b>                                     | <b><u><u>\$ 3,426,405</u></u></b> | <b><u><u>\$ 2,955,580</u></u></b> | <b><u><u>\$ 2,561,232</u></u></b> | <b><u><u>\$ 2,718,791</u></u></b> |
| <br>   |                                   |                                   |                                   |                                   |
| Covered-employee payroll   | \$ 18,586,280                     | \$ 18,025,084                     | \$ 17,500,082                     | \$ 15,411,720                     |
| <br>   |                                   |                                   |                                   |                                   |
| Total OPEB liability (asset) as a percentage of covered-employee payroll | 18.44%                            | 16.40%                            | 14.64%                            | 17.64%                            |

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

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-5*

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

| <b>Measurement Date</b> | <b>Employer's Proportion of the Net Pension Liability/Asset</b> | <b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b> | <b>State's Proportionate Share of the Net Pension Liability Associated with Winona County (b)</b> | <b>Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)</b> | <b>Covered Payroll (c)</b> | <b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)</b> | <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> |
|-------------------------|---|--|---|---|----------------------------|---|---|
| 2021                    | 0.2117 %  | \$ 9,040,538   | \$ 276,124  | \$ 9,316,662  | \$ 15,242,290              | 59.31 %   | 87.00 %   |
| 2020                    | 0.2070  | 12,410,596   | 382,729   | 12,793,325  | 14,708,351                 | 84.38   | 79.06   |
| 2019                    | 0.2012  | 11,123,897   | 345,818   | 11,469,715  | 14,374,494                 | 77.39   | 80.23   |
| 2018                    | 0.2024  | 11,228,322   | 368,240   | 11,596,562  | 12,604,902                 | 89.08   | 79.53   |
| 2017                    | 0.1949  | 12,442,287   | 4,518   | 12,446,805  | 13,396,073                 | 92.88   | 75.90   |
| 2016                    | 0.1918  | 15,573,209   | 60,645  | 15,633,854  | 11,896,295                 | 130.91  | 68.91   |
| 2015                    | 0.1965  | 10,183,649   | N/A   | 10,183,649  | 11,761,141                 | 86.59   | 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

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-6*

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

| <b>Year<br/>Ending</b> | <b>Statutorily<br/>Required<br/>Contributions<br/>(a)</b> | <b>Actual<br/>Contributions<br/>in Relation to<br/>Statutorily<br/>Required<br/>Contributions<br/>(b)</b> | <b>Contribution<br/>(Deficiency)<br/>Excess<br/>(b - a)</b> | <b>Covered<br/>Payroll<br/>(c)</b> | <b>Actual<br/>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll<br/>(b/c)</b> |
|------------------------|---|---|---|------------------------------------|--|
| 2021                   | \$ 1,210,572  | \$ 1,210,572  | \$ -  | \$ 16,140,738                      | 7.50 %   |
| 2020                   | 1,115,359   | 1,115,359   | -   | 14,870,011                         | 7.50   |
| 2019                   | 1,091,067   | 1,091,067   | -   | 14,541,447                         | 7.50   |
| 2018                   | 1,028,687   | 1,028,687   | -   | 13,706,743                         | 7.50   |
| 2017                   | 981,984   | 981,984   | -   | 13,090,442                         | 7.50   |
| 2016                   | 940,629   | 940,629   | -   | 12,541,727                         | 7.50   |
| 2015                   | 860,121   | 860,121   | -   | 11,468,280                         | 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.



**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-7*

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

| <b>Measurement<br/>Date</b> | <b>Employer's<br/>Proportion<br/>of the Net<br/>Pension<br/>Liability/<br/>Asset</b> | <b>Employer's<br/>Proportionate<br/>Share of the<br/>Net Pension<br/>Liability<br/>(Asset)<br/>(a)</b> | <b>State's<br/>Proportionate<br/>Share of the<br/>Net Pension<br/>Liability<br/>Associated<br/>with Winona<br/>County<br/>(b)</b> | <b>Employer's<br/>Proportionate<br/>Share of the<br/>Net Pension<br/>Liability and<br/>the State's<br/>Related<br/>Share of the<br/>Net Pension<br/>Liability<br/>(Asset)<br/>(a + b)</b> | <b>Covered<br/>Payroll<br/>(c)</b> | <b>Employer's<br/>Proportionate<br/>Share of the<br/>Net Pension<br/>Liability<br/>(Asset) as a<br/>Percentage<br/>of Covered<br/>Payroll<br/>(a/c)</b> | <b>Plan<br/>Fiduciary<br/>Net Position<br/>as a<br/>Percentage<br/>of the Total<br/>Pension<br/>Liability</b> |
|-----------------------------|--|--|---|---|------------------------------------|---|---|
| 2021                        | 0.1422 %   | \$ 1,097,633   | \$ 49,349   | \$ 1,146,982  | \$ 1,609,312                       | 68.21 %   | 93.66 %   |
| 2020                        | 0.1401   | 1,846,668  | 43,504  | 1,890,172   | 1,582,939                          | 119.41  | 87.19   |
| 2019                        | 0.1420   | 1,511,733  | N/A   | 1,511,733   | 1,469,561                          | 102.87  | 89.26   |
| 2018                        | 0.1310   | 1,393,127  | N/A   | 1,393,127   | 1,274,787                          | 109.28  | 88.84   |
| 2017                        | 0.1280   | 1,728,152  | N/A   | 1,728,152   | 1,360,161                          | 127.05  | 85.43   |
| 2016                        | 0.1260   | 5,056,599  | N/A   | 5,056,599   | 1,218,131                          | 415.11  | 63.88   |
| 2015                        | 0.1400   | 1,590,728  | N/A   | 1,590,728   | 1,297,172                          | 122.63  | 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

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-8*

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

| <b>Year<br/>Ending</b> | <b>Statutorily<br/>Required<br/>Contributions<br/>(a)</b> | <b>Actual<br/>Contributions<br/>in Relation to<br/>Statutorily<br/>Required<br/>Contributions<br/>(b)</b> | <b>Contribution<br/>(Deficiency)<br/>Excess<br/>(b - a)</b> | <b>Covered<br/>Payroll<br/>(c)</b> | <b>Actual<br/>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll<br/>(b/c)</b> |
|------------------------|---|---|---|------------------------------------|--|
| 2021                   | \$ 309,640  | \$ 309,640  | \$ -  | \$ 1,749,011                       | 17.70 %  |
| 2020                   | 286,485   | 286,485   | -   | 1,618,556                          | 17.70  |
| 2019                   | 268,102   | 268,102   | -   | 1,582,050                          | 16.95  |
| 2018                   | 215,176   | 215,176   | -   | 1,328,650                          | 16.20  |
| 2017                   | 218,147   | 218,147   | -   | 1,346,587                          | 16.20  |
| 2016                   | 202,823   | 202,823   | -   | 1,251,995                          | 16.20  |
| 2015                   | 199,539   | 199,539   | -   | 1,231,722                          | 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.

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-9*

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

| <b>Measurement<br/>Date</b> | <b>Employer's<br/>Proportion<br/>of the Net<br/>Pension<br/>Liability/<br/>Asset</b> | <b>Employer's<br/>Proportionate<br/>Share of the<br/>Net Pension<br/>Liability<br/>(Asset)<br/>(a)</b> | <b>Covered<br/>Payroll<br/>(b)</b> | <b>Employer's<br/>Proportionate<br/>Share of the<br/>Net Pension<br/>Liability (Asset)<br/>as a Percentage of<br/>Covered Payroll<br/>(a/b)</b> | <b>Plan Fiduciary<br/>Net Position<br/>as a Percentage<br/>of the Total<br/>Pension Liability</b> |
|-----------------------------|--|--|------------------------------------|---|---|
| 2021                        | 0.7368 %   | \$ (121,042)   | \$ 1,624,499                       | (7.45) %  | 101.61 %  |
| 2020                        | 0.8064   | 218,809  | 1,724,005                          | 12.69   | 96.67   |
| 2019                        | 0.7785   | 107,783  | 1,596,577                          | 6.75  | 98.17   |
| 2018                        | 0.7868   | 129,405  | 1,467,327                          | 8.82  | 97.64   |
| 2017                        | 0.7700   | 2,194,508  | 1,602,695                          | 136.93  | 67.89   |
| 2016                        | 0.7600   | 2,776,386  | 1,438,813                          | 192.96  | 58.16   |
| 2015                        | 0.7600   | 117,496  | 1,363,519                          | 8.62  | 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.

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT A-10*

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

| <b>Year<br/>Ending</b> | <b>Statutorily<br/>Required<br/>Contributions<br/>(a)</b> | <b>Actual<br/>Contributions<br/>in Relation to<br/>Statutorily<br/>Required<br/>Contributions<br/>(b)</b> | <b>Contribution<br/>(Deficiency)<br/>Excess<br/>(b - a)</b> | <b>Covered<br/>Payroll<br/>(c)</b> | <b>Actual<br/>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll<br/>(b/c)</b> |
|------------------------|---|---|---|------------------------------------|--|
| 2021                   | \$ 133,344  | \$ 133,344  | \$ -  | \$ 1,523,915                       | 8.75 %   |
| 2020                   | 148,148   | 148,148   | -   | 1,692,218                          | 8.75   |
| 2019                   | 141,873   | 141,873   | -   | 1,620,499                          | 8.75   |
| 2018                   | 140,389   | 140,389   | -   | 1,604,563                          | 8.75   |
| 2017                   | 134,455   | 134,455   | -   | 1,536,632                          | 8.75   |
| 2016                   | 129,902   | 129,902   | -   | 1,484,596                          | 8.75   |
| 2015                   | 123,879   | 123,879   | -   | 1,415,760                          | 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.

**WINONA COUNTY  
WINONA, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

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1. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. 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 Finance Director so that a budget can be prepared. The Finance Director, County Administrator, and Assistant County Administrator take the requests to the Board by the end of August. The proposed budget is presented to the County Board for review and preliminary approval. 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 Administrator may make changes of appropriations within a department. The County Administrator has been given authority by the Board to make line-item adjustments that have a zero effect on the budget in total. Adjustments to the budget that increase the budget 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.

2. Excess of Expenditures Over Budget

The Health and Human Services Special Revenue Fund expenditures of \$18,464,608 exceeded the final budget of \$17,575,838 by \$888,770 due to increase in Rule 5 facility costs, case management, and health costs related to COVID-19.

3. Other Postemployment Benefits

In 2018, Winona County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. See Note 3.F in the notes to the financial statements for additional information regarding Winona County's other postemployment benefits.

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

**WINONA COUNTY  
WINONA, MINNESOTA**

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4. Employer Contributions to Other Postemployment Benefits

The following changes in actuarial assumptions occurred

2021

- The discount rate used changed from 2.90 percent to 2.00 percent.
- The inflation rate changed from 2.50 percent to 2.00 percent.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.
- The health care trend rates were changed to better anticipate short-term and long-term medical increases. The rates changed from 6.25 percent decreasing to 5.00 percent over five years to 6.50 percent decreasing to 5.00 percent over six years and then to 4 percent over the next 48 years.
- The mortality tables were updated from the RP-2014 Mortality tables (blue collar for public safety, white collar for others) with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General Safety) with MP-2020 Generational Improvement Scale.
- The retirement and withdrawal tables for non-public safety employees were updated.

2020

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

2019

- The discount rate used changed from 3.30 percent to 3.80 percent.
- The health care trend rates were changed to better anticipate short-term and long-term medical increases. The rates changed from 6.25 percent decreasing to 5.00 percent over five years to 6.50 percent decreasing to 5.00 percent over six years.

**WINONA COUNTY  
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4. Employer Contributions to Other Postemployment Benefits

2019 (Continued)

- The mortality tables were updated from the RP-2014 White Collar Headcount-Weighted Mortality tables with MP-2016 Generational Improvement Scale (with blue collar adjustment for police and fire personnel) to the RP-2014 White Collar Headcount-Weighted Mortality tables with MP-2018 Generational Improvement Scale (with blue collar adjustment for police and fire personnel).
- The retirement and withdrawal tables for police and fire personnel were updated.

2018

- The discount rate used changed from 3.50 percent to 3.30 percent.

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

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

General Employees Retirement Plan

2021

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

2020

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.

**WINONA COUNTY  
WINONA, MINNESOTA**

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

General Employees Retirement Plan

2020 (Continued)

- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality table to the Pub-2010 General/Teacher Disabled Retiree Mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.



**WINONA COUNTY  
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5. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

General Employees Retirement Plan

2020 (Continued)

- 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.
- 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.

**WINONA COUNTY  
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5. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

General Employees Retirement Plan

2018 (Continued)

- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.00 percent for active member liability, 15 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21 million in calendar years 2017 and 2018 and returns to \$31 million through calendar year 2031. The state's required contribution is \$16 million in PERA's fiscal years 2018 and 2019 and returns to \$6 million annually through calendar year 2031.

2016

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

**WINONA COUNTY  
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5. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

General Employees Retirement Plan

2016 (Continued)

- 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).
- 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.

**WINONA COUNTY  
WINONA, MINNESOTA**

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

Public Employees Police and Fire Plan

2021 (Continued)

- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25 - 44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020

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

2019

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

2018

- The mortality projection scale was changed from Scale MP-2016 to Scale MP-2017.
- Post-retirement benefit increases changed to 1.00 percent for all years with no trigger.

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

Public Employees Police and Fire Plan

2018 (Continued)

- 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.

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5. 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.

**WINONA COUNTY  
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5. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Public Employees Police and Fire Plan (Continued)

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Public Employees Local Government Correctional Service Retirement Plan

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).

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WINONA, MINNESOTA**

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

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.



**WINONA COUNTY  
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5. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Public Employees Local Government Correctional Service Retirement Plan (Continued)

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.
- 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.

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

Public Employees Local Government Correctional Service Retirement Plan (Continued)

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.
- 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**

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT B-1*

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

|   | <u>Budgeted Amounts</u> |                        | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|------------------------|---------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>           |                           |                                       |
| <b>Revenues</b>   |                         |                        |                           |                                       |
| Taxes   | \$ 453,465              | \$ 453,465             | \$ 448,096                | \$ (5,369)                            |
| Intergovernmental                                       | 1,360                   | 1,360                  | 2,267                     | 907                                   |
| <b>Total Revenues</b>                                   | <b>\$ 454,825</b>       | <b>\$ 454,825</b>      | <b>\$ 450,363</b>         | <b>\$ (4,462)</b>                     |
| <b>Expenditures</b>                                     |                         |                        |                           |                                       |
| <b>Current</b>  |                         |                        |                           |                                       |
| General government                                      | \$ 189,825              | \$ 189,825             | \$ -                      | \$ 189,825                            |
| Public safety   | 10,000,000              | 10,000,000             | 2,947,924                 | 7,052,076                             |
| Highways and streets                                    | 265,000                 | 265,000                | 200,319                   | 64,681                                |
| <b>Debt service</b>                                     |                         |                        |                           |                                       |
| Principal   | -                       | -                      | 87,822                    | (87,822)                              |
| Interest  | -                       | -                      | 10,403                    | (10,403)                              |
| Bond issuance costs                                     | -                       | -                      | 161,573                   | (161,573)                             |
| <b>Total Expenditures</b>                               | <b>\$ 10,454,825</b>    | <b>\$ 10,454,825</b>   | <b>\$ 3,408,041</b>       | <b>\$ 7,046,784</b>                   |
| <b>Excess of Revenues Over (Under)<br/>Expenditures</b> | <b>\$ (10,000,000)</b>  | <b>\$ (10,000,000)</b> | <b>\$ (2,957,678)</b>     | <b>\$ 7,042,322</b>                   |
| <b>Other Financing Sources (Uses)</b>                   |                         |                        |                           |                                       |
| Bonds issued  | \$ 10,000,000           | \$ 10,000,000          | \$ 10,000,000             | \$ -                                  |
| Premium on bonds issued                                 | -                       | -                      | 570,420                   | 570,420                               |
| <b>Total Other Financing Sources<br/>(Uses)</b>         | <b>\$ 10,000,000</b>    | <b>\$ 10,000,000</b>   | <b>\$ 10,570,420</b>      | <b>\$ 570,420</b>                     |
| <b>Change in Fund Balance</b>                           | <b>\$ -</b>             | <b>\$ -</b>            | <b>\$ 7,612,742</b>       | <b>\$ 7,612,742</b>                   |
| <b>Fund Balance – January 1</b>                         | <b>10,461,294</b>       | <b>10,461,294</b>      | <b>10,461,294</b>         | <b>-</b>                              |
| <b>Fund Balance – December 31</b>                       | <b>\$ 10,461,294</b>    | <b>\$ 10,461,294</b>   | <b>\$ 18,074,036</b>      | <b>\$ 7,612,742</b>                   |

**WINONA COUNTY  
WINONA, MINNESOTA**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The EDA Loan Special Revenue Fund accounts for restricted revenues from federal agencies to provide assistance, in the form of loans, with flood-related expenditures after the 2007 flood.

The Recycling and Solid Waste Special Revenue Fund accounts for restricted and assigned revenues from special assessments, state government, and hauler fees. These revenues are used for recycling and solid waste expenses.

DEBT SERVICE FUND

The Debt Service Fund accounts for all financial resources restricted for the payment of principal, interest, and related costs of long-term bonded debt.

**WINONA COUNTY  
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*EXHIBIT B-2*

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

|   | <u>EDA Loan<br/>Special Revenue</u> | <u>Recycling and<br/>Solid Waste<br/>Special Revenue</u> | <u>Debt Service</u> | <u>Total Nonmajor<br/>Governmental<br/>Funds<br/>(Exhibit 3)</u> |
|---|-------------------------------------|--|---------------------|--|
| <b><u>Assets</u></b>  |                                     |  |                     |  |
| Cash and pooled investments   | \$ 1,278,406                        | \$ 598,318   | \$ 73,127           | \$ 1,949,851   |
| Taxes receivable – delinquent   | -                                   | -  | 3,877               | 3,877  |
| Special assessments – delinquent  | -                                   | 30,847   | -                   | 30,847   |
| Accounts receivable – net   | -                                   | 82,007   | -                   | 82,007   |
| Due from other governments  | -                                   | 1,048  | -                   | 1,048  |
| Loans receivable  | 146,683                             | -  | -                   | 146,683  |
|   | <hr/>                               | <hr/>  | <hr/>               | <hr/>  |
| <b>Total Assets</b>   | <b>\$ 1,425,089</b>                 | <b>\$ 712,220</b>  | <b>\$ 77,004</b>    | <b>\$ 2,214,313</b>  |
|   | <hr/> <hr/>                         | <hr/> <hr/>  | <hr/> <hr/>         | <hr/> <hr/>  |
| <b><u>Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</u></b> |                                     |  |                     |  |
| <b>Liabilities</b>  |                                     |  |                     |  |
| Accounts payable  | \$ -                                | \$ 82,660  | \$ 2,800            | \$ 85,460  |
| Salaries payable  | -                                   | 3,744  | -                   | 3,744  |
|   | <hr/>                               | <hr/>  | <hr/>               | <hr/>  |
| <b>Total Liabilities</b>  | <b>\$ -</b>                         | <b>\$ 86,404</b>   | <b>\$ 2,800</b>     | <b>\$ 89,204</b>   |
|   | <hr/>                               | <hr/>  | <hr/>               | <hr/>  |
| <b>Deferred Inflows of Resources</b>  |                                     |  |                     |  |
| Unavailable revenue   | \$ 146,683                          | \$ 28,753  | \$ 3,096            | \$ 178,532   |
|   | <hr/>                               | <hr/>  | <hr/>               | <hr/>  |
| <b>Fund Balances</b>  |                                     |  |                     |  |
| Restricted for  |                                     |  |                     |  |
| Debt service  | \$ -                                | \$ -   | \$ 71,108           | \$ 71,108  |
| Economic development  | 1,278,406                           | -  | -                   | 1,278,406  |
| Assigned  |                                     |  |                     |  |
| Recycling and solid waste   | -                                   | 597,063  | -                   | 597,063  |
|   | <hr/>                               | <hr/>  | <hr/>               | <hr/>  |
| <b>Total Fund Balances</b>  | <b>\$ 1,278,406</b>                 | <b>\$ 597,063</b>  | <b>\$ 71,108</b>    | <b>\$ 1,946,577</b>  |
|   | <hr/>                               | <hr/>  | <hr/>               | <hr/>  |
| <b>Total Liabilities, Deferred Inflows<br/>of Resources, and Fund Balances</b>  | <b>\$ 1,425,089</b>                 | <b>\$ 712,220</b>  | <b>\$ 77,004</b>    | <b>\$ 2,214,313</b>  |
|   | <hr/> <hr/>                         | <hr/> <hr/>  | <hr/> <hr/>         | <hr/> <hr/>  |

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT B-3*

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

|   | <b>EDA Loan<br/>Special Revenue</b> | <b>Recycling and<br/>Solid Waste<br/>Special Revenue</b> | <b>Debt Service</b> | <b>Total Nonmajor<br/>Governmental<br/>Funds<br/>(Exhibit 5)</b> |
|---|-------------------------------------|--|---------------------|--|
| <b>Revenues</b>   |                                     |  |                     |  |
| Taxes   | \$ -                                | \$ -   | \$ 272,566          | \$ 272,566   |
| Special assessments                                     | -                                   | 524,036  | -                   | 524,036  |
| Licenses and permits                                    | -                                   | 1,650  | -                   | 1,650  |
| Intergovernmental                                       | -                                   | 215,958  | 5,447               | 221,405  |
| Charges for services                                    | -                                   | 774,936  | -                   | 774,936  |
| Investment earnings                                     | 6,448                               | -  | -                   | 6,448  |
| Miscellaneous   | 175,520                             | 28   | -                   | 175,548  |
|   | <b>\$ 181,968</b>                   | <b>\$ 1,516,608</b>                                      | <b>\$ 278,013</b>   | <b>\$ 1,976,589</b>  |
| <b>Expenditures</b>                                     |                                     |  |                     |  |
| <b>Current</b>  |                                     |  |                     |  |
| Sanitation  | \$ -                                | \$ 1,369,112   | \$ -                | \$ 1,369,112   |
| <b>Debt service</b>                                     |                                     |  |                     |  |
| Principal   | -                                   | -  | 265,000             | 265,000  |
| Interest  | -                                   | -  | 224,007             | 224,007  |
| Administrative (fiscal) charges                         | -                                   | -  | 3,675               | 3,675  |
|   | <b>\$ -</b>                         | <b>\$ 1,369,112</b>                                      | <b>\$ 492,682</b>   | <b>\$ 1,861,794</b>  |
| <b>Excess of Revenues Over (Under)<br/>Expenditures</b> | <b>\$ 181,968</b>                   | <b>\$ 147,496</b>  | <b>\$ (214,669)</b> | <b>\$ 114,795</b>  |
| <b>Other Financing Sources (Uses)</b>                   |                                     |  |                     |  |
| Transfers out   | -                                   | (88,888)   | -                   | (88,888)   |
| <b>Change in Fund Balance</b>                           | <b>\$ 181,968</b>                   | <b>\$ 58,608</b>   | <b>\$ (214,669)</b> | <b>\$ 25,907</b>   |
| <b>Fund Balance – January 1</b>                         | <b>1,096,438</b>                    | <b>538,455</b>   | <b>285,777</b>      | <b>1,920,670</b>   |
| <b>Fund Balance – December 31</b>                       | <b>\$ 1,278,406</b>                 | <b>\$ 597,063</b>  | <b>\$ 71,108</b>    | <b>\$ 1,946,577</b>  |

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT B-4*

**BUDGETARY COMPARISON SCHEDULE  
EDA LOAN SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|-----------------------------------|-------------------------|---------------------|---------------------------|---------------------------------------|
|                                   | <u>Original</u>         | <u>Final</u>        |                           |                                       |
| <b>Revenues</b>                   |                         |                     |                           |                                       |
| Investment earnings               | \$ 11,214               | \$ 11,214           | \$ 6,448                  | \$ (4,766)                            |
| Miscellaneous                     | 39,543                  | 39,543              | 175,520                   | 135,977                               |
| <b>Total Revenues</b>             | <b>\$ 50,757</b>        | <b>\$ 50,757</b>    | <b>\$ 181,968</b>         | <b>\$ 131,211</b>                     |
| <b>Expenditures</b>               |                         |                     |                           |                                       |
| <b>Current</b>                    |                         |                     |                           |                                       |
| <b>Economic development</b>       |                         |                     |                           |                                       |
| Other economic development        | 50,757                  | 50,757              | -                         | 50,757                                |
| <b>Change in Fund Balance</b>     | <b>\$ -</b>             | <b>\$ -</b>         | <b>\$ 181,968</b>         | <b>\$ 181,968</b>                     |
| <b>Fund Balance – January 1</b>   | <b>1,096,438</b>        | <b>1,096,438</b>    | <b>1,096,438</b>          | <b>-</b>                              |
| <b>Fund Balance – December 31</b> | <b>\$ 1,096,438</b>     | <b>\$ 1,096,438</b> | <b>\$ 1,278,406</b>       | <b>\$ 181,968</b>                     |



**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT B-5*

**BUDGETARY COMPARISON SCHEDULE  
RECYCLING AND SOLID WASTE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | <u>Budgeted Amounts</u>     |                             | <u>Actual<br/>Amounts</u>   | <u>Variance with<br/>Final Budget</u> |
|---|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|
|   | <u>Original</u>             | <u>Final</u>                |                             |                                       |
| <b>Revenues</b>   |                             |                             |                             |                                       |
| Special assessments                                     | \$ 512,000                  | \$ 512,000                  | \$ 524,036                  | \$ 12,036                             |
| Licenses and permits                                    | 1,700                       | 1,700                       | 1,650                       | (50)                                  |
| Intergovernmental                                       | 208,000                     | 208,000                     | 215,958                     | 7,958                                 |
| Charges for services                                    | 710,500                     | 710,500                     | 774,936                     | 64,436                                |
| Miscellaneous   | -                           | -                           | 28                          | 28                                    |
|   | <u>                    </u> | <u>                    </u> | <u>                    </u> | <u>                    </u>           |
| <b>Total Revenues</b>                                   | <b>\$ 1,432,200</b>         | <b>\$ 1,432,200</b>         | <b>\$ 1,516,608</b>         | <b>\$ 84,408</b>                      |
| <b>Expenditures</b>                                     |                             |                             |                             |                                       |
| <b>Current</b>  |                             |                             |                             |                                       |
| <b>Sanitation</b>                                       |                             |                             |                             |                                       |
| Sustainability  | \$ 9,367                    | \$ 9,367                    | \$ 9,925                    | \$ (558)                              |
| Recycling   | 1,408,093                   | 1,408,093                   | 1,359,187                   | 48,906                                |
|   | <u>                    </u> | <u>                    </u> | <u>                    </u> | <u>                    </u>           |
| <b>Total Expenditures</b>                               | <b>\$ 1,417,460</b>         | <b>\$ 1,417,460</b>         | <b>\$ 1,369,112</b>         | <b>\$ 48,348</b>                      |
| <b>Excess of Revenues Over (Under)<br/>Expenditures</b> | <b>\$ 14,740</b>            | <b>\$ 14,740</b>            | <b>\$ 147,496</b>           | <b>\$ 132,756</b>                     |
| <b>Other Financing Sources (Uses)</b>                   |                             |                             |                             |                                       |
| Transfers in  | \$ 71,208                   | \$ 71,208                   | \$ -                        | \$ (71,208)                           |
| Transfers out   | (85,948)                    | (85,948)                    | (88,888)                    | (2,940)                               |
|   | <u>                    </u> | <u>                    </u> | <u>                    </u> | <u>                    </u>           |
| <b>Total Other Financing Sources<br/>(Uses)</b>         | <b>\$ (14,740)</b>          | <b>\$ (14,740)</b>          | <b>\$ (88,888)</b>          | <b>\$ (74,148)</b>                    |
| <b>Change in Fund Balance</b>                           | <b>\$ -</b>                 | <b>\$ -</b>                 | <b>\$ 58,608</b>            | <b>\$ 58,608</b>                      |
| <b>Fund Balance – January 1</b>                         | <b>538,455</b>              | <b>538,455</b>              | <b>538,455</b>              | <b>-</b>                              |
|   | <u>                    </u> | <u>                    </u> | <u>                    </u> | <u>                    </u>           |
| <b>Fund Balance – December 31</b>                       | <b>\$ 538,455</b>           | <b>\$ 538,455</b>           | <b>\$ 597,063</b>           | <b>\$ 58,608</b>                      |
|   | <u>                    </u> | <u>                    </u> | <u>                    </u> | <u>                    </u>           |

**WINONA COUNTY  
WINONA, MINNESOTA**

*EXHIBIT B-6*

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

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|-------------------|---------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>      |                           |                                       |
| <b>Revenues</b>   |                         |                   |                           |                                       |
| Taxes   | \$ 269,850              | \$ 269,850        | \$ 272,566                | \$ 2,716                              |
| Intergovernmental                                       | 6,800                   | 6,800             | 5,447                     | (1,353)                               |
| <b>Total Revenues</b>                                   | <b>\$ 276,650</b>       | <b>\$ 276,650</b> | <b>\$ 278,013</b>         | <b>\$ 1,363</b>                       |
| <b>Expenditures</b>                                     |                         |                   |                           |                                       |
| <b>Debt service</b>                                     |                         |                   |                           |                                       |
| Principal   | \$ 265,000              | \$ 265,000        | \$ 265,000                | \$ -                                  |
| Interest  | 5,300                   | 5,300             | 224,007                   | (218,707)                             |
| Administrative (fiscal) charges                         | 6,350                   | 6,350             | 3,675                     | 2,675                                 |
| <b>Total Expenditures</b>                               | <b>\$ 276,650</b>       | <b>\$ 276,650</b> | <b>\$ 492,682</b>         | <b>\$ (216,032)</b>                   |
| <b>Excess of Revenues Over (Under)<br/>Expenditures</b> | <b>\$ -</b>             | <b>\$ -</b>       | <b>\$ (214,669)</b>       | <b>\$ (214,669)</b>                   |
| <b>Fund Balance – January 1</b>                         | <b>285,777</b>          | <b>285,777</b>    | <b>285,777</b>            | <b>-</b>                              |
| <b>Fund Balance – December 31</b>                       | <b>\$ 285,777</b>       | <b>\$ 285,777</b> | <b>\$ 71,108</b>          | <b>\$ (214,669)</b>                   |

## **FIDUCIARY FUNDS**

**WINONA COUNTY  
WINONA, MINNESOTA**

**CUSTODIAL FUNDS**

The Collaborative Fund accounts for grant revenue received and expended by the Family Services Collaborative.

The Settlement Fund accounts for the collection and distribution of property taxes (current and delinquent) for various agencies.

The State Revenue Fund accounts for the money received from and due to the state.

The Sheriff Prisoner Account Fund accounts for the collection and payment of money for prisoner use of canteen goods.

The Taxes and Penalties Fund accounts for the collection and distribution of prepaid taxes and proceeds from the sale of property for unpaid taxes.

**WINONA COUNTY  
WINONA, MINNESOTA**

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

|   | <b>Collaborative</b> | <b>Settlement</b> |
|---|----------------------|-------------------|
| <b><u>Assets</u></b>  |                      |                   |
| Cash and pooled investments   | \$ 127,027           | \$ 245,536        |
| Taxes receivable for other governments                              | -                    | 426,850           |
| Due from other funds  | 23,622               | -                 |
| <b>Total Assets</b>   | <b>\$ 150,649</b>    | <b>\$ 672,386</b> |
| <b><u>Liabilities</u></b>   |                      |                   |
| Due to other governments  | <b>\$ 11,180</b>     | <b>\$ 245,536</b> |
| <b><u>Deferred Inflows of Resources</u></b>                         |                      |                   |
| Prepaid taxes   | \$ -                 | \$ -              |
| <b><u>Net Position</u></b>  |                      |                   |
| Restricted for individuals, organizations,<br>and other governments | <b>\$ 139,469</b>    | <b>\$ 426,850</b> |

**EXHIBIT C-1**

| <u>State<br/>Revenue</u> | <u>Sheriff<br/>Prisoner</u> | <u>Taxes and<br/>Penalties</u> | <u>Total<br/>Custodial<br/>Funds</u> |
|--------------------------|-----------------------------|--------------------------------|--------------------------------------|
| \$ 313,605               | \$ 22,856                   | \$ 124,286                     | \$ 833,310                           |
| -                        | -                           | -                              | 426,850                              |
| 25                       | -                           | -                              | 23,647                               |
| <u>\$ 313,630</u>        | <u>\$ 22,856</u>            | <u>\$ 124,286</u>              | <u>\$ 1,283,807</u>                  |
| <br>                     |                             |                                |                                      |
| <u>\$ 313,630</u>        | <u>\$ -</u>                 | <u>\$ -</u>                    | <u>\$ 570,346</u>                    |
| <br>                     |                             |                                |                                      |
| <u>\$ -</u>              | <u>\$ -</u>                 | <u>\$ 116,006</u>              | <u>\$ 116,006</u>                    |
| <br>                     |                             |                                |                                      |
| <u><u>\$ -</u></u>       | <u><u>\$ 22,856</u></u>     | <u><u>\$ 8,280</u></u>         | <u><u>\$ 597,455</u></u>             |

**WINONA COUNTY  
WINONA, MINNESOTA**

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

|   | <b>Collaborative</b> | <b>Settlement</b>    |
|---|----------------------|----------------------|
| <b><u>Additions</u></b>                         |                      |                      |
| Contributions from individuals                  | \$ -                 | \$ -                 |
| Property tax collections for other governments  | -                    | 61,648,293           |
| Fees collected for the state                    | -                    | -                    |
| Payments from the state                         | 115,374              | -                    |
|   | <b>\$ 115,374</b>    | <b>\$ 61,648,293</b> |
| <b><u>Deductions</u></b>                        |                      |                      |
| Payments of property taxes to other governments | \$ -                 | \$ 62,026,439        |
| Payments to the state                           | -                    | -                    |
| Payments to other entities                      | 117,452              | -                    |
|   | <b>\$ 117,452</b>    | <b>\$ 62,026,439</b> |
| <b>Change in Net Position</b>                   | <b>\$ (2,078)</b>    | <b>\$ (378,146)</b>  |
| <b>Net Position – January 1</b>                 | <b>141,547</b>       | <b>804,996</b>       |
| <b>Net Position – December 31</b>               | <b>\$ 139,469</b>    | <b>\$ 426,850</b>    |

**EXHIBIT C-2**

| <u>State<br/>Revenue</u> | <u>Sheriff<br/>Prisoner</u> | <u>Taxes and<br/>Penalties</u> | <u>Total<br/>Custodial<br/>Funds</u> |
|--------------------------|-----------------------------|--------------------------------|--------------------------------------|
| \$ -                     | \$ 239,459                  | \$ -                           | \$ 239,459                           |
| -                        | -                           | 213,170                        | 61,861,463                           |
| 2,350,288                | -                           | -                              | 2,350,288                            |
| -                        | -                           | -                              | 115,374                              |
| <u>\$ 2,350,288</u>      | <u>\$ 239,459</u>           | <u>\$ 213,170</u>              | <u>\$ 64,566,584</u>                 |
| \$ -                     | \$ -                        | \$ 213,270                     | \$ 62,239,709                        |
| 2,350,288                | -                           | -                              | 2,350,288                            |
| -                        | 224,774                     | -                              | 342,226                              |
| <u>\$ 2,350,288</u>      | <u>\$ 224,774</u>           | <u>\$ 213,270</u>              | <u>\$ 64,932,223</u>                 |
| \$ -                     | \$ 14,685                   | \$ (100)                       | \$ (365,639)                         |
| -                        | 8,171                       | 8,380                          | 963,094                              |
| <u>\$ -</u>              | <u>\$ 22,856</u>            | <u>\$ 8,280</u>                | <u>\$ 597,455</u>                    |



## **OTHER SCHEDULES**

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT D-1**

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

**Appropriations and Shared Revenue**

**State**

|                                  |    |           |
|----------------------------------|----|-----------|
| Highway users tax                | \$ | 7,913,087 |
| PERA contribution                |    | 59,468    |
| Disparity reduction aid          |    | 40,730    |
| Police aid                       |    | 183,851   |
| County program aid               |    | 3,208,619 |
| County program aid – aquatic     |    | 89,869    |
| Riparian protection aid          |    | 71,961    |
| Agricultural conservation credit |    | 43,401    |
| Market value credit              |    | 293,736   |
| Enhanced 911                     |    | 196,228   |
| SCORE grant                      |    | 145,188   |
| Performance aid credit           |    | 6,954     |
|                                  |    | 6,954     |

**Total appropriations and shared revenue** **\$ 12,253,092**

**Reimbursement for Services**

**State**

|  |    |           |
|--|----|-----------|
| Minnesota Department of Health         | \$ | 68,116    |
| Minnesota Department of Human Services |    | 2,816,229 |
|  |    | 2,816,229 |

**Total reimbursement for services** **\$ 2,884,345**

**Payments**

**Local**

|                           |    |         |
|---------------------------|----|---------|
| Local contributions       | \$ | 8,000   |
| Payments in lieu of taxes |    | 327,789 |
|                           |    | 327,789 |

**Total payments** **\$ 335,789**

**Grants**

**State**

|                                     |    |           |
|-------------------------------------|----|-----------|
| Minnesota Department/Board of       |    |           |
| Public Safety                       | \$ | 3,471     |
| Health                              |    | 518,368   |
| Employment and Economic Development |    | 191,439   |
| Natural Resources                   |    | 123,298   |
| Trial Courts                        |    | 119,642   |
| Human Services                      |    | 1,628,743 |
| Corrections                         |    | 119,773   |
| Transportation                      |    | 1,083,883 |
| Water and Soil Resources            |    | 45,217    |
| Veterans Affairs                    |    | 10,000    |
| Pollution Control Agency            |    | 97,298    |
|                                     |    | 97,298    |

**Total state** **\$ 3,941,132**

**WINONA COUNTY  
WINONA, MINNESOTA**

***EXHIBIT D-1  
(Continued)***

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

**Grants (Continued)**

**Federal**

|                           |            |
|---------------------------|------------|
| Department of             |            |
| Agriculture               | \$ 634,938 |
| Justice                   | 156,422    |
| Labor                     | 174,951    |
| Transportation            | 594,147    |
| Treasury                  | 369,282    |
| Education                 | 1,363      |
| Health and Human Services | 4,550,542  |
| Homeland Security         | 121,104    |

**Total federal** **\$ 6,602,749**

**Total state and federal grants** **\$ 10,543,881**

**Total Intergovernmental Revenue** **\$ 26,017,107**

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT D-2**

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

| <b>Federal Grantor<br/>Pass-Through Agency<br/>Program or Cluster Title</b>  | <b>Assistance<br/>Listing<br/>Number</b> | <b>Pass-Through<br/>Grant Number</b> | <b>Expenditures</b> | <b>Passed Through<br/>to Subrecipients</b> |
|--|--|--------------------------------------|---------------------|--|
| <b>U.S. Department of Agriculture</b>  |  |                                      |                     |  |
| Passed Through Minnesota Department of Health<br>Special Supplemental Nutrition Program for Women, Infants, and<br>Children  | 10.557                                   | 12-700-00102                         | \$ 97,787           | \$ -                                       |
| Passed Through Minnesota Department of Human Services<br>SNAP Cluster<br>State Administrative Matching Grants for the Supplemental<br>Nutrition Assistance Program | 10.561                                   | 212MN101S2514                        | 537,151             | -  |
| <b>Total U.S. Department of Agriculture</b>  |  |                                      | <b>\$ 634,938</b>   | <b>\$ -</b>                                |
| <b>U.S. Department of Justice</b>  |  |                                      |                     |  |
| Direct   |  |                                      |                     |  |
| Bulletproof Vest Partnership Program   | 16.607                                   |                                      | \$ 1,969            | \$ -                                       |
| Criminal and Juvenile Justice and Mental Health Collaboration<br>Program   | 16.745                                   |                                      | 102,186             | -  |
| Passed Through Minnesota Department of Public Safety   |  |                                      |                     |  |
| Crime Victim Assistance  | 16.575                                   | F-CVS-2020-<br>WINONAAO              | 41,660              | -  |
| Violence Against Women Formula Grants  | 16.588                                   | A-SMART-2020 & 2021<br>WINONAAO      | 9,207               | -  |
| <b>Total U.S. Department of Justice</b>  |  |                                      | <b>\$ 155,022</b>   | <b>\$ -</b>                                |
| <b>U.S. Department of Labor</b>  |  |                                      |                     |  |
| Passed Through Minnesota Department of Employment and<br>Economic Development  |  |                                      |                     |  |
| WIOA Cluster   |  |                                      |                     |  |
| WIA Adult Program  | 17.258                                   | DEED-PY19, 20 & 21                   | \$ 42,801           | \$ 37,171                                  |
| WIA Youth Activities   | 17.259                                   | DEED-PY19, 20 & 21                   | 94,001              | 40,278                                     |
| WIA Dislocated Worker Formula Grants   | 17.278                                   | DEED-PY19, 20 & 21                   | 33,738              | 25,590                                     |
| <b>Total U.S. Department of Labor</b>  |  |                                      | <b>\$ 170,540</b>   | <b>\$ 103,039</b>                          |
| <b>U.S. Department of Transportation</b>   |  |                                      |                     |  |
| Passed Through Minnesota Department of Transportation  |  |                                      |                     |  |
| Highway Planning and Construction Cluster  |  |                                      |                     |  |
| Highway Planning and Construction  | 20.205                                   | 1044162                              | \$ 555,068          | \$ -                                       |
| Highway Planning and Construction  | 20.205                                   | 1044163                              | 19,141              | -  |
| COVID-19 – Highway Planning and Construction<br>(Total Highway Planning and Construction 20.205 \$804,727)   | 20.205                                   | Not provided                         | 230,518             | -  |

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT D-2  
(Continued)**

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

| <b>Federal Grantor<br/>Pass-Through Agency<br/>Program or Cluster Title</b>  | <b>Assistance<br/>Listing<br/>Number</b> | <b>Pass-Through<br/>Grant Number</b> | <b>Expenditures</b> | <b>Passed Through<br/>to Subrecipients</b> |
|--|--|--------------------------------------|---------------------|--|
| <b>U.S. Department of Transportation (Continued)</b>   |  |                                      |                     |  |
| Passed Through Minnesota Department of Public Safety<br>Highway Safety Cluster   |  |                                      |                     |  |
| State and Community Highway Safety   | 20.600                                   | F-ENFRC20-2021<br>WINONASO           | 10,683              | -  |
| Minimum Penalties for Repeat Offenders for Driving While<br>Intoxicated<br>Highway Safety Cluster                              | 20.608                                   | F-ENFRC20-2021<br>WINONASO           | 9,103               | -  |
| National Priority Safety Programs  | 20.616                                   | F-ENFRC20-2021<br>WINONASO           | 4,827               | -  |
| Passed Through Southeast Minnesota Emergency<br>Communications Board   |  |                                      |                     |  |
| E-911 Grant Program  | 20.615                                   | A-DECN-CPE-2019-<br>SEECB-3          | 5,067               | -  |
| <b>Total U.S. Department of Transportation</b>   |  |                                      | <b>\$ 834,407</b>   | <b>\$ -</b>                                |
| <b>U.S. Department of the Treasury</b>   |  |                                      |                     |  |
| Direct   |  |                                      |                     |  |
| COVID-19 – Coronavirus State and Local Fiscal Recovery Funds   | 21.027                                   |                                      | \$ 347,643          | \$ -                                       |
| Passed Through Minnesota Department of Health<br>COVID-19 – Coronavirus Relief Fund  |  |                                      |                     |  |
|  | 21.019                                   | SLT0232                              | 21,641              | -  |
| <b>Total U.S. Department of the Treasury</b>   |  |                                      | <b>\$ 369,284</b>   | <b>\$ -</b>                                |
| <b>U.S. Department of Education</b>  |  |                                      |                     |  |
| Passed Through Minnesota Department of Health<br>Special Education – Grants for Infants and Families                           |  |                                      |                     |  |
|  | 84.181                                   | 12-700-00102                         | <b>\$ 1,363</b>     | <b>\$ -</b>                                |
| <b>U.S. Department of Health and Human Services</b>  |  |                                      |                     |  |
| Passed Through Minnesota Department of Health  |  |                                      |                     |  |
| Public Health Emergency Preparedness   | 93.069                                   | 12-700-00102                         | \$ 75,990           | \$ -                                       |
| COVID-19 – Immunization Cooperation Agreements   | 93.268                                   | 191934                               | 236,538             | 17,761                                     |
| Early Hearing Detection and Intervention Information<br>System (EHDI-IS) Surveillance Program                                  | 93.314                                   | 12-700-00102                         | 225                 | -  |
| COVID-19 – Epidemiology and Laboratory Capacity for<br>Infectious Diseases (ELC)   | 93.323                                   | 191934                               | 160,670             | -  |
| COVID-19 – Public Health Emergency Response: Cooperative<br>Agreement for Emergency Response: Public Health Crisis<br>Response | 93.354                                   | 204351                               | 5,323               | -  |
| Temporary Assistance for Needy Families  | 93.558                                   | 2101MNTANF                           | 238,978             | -  |
| (Total Temporary Assistance for Needy Families 93.558<br>\$624,266)  |  |                                      |                     |  |
| Maternal and Child Health Services Block Grant to the States   | 93.994                                   | 12-700-00102                         | 51,526              | -  |

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT D-2  
(Continued)**

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

| <b>Federal Grantor<br/>Pass-Through Agency<br/>Program or Cluster Title</b> | <b>Assistance<br/>Listing<br/>Number</b> | <b>Pass-Through<br/>Grant Number</b> | <b>Expenditures</b> | <b>Passed Through<br/>to Subrecipients</b> |
|---|--|--------------------------------------|---------------------|--|
| <b>U.S. Department of Health and Human Services (Continued)</b>             |  |                                      |                     |  |
| Passed Through Minnesota Department of Human Services                       |  |                                      |                     |  |
| Comprehensive Community Mental Health Services for                          |  |                                      |                     |  |
| Children with Serious Emotional Disturbances (SED)                          | 93.104                                   | H79SM080155                          | 89,677              | -  |
| Promoting Safe and Stable Families  | 93.556                                   | 2101MNFPS                            | 9,299               | -  |
| Temporary Assistance for Needy Families                                     | 93.558                                   | 2101MNTANF                           | 385,288             | -  |
| (Total Temporary Assistance for Needy Families 93.558<br>\$624,266)         |  |                                      |                     |  |
| Child Support Enforcement   | 93.563                                   | 2101MNCEST                           | 80,744              | -  |
| Child Support Enforcement   | 93.563                                   | 2101MNCSES                           | 668,225             | -  |
| (Total Child Support Enforcement 93.563 \$748,969)                          |  |                                      |                     |  |
| Refugee and Entrant Assistance – State Administered                         |  |                                      |                     |  |
| Programs  | 93.566                                   | 2101MNRCA                            | 1,050               | -  |
| CCDF Cluster  |  |                                      |                     |  |
| Child Care and Development Block Grant                                      | 93.575                                   | 2101MNCCDF                           | 14,264              | -  |
| Community-Based Child Abuse Prevention Grants                               | 93.590                                   | 1901MNBCAP                           | 22,101              | -  |
| Stephanie Tubbs Jones Child Welfare Services Program                        | 93.645                                   | 2001MNCWSS                           | 4,831               | -  |
| Foster Care – Title IV-E  | 93.658                                   | 2101MNFOS                            | 601,666             | -  |
| Social Services Block Grant   | 93.667                                   | 2101MNSOSR                           | 236,832             | -  |
| Child Abuse and Neglect State Grants  | 93.669                                   | 2101MNNCAN                           | 4,950               | -  |
| John H. Chafee Foster Care Program for Successful                           |  |                                      |                     |  |
| Transition to Adulthood   | 93.674                                   | 2101MNCILP                           | 7,132               | -  |
| Children's Health Insurance Program   | 93.767                                   | 2105MN5021                           | 2,750               | -  |
| Medicaid Cluster  |  |                                      |                     |  |
| Medical Assistance Program  | 93.778                                   | 2105MN5ADM                           | 125,423             | -  |
| Medical Assistance Program  | 93.778                                   | 2105MN5MAP                           | 1,502,675           | -  |
| (Total Medical Assistance Program 93.778 \$1,628,098)                       |  |                                      |                     |  |
| Passed Through Rice County, Minnesota                                       |  |                                      |                     |  |
| Maternal, Infant and Early Childhood Home Visiting Grant                    | 93.870                                   | Not provided                         | 88,118              | -  |
| <b>Total U.S. Department of Health and Human Services</b>                   |  |                                      | <b>\$ 4,614,275</b> | <b>\$ 17,761</b>                           |

**WINONA COUNTY  
WINONA, MINNESOTA**

**EXHIBIT D-2  
(Continued)**

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

| <b>Federal Grantor<br/>Pass-Through Agency<br/>Program or Cluster Title</b>  | <b>Assistance<br/>Listing<br/>Number</b> | <b>Pass-Through<br/>Grant Number</b>  | <b>Expenditures</b> | <b>Passed Through<br/>to Subrecipients</b> |
|--|--|---------------------------------------|---------------------|--|
| <b>U.S. Department of Homeland Security</b>  |  |                                       |                     |  |
| Passed Through Minnesota Department of Natural Resources<br>Boating Safety Financial Assistance                                    | 97.012                                   | R29G70CGBLA19                         | \$ 29,678           | \$ -                                       |
| Passed Through Minnesota Department of Public Safety<br>Disaster Grants – Public Assistance (Presidentially<br>Declared Disasters) | 97.036                                   | 2000-15956/3000011730<br>F-EMPG-2019- | 62,909              | -  |
| Emergency Management Performance Grants  | 97.042                                   | WINONACO-3631                         | <u>28,517</u>       | -  |
| <b>Total U.S. Department of Homeland Security</b>  |  |                                       | <b>\$ 121,104</b>   | <b>\$ -</b>                                |
| <b>Total Federal Awards</b>  |  |                                       | <b>\$ 6,900,933</b> | <b>\$ 120,800</b>                          |
| <b>Totals by Cluster</b>   |  |                                       |                     |  |
| Total expenditures for SNAP Cluster  |  |                                       | \$ 537,151          |  |
| Total expenditures for WIOA Cluster  |  |                                       | 170,540             |  |
| Total expenditures for Highway Planning and Construction Cluster   |  |                                       | 804,727             |  |
| Total expenditures for Highway Safety Cluster  |  |                                       | 15,510              |  |
| Total expenditures for CCDF Cluster  |  |                                       | 14,264              |  |
| Total expenditures for Medicaid Cluster  |  |                                       | 1,628,098           |  |

**WINONA COUNTY  
WINONA, MINNESOTA**

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

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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 Winona 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 Winona 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 Winona County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Winona 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

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



**WINONA COUNTY  
WINONA, MINNESOTA**

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3. Reconciliation to Schedule of Intergovernmental Revenue

|   |              |
|---|--------------|
| Federal grant revenue per Schedule of Intergovernmental Revenue (Exhibit D-1)   | \$ 6,602,749 |
| Unavailable in 2020, recognized as revenue in 2021  |              |
| WIA Dislocated Worker (AL No. 17.278)   | (4,411)      |
| Highway Planning and Construction (AL No. 20.205)   | (190,231)    |
| Temporary Assistance for Needy Families (AL No. 93.558)   | (104,841)    |
| Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645)  | (1,586)      |
| Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED) (AL No. 93.104) | (29,055)     |
| Maternal, Infant, and Early Childhood Home Visiting Grant (AL No. 93.870)   | (6,947)      |
| Bulletproof Vest Partnership Program (AL No. 16.607)  | (1,400)      |
| Grant received in 2021, spent in 2020   |              |
| Highway Planning and Construction (AL No. 20.205)   | (101,711)    |
| Grants received more than 60 days after year-end, unavailable in 2021   |              |
| Promoting Safe and Stable Families (AL No. 93.556)  | 419          |
| Highway Planning and Construction (AL No. 20.205)   | 532,204      |
| Temporary Assistance for Needy Families (AL No. 93.558)   | 162,136      |
| Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645)  | 381          |
| Community Based Child Abuse Prevention Grant (AL No. 93.590)  | 6,130        |
| Maternal, Infant and Early Childhood Home Visiting Grant (AL No. 93.870)  | 33,665       |
| Children's Health Insurance Program (AL No. 93.767)   | 1,747        |
| Child Abuse and Neglect State Grants (AL No. 93.669)  | 1,684        |
|   | 1,684        |
| Expenditures per Schedule of Expenditures of Federal Awards (Exhibit D-2)   | \$ 6,900,933 |

**MANAGEMENT AND COMPLIANCE SECTION**



**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  
Winona County  
Winona, 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 Winona 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 September 9, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Winona 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.

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 Winona 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 Winona 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

September 9, 2022



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

Independent Auditor's Report

Board of County Commissioners  
Winona County  
Winona, Minnesota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Winona 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 Winona County's major federal programs for the year ended December 31, 2021. Winona 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, Winona 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 Winona 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 Winona County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Winona 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 Winona 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 Winona 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 Winona 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 Winona 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 Winona 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 Winona County's response to the noncompliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Winona 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 Winona County's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Winona County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*/s/Julie Blaha*

JULIE BLAHA  
STATE AUDITOR

September 9, 2022

*/s/Dianne Syverson*

DIANNE SYVERSON, CPA  
DEPUTY STATE AUDITOR



**WINONA COUNTY  
WINONA, 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:

| <b>Assistance<br/>Listing Number</b> | <b>Name of Federal Program or Cluster</b> |
|--------------------------------------|---|
| 20.205                               | Highway Planning and Construction Cluster |
| 93.563                               | Child Support Enforcement                 |
| 93.778                               | Medicaid Cluster                          |

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

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

**WINONA COUNTY  
WINONA, MINNESOTA**

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

**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     Eligibility Intake Function**

**Prior Year Finding Number:** 2020-001

**Repeat Finding Since:** 2013

**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:** 2105MN5MAP, 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 federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

**Condition:** The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by Winona County to support the eligibility determination process. In the case files reviewed for eligibility, not all documentation was input correctly into MAXIS. The following was noted in a sample of 40 MAXIS case files tested for Medical Assistance eligibility:

- One case file had the incorrect income listed.
- One case file had a bank account balance that was entered incorrectly.

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

**WINONA COUNTY  
WINONA, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Context:** The State of Minnesota contracts with the County to perform the “intake function” (meeting with the social service participant to determine income and categorical eligibility), while the Minnesota DHS maintains the MAXIS system, which supports the eligibility determination process and actually pays the benefits to the participants. The County does have a formalized written supervisory case file review process in place, but currently supervisory review of case files is not being performed.

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

**Effect:** The improper input or updating of information into MAXIS increases the risk that a program participant will receive benefits when they are not eligible. The lack of supervisory reviews increases the risk of case errors going undetected along with increased risk of incorrect procedures not being corrected.

**Cause:** Program personnel entering case information into MAXIS did not ensure all required information was input into MAXIS correctly. Due to staffing levels, supervisory review of case files is not being performed.

**Recommendation:** We recommend Winona County implement additional procedures to provide reasonable assurance that all necessary documentation is properly input or updated in MAXIS and issues are followed up on in a timely manner. Consideration should be given to providing further training to program personnel. Additionally, we recommend that supervisory case reviews are performed in MAXIS.

**View of Responsible Official:** Concur



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**202 West Third Street**

**Winona, Minnesota 55987**

**Phone (507) 457-6350**

**REPRESENTATION OF WINONA COUNTY  
WINONA, MINNESOTA**

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Finding Number: 2021-001**

**Finding Title: Eligibility Intake Function**

**Program: Medical Assistance Program (Assistance Listing #93.778)**

Name of Contact Person Responsible for Corrective Action:

Naomi Morris, Financial Supervisor III and Karen Sanness, Health and Human Services Director

Corrective Action Planned:

There is a state-wide need for systems modernization: The system the workers use to determine eligibility is MAXIS. MAXIS is an antiquated MS-DOS technology system, which is not a true eligibility system but more of a database. MAXIS is about 20% eligibility, 80% database. The eligibility is determined by the worker and then the worker puts information into MAXIS which triggers the State of MN to issue the benefit. Not all information has to be inputted into MAXIS to determine eligibility for the benefit, which makes it very error-prone. The METS system is a true eligibility system. The worker inputs the information into the system and METS determines if the individual is eligible for the benefit. If the worker doesn't have all information inputted into the system, the worker receives an error message. The system reduces the amount of human error. Financial Supervisor Morris and Health and Human Services Director will continue to work with our respective legislative associations for systems modernizations. We are pushing to have several systems updated in the next budget biennium for 2023-2024 for the State of MN.

Winona County Income Maintenance department will continue to discuss appropriate verifications as well as the importance of updating MAXIS with the information on file with all eligibility staff.

***County Board of Commissioners***

First District  
Chris M. Meyer

Second District  
Marie H. Kovecsi

Third District  
Steven E. Jacob

Fourth District  
Gregory D. Olson

Fifth District  
Marcia L. Ward

Winona County Income Maintenance department will also implement more 2<sup>nd</sup> party case reviews as well as Supervisory desk reviews to ensure accuracy of the case as well as appropriate documentation on file.

Health Care staff are also conducting peered-reviewing cases, as time allows, to ensure appropriate citizenship verification is on file for all existing cases. This may be impacted should the pandemic waivers expire.

Winona County has not hired a second Financial Assistance Supervisor as stated in previous corrective action plans to assist with supervising staff, monitor peer quality assurance reviews, conduct supervisory quality assurance desk reviews, data analysis, and subsequent training for staff. The current Supervisor has 32 staff which hinders the ability to conduct Supervisory QA desk reviews. The current staffing plan is to hire an Administrative Services Supervisor that will supervise office support specialists, child support officers, and three income maintenance interviewers. This will reduce the number of employees that the current Financial Assistance Supervisor has to twenty.

Winona County has seen an increase in accuracy for case audits results for 2021 and is hopeful that there will be an increased reduction in case errors.

Anticipated Completion Date:

December 31, 2022



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**REPRESENTATION OF WINONA COUNTY  
WINONA, MINNESOTA**

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

**Finding Number: 2020-001**

**Year of Finding Origination: 2013**

**Finding Title: Eligibility Intake Function**

**Program: Medicaid Cluster (Assistance Listing #93.778)**

**Summary of Condition:** The Minnesota DHS maintains the computer systems, MAXIS and METS, which are used by the County to support the eligibility determination process. In the case files tested for compliance with eligibility requirements, not all documentation was available or input correctly to support participant eligibility. The following exceptions were noted in a sample of 80 cases tested:

- six case files did not have updated asset information in MAXIS;
- five case files did not have verification of citizenship in MAXIS; and
- three case files did not have income verification in METS.

**Summary of Corrective Action Previously Reported:** Winona County Income Maintenance department will continue to discuss appropriate verifications as well as the importance of updating MAXIS with the information on file with eligibility staff.

Winona County Income Maintenance department will also implement more 2<sup>nd</sup> party case reviews as well as Supervisory desk reviews to ensure accuracy of the case as well as appropriate documentation on file.

Health Care staff will also be pulling cases, as time allows, to ensure appropriate citizenship verification is on file for all existing cases.

***County Board of Commissioners***

First District  
Chris M. Meyer

Second District  
Marie H. Kovecsi

Third District  
Steven E. Jacob

Fourth District  
Gregory D. Olson

Fifth District  
Marcia L. Ward

Winona County Income Maintenance is currently interviewing for a second Financial Assistance Supervisor who will assist with supervising staff, monitor peer quality assurance reviews, conduct supervisory quality assurance desk reviews, data analysis and subsequent training for staff. The current Supervisor has 32 staff which hinders the ability to conduct Supervisory QA desk reviews. With a second supervisor, staff supervision will be cut in half, allowing for far more time to conduct case reviews and trainings.

Winona County expects to see an increase in accuracy for case audits.

**Status:** Partially corrected. Winona County Income Maintenance department will also implement more 2<sup>nd</sup> party case reviews as well as Supervisory desk reviews to ensure accuracy of the case as well as appropriate documentation on file.

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 and Allowable Costs/Cost Principles

**Program:** Coronavirus Relief Fund (CRF) (Assistance Listing #21.019)

**Summary of Condition:** The County incorrectly reported payroll costs to the CRF program of \$33,988. The County did not document what duties were being performed to divert salaries of \$51,272 for one employee.

**Summary of Corrective Action Previously Reported:** In the future, Winona County will verify time cards when a re-code is done. This will help to ensure that the correct time is recoded to the appropriate program. Also Winona County will come up with a rational when charging a percentage of time and check periodically to ensure that the rational holds true.

**Status:** Fully corrected.

Was corrective action taken significantly different than the action previously reported?  
Yes \_\_\_\_\_ No  X