

State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

Dodge County Mantorville, Minnesota

Year Ended December 31, 2020

Dodge County Mantorville, Minnesota

Year Ended December 31, 2020



Office of the State Auditor

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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MANTORVILLE, MINNESOTA**

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MANTORVILLE, MINNESOTA**

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**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**ORGANIZATION
DECEMBER 31, 2020**

				<u>Term Expires</u>
Elected				
Commissioners				
Board Member	John Allen	District 1		January 2021
Board Member	Tim Tjosaas	District 2		January 2023
Board Member	Rodney Peterson	District 3		January 2023
Board Member – Chair	Rhonda Toquam	District 4		January 2021
Board Member – Vice Chair	David Kenworthy	District 5		January 2021
Attorney	Paul Kiltinen			January 2023
Judge of County Court	Jodi L. Williamson			January 2021
County Sheriff	Scott Rose			January 2023
Appointed				
Director of Land Records	Ryan DeCook			Indefinite
Registrar of Titles	Ryan DeCook			Indefinite
County Administrator	Jim Elmquist			Indefinite
County Engineer	Guy Kohlnhofer			Indefinite
Coroner	Mayo Clinic			Indefinite
Finance Director	Lisa Kramer			Indefinite
Nursing Home Administrator	Jane Sheeran			Indefinite
Public Health Director	Amy Roggenbuck			Indefinite
Surveyor	Lisa Hanni, Goodhue County			Indefinite
Veteran Services Officer	Todd Nelson			Indefinite
Weed Inspector	Guy Kohlnhofer			Indefinite
Zoning Administrator	Melissa DeVetter			Indefinite

**INDEPENDENT AUDITOR'S REPORT**

Board of County Commissioners
Dodge County
Mantorville, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dodge County, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dodge County Nursing Home, which represents the amounts shown as the business-type activities and the major enterprise fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dodge County Nursing Home, is based solely on the report of other auditors. In addition, we did not audit the financial statements of the South Country Health Alliance (SCHA) for the year ended December 31, 2020, in which Dodge County has an equity interest. The SCHA is a joint venture discussed in Note 4.C to the financial statements. The County's investment in the SCHA, \$1,593,626, represents 1.4 percent and 1.7 percent, respectively, of the assets and net position of the governmental activities. The financial statements of the SCHA, which were prepared in accordance with financial reporting provisions permitted by the Minnesota Department of Health, were audited by other auditors, whose report has been furnished to us. We have applied procedures on the conversion adjustments to the financial statements of the SCHA, which conform to the financial reporting of the investment in joint venture to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amount included as an investment in joint venture, prior to these

conversion adjustments, is based solely on the report of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the SCHA were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dodge County, Minnesota, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1.E to the financial statements, in 2020, the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which represents a change in accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dodge County's basic financial statements. The Supplementary Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Supplementary 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. Such 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 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 6, 2023, on our consideration of Dodge 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 Dodge 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 Dodge County's internal control over financial reporting and compliance. It does not include the Dodge County Nursing Home or the SCHA joint venture, which were audited by other auditors.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (SEFA) is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is 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 SEFA is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

/s/Julie Blaha

JULIE BLAHA
STATE AUDITOR

/s/Chad Struss

CHAD STRUSS, CPA
DEPUTY STATE AUDITOR

September 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020
(Unaudited)**

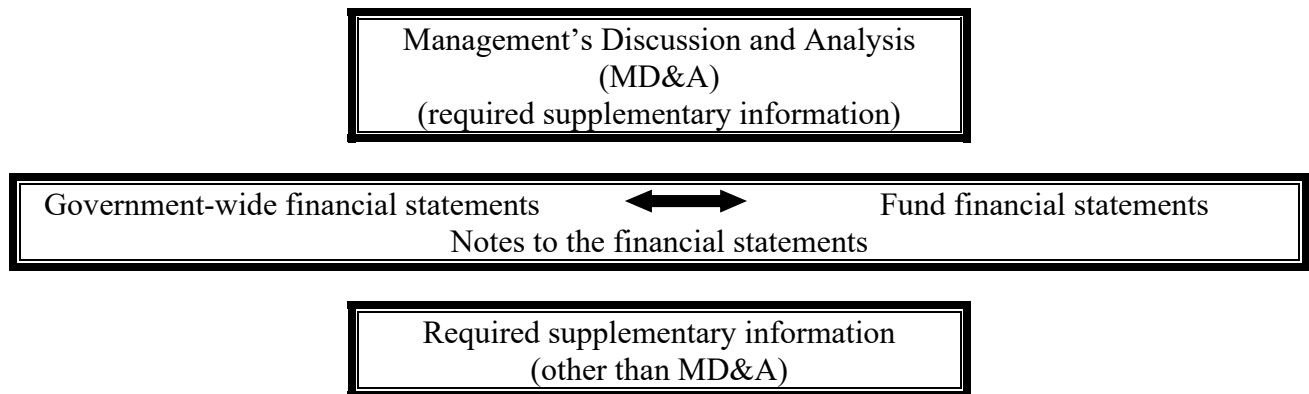
Dodge County's Management's Discussion and Analysis (MD&A) provides an overview of the County's financial activities for the fiscal year ended December 31, 2020. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- Governmental activities' total net position is \$95,263,521, of which \$75,836,206 is the net investment in capital assets, and \$5,704,172 is restricted to specific purposes.
- The business-type activities have a total net position of (\$695,583). The net investment in capital assets represents \$568,694 of the total, and \$7,008 is restricted for donations.
- Dodge County's net position increased by \$7,974,645 after restatement for the year ended December 31, 2020. Of this increase, \$7,597,406 was in the governmental activities' net position. The business-type activities' net position increased by \$377,239.
- The net cost of governmental activities increased by \$143,038 to \$12,931,132 for the current fiscal year. The net cost was funded by general revenues and other items.
- Governmental funds' fund balances increased by \$3,435,993.
- The governmental activities' total bonded debt at the end of the year was \$7,325,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the basic financial statements. Dodge County's basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements. The MD&A (this section), certain budgetary comparison schedules, information on the County's other postemployment benefits (OPEB) and net pension liabilities, and notes to the required supplementary information are required to accompany the basic financial statements and, therefore, are included as required supplementary information. The following chart demonstrates how the different pieces are interrelated.



There are two government-wide financial statements. The Statement of Net Position and the Statement of Activities (Exhibits 1 and 2) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements are Exhibits 3 through 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

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

Our analysis of the County as a whole begins on Exhibits 1 and 2. The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps the reader determine whether the County's financial condition has improved or declined as a result of the year's activities. These statements include all assets and liabilities using the full accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in them. You can think of the County's net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources—as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of County roads, to assess the overall health of the County.

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

- **Governmental activities**—Most of the County’s basic services are reported here, including general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development. Property taxes and state and federal grants finance most of these activities.
- **Business-type activities**—The County charges a fee to customers to help it cover all or most of the cost of services it provides. The County’s nursing home is reported here.

Fund Financial Statements

Our analysis of Dodge County’s major funds begins with Exhibit 3 and provides detailed information about the significant funds—not the County as a whole. Some funds are required to be established by state law and by bond covenants. However, the County Board establishes some funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The County’s two kinds of funds—governmental and proprietary—use different accounting methods.

- **Governmental funds**—Most of the County’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation statement following each governmental fund financial statement.
- **Proprietary funds**—When the County charges customers for the services it provides, whether to outside customers or to other units of the County, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the County’s enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows.

Reporting the County’s Fiduciary Responsibilities

The County is the trustee, or fiduciary, over assets which can be used only for the trust beneficiaries based on the trust arrangement. All of the County’s fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. We exclude these

activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

Dodge County's combined net position increased from \$86,593,293 after restatement to \$94,567,938. Looking at the net position and net expenses of governmental and business-type activities separately, however, two different stories emerge. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the County's governmental and business-type activities.

Table 1
Net Position
(in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 32.7	\$ 27.5	\$ 1.7	\$ 1.3	\$ 34.4	\$ 28.8
Capital assets	83.3	81.2	0.6	0.7	83.9	81.9
Total Assets	\$ 116.0	\$ 108.7	\$ 2.3	\$ 2.0	\$ 118.3	\$ 110.7
Deferred Outflows of Resources						
Deferred OPEB outflows	\$ 0.1	\$ 0.1	\$ -	\$ -	\$ 0.1	\$ 0.1
Deferred pension outflows	1.7	2.3	0.3	0.2	2.0	2.5
Total Deferred Outflows of Resources	\$ 1.8	\$ 2.4	\$ 0.3	\$ 0.2	\$ 2.1	\$ 2.6
Liabilities						
Long-term liabilities	\$ 18.9	\$ 18.6	\$ 2.9	\$ 2.6	\$ 21.8	\$ 21.2
Other liabilities	1.6	1.3	0.2	0.2	1.8	1.5
Total Liabilities	\$ 20.5	\$ 19.9	\$ 3.1	\$ 2.8	\$ 23.6	\$ 22.7
Deferred Inflows of Resources						
Deferred OPEB inflows	\$ 0.3	\$ 0.2	\$ -	\$ -	\$ 0.3	\$ 0.2
Deferred pension inflows	1.7	3.4	0.2	0.5	1.9	3.9
Total Deferred Inflows of Resources	\$ 2.0	\$ 3.6	\$ 0.2	\$ 0.5	\$ 2.2	\$ 4.1
Net Position						
Net investment in capital assets	\$ 75.9	\$ 72.9	\$ 0.6	\$ 0.6	\$ 76.5	\$ 73.5
Restricted	5.7	4.2	-	-	5.7	4.2
Unrestricted	13.7	10.5	(1.3)	(1.7)	12.4	8.8
Total Net Position	\$ 95.3	\$ 87.6	\$ (0.7)	\$ (1.1)	\$ 94.6	\$ 86.5
Change in accounting principle (1)		0.1				0.1
Total Net Position, as restated		\$ 87.7				\$ 86.6

(1) Restated for change in accounting principle; see Note 1.E.

Net position of the County's governmental activities increased by 8.7 percent (\$95.3 million compared to \$87.7 million after restatement). Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—changed from \$10.5 million at December 31, 2019, to \$13.7 million at the end of 2020. The unrestricted net position of our business-type activities increased from (\$1.7 million) at December 31, 2019, to (\$1.3 million) at December 31, 2020.

Table 2
Changes in Net Position
(in Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program revenues						
Fees, charges, fines, and other	\$ 5.3	\$ 4.0	\$ 5.6	\$ 6.5	\$ 10.9	\$ 10.5
Operating grants and contributions	7.7	7.1	-	-	7.7	7.1
Capital grants and contributions	0.3	0.3	-	-	0.3	0.3
General revenues						
Taxes	16.4	15.1	-	-	16.4	15.1
Unrestricted grants and contributions	3.8	1.3	1.2	-	5.0	1.3
Other general revenues	0.3	1.9	-	-	0.3	1.9
Total Revenues	\$ 33.8	\$ 29.7	\$ 6.8	\$ 6.5	\$ 40.6	\$ 36.2
Program expenses						
General government	\$ 6.7	\$ 5.3	\$ -	\$ -	\$ 6.7	\$ 5.3
Public safety	5.9	6.1	-	-	5.9	6.1
Highways and streets	5.7	4.8	-	-	5.7	4.8
Sanitation	2.5	2.4	-	-	2.5	2.4
Human services	3.4	3.8	-	-	3.4	3.8
Health	1.1	1.1	-	-	1.1	1.1
Culture and recreation	0.2	0.1	-	-	0.2	0.1
Conservation of natural resources	0.4	0.3	-	-	0.4	0.3
Economic development	0.1	-	-	-	0.1	-
Interest	0.2	0.2	-	-	0.2	0.2
Nursing home	-	-	6.4	6.3	6.4	6.3
Total Program Expenses	\$ 26.2	\$ 24.1	\$ 6.4	\$ 6.3	\$ 32.6	\$ 30.4
Increase (Decrease) in Net Position	\$ 7.6	\$ 5.6	\$ 0.4	\$ 0.2	\$ 8.0	\$ 5.8
Net Position – January 1	87.6	82.0	(1.1)	(1.3)	86.5	80.7
Change in accounting principle (Note 1.E.)	0.1	-	-	-	0.1	-
Net Position – December 31	\$ 95.3	\$ 87.6	\$ (0.7)	\$ (1.1)	\$ 94.6	\$ 86.5

The County's total revenues increased by about 12.2 percent, or \$4.4 million. The total cost of all programs and services increased by 7.2 percent, or \$2.2 million. Expenses in culture and recreation, conservation of natural resources, and health remained flat. General government, highways and streets, sanitation, and economic development all had moderate increases in expenditures, while public safety and human services had moderate decreases.

Governmental Activities

Revenues for the County's governmental activities increased by 13.6 percent, from \$29,725,313 in 2019 to \$33,778,134 in 2020, and total expenses increased 8.2 percent, from \$24,196,822 in 2019 to \$26,180,728 in 2020.

The cost of all governmental activities this year was \$26,180,728, compared to \$24,196,822 last year. However, as shown in the Statement of Activities on Exhibit 2, the amount that taxpayers ultimately financed for these activities through County property taxes was \$14,924,115, because some of the cost was paid by those who directly benefited from the programs (\$5,263,672) or by other governments and organizations that subsidized certain programs with grants and contributions (\$7,985,924). Overall, the County's governmental program revenues, including intergovernmental aid and fees for services, increased to \$13,249,596 from \$11,408,728, principally based on an increase in grants and contributions and in fees, charges, fines, and other. The County paid for the remaining "public benefit" portion of governmental activities with \$20,528,538 in general revenues, primarily taxes (some of which could only be used for certain programs), and other revenues, such as interest and general entitlements.

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

Table 3
Governmental Activities
(in Millions)

	Total Cost of Services		Net (Revenue) Cost of Services	
	2020	2019	2020	2019
Public safety	\$ 5.9	\$ 6.1	\$ 4.8	\$ 4.9
General government	6.7	5.3	5.8	4.4
Highways and streets	5.7	4.8	(0.7)	(1.4)
Human services	3.4	3.8	2.3	3.8
Sanitation	2.5	2.4	0.2	0.2
All others	2.0	1.7	0.5	0.8
Total Governmental Activities	<u>\$ 26.2</u>	<u>\$ 24.1</u>	<u>\$ 12.9</u>	<u>\$ 12.7</u>

Business-Type Activities

Revenues of the County's business-type activities (see Table 2) showed an increase of 5.1 percent (\$6,816,949 in 2020 compared to \$6,485,636 in 2019), and expenses increased by 2.4 percent (\$6,439,710 in 2020 compared to \$6,289,778 in 2019).

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Dodge County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a county's net resources available for spending at the end of the year.

At December 31, 2020, Dodge County's governmental funds (as presented in Exhibit 3) reported a combined ending fund balance of \$25,175,355, which is an increase from last year's total of \$21,638,022. The County is reporting an unassigned fund balance of \$12,342,293 in 2020. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of Dodge County. At December 31, 2020, unassigned fund balance was \$12,495,105, while total fund balance was \$15,936,971. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 85.1 percent of total General Fund expenditures, while total fund balance represents 108.6 percent of the same amount. While the 2020 General Fund final budget reflected a \$94,406 use of fund balance, the General Fund was still able to end the year adding \$1,851,661 to fund balance. The majority of this increase was increased tax revenue, federal COVID-19 relief funds, and contingency funds not spent.

The Road and Bridge Special Revenue Fund's fund balance increased by \$1,401,068 to \$4,238,474, of which \$2,406,715 is assigned. The Road and Bridge Department saw increased revenues in the form of a one-half cent local option transportation tax to pay for eligible projects.

The Human Services Special Revenue Fund's fund balance increased by \$41,173, from \$1,872,887 to \$1,914,060, all of which is assigned for human services. The increased fund balance is the result of tax collections.

General Fund Budgetary Highlights

The Dodge County Economic Development Authority component unit made changes to the 2020 original County budget. For the year ending December 31, 2020, General Fund revenues were \$3,026,875 more than final budget, and expenditures were \$1,389,045 more than final budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the County had \$83,947,387 (net of depreciation) invested in a broad range of capital assets, including land, buildings, highways and streets, and equipment. (See Table 4.) This amount represents a net increase (including additions and deductions) of \$2,069,210 over last year.

Table 4
Capital Assets at Year-End
(Net of Depreciation, in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 2.2	\$ 2.2	\$ -	\$ -	\$ 2.2	\$ 2.2
Construction in progress	0.1	0.1	-	-	0.1	0.1
Land improvements	0.3	0.3	0.1	0.1	0.4	0.4
Buildings and improvements	11.8	12.0	0.4	0.5	12.2	12.5
Machinery, vehicles, furniture, and equipment	2.6	2.1	0.1	0.1	2.7	2.2
Infrastructure	66.3	64.5	-	-	66.3	64.5
Total Capital Assets, Net	<u>\$ 83.3</u>	<u>\$ 81.2</u>	<u>\$ 0.6</u>	<u>\$ 0.7</u>	<u>\$ 83.9</u>	<u>\$ 81.9</u>

This year's major additions were:

- Addition of \$3,501,135 in infrastructure and \$1,182,715 in equipment.

Debt

At year-end, the County had \$7.4 million in bonds outstanding, versus \$8.4 million last year—a decrease of 11.9 percent—as shown in Table 5.

Table 5
Outstanding Debt at Year-End
(in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Bonds	<u>\$ 7.4</u>	<u>\$ 8.3</u>	<u>\$ -</u>	<u>\$ 0.1</u>	<u>\$ 7.4</u>	<u>\$ 8.4</u>

The County's general obligation bond rating carries a AA/Stable bond rating from Standard and Poor's Agency as affirmed March 31, 2015.

Other obligations include accrued vacation pay and sick leave payable. More detailed information about the County's long-term liabilities is presented in Note 3.C to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2021 budget, tax rates, and fees that will be charged for the business-type activities.

- The unemployment rate in Dodge County increased, moving from 3.8 percent in 2019 to 5.5 percent in 2020 for the annual average. This is somewhat better than Minnesota's rate of 6.3 percent and the U.S. rate of 8.1 percent.

- County General Fund expenditures for 2021 are budgeted to increase 1.3 percent over 2020.
- Dodge County's population grew by 3.9 percent from 2010 to 2020, compared to an increase of 7.2 percent in Minnesota as a whole.
- Post-retirement benefits liability and the future impact on the County have been reviewed, and the County has an actuarial report stating our postemployment benefits liability. The County has adopted a pay-as-you-go strategy to fund this liability as it comes due.
- The property tax levy has increased 2.0 percent for 2021.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Dodge County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Dodge County Finance Department, 721 Main Street North, Department 45, Mantorville, Minnesota 55955.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT 1

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and pooled investments	\$ 25,699,302	\$ 515,222	\$ 26,214,524
Petty cash and change funds	3,580	400	3,980
Investments	12,500	-	12,500
Investment in joint venture	4,648,829	-	4,648,829
Taxes receivable – delinquent	213,528	-	213,528
Special assessments receivable – delinquent	20,120	-	20,120
Accounts receivable – net	280,385	529,839	810,224
Accrued interest receivable	32,969	-	32,969
Loans receivable	261,055	-	261,055
Due from other governments	1,415,247	-	1,415,247
Inventories	100,643	-	100,643
Restricted assets			
Cash and pooled investments	-	642,752	642,752
Capital assets			
Non-depreciable	2,289,723	15,600	2,305,323
Depreciable – net of accumulated depreciation	81,048,970	593,094	81,642,064
Total Assets	\$ 116,026,851	\$ 2,296,907	\$ 118,323,758
<u>Deferred Outflows of Resources</u>			
Deferred other postemployment benefits outflows	\$ 119,752	\$ -	\$ 119,752
Deferred pension outflows	1,622,067	276,086	1,898,153
Total Deferred Outflows of Resources	\$ 1,741,819	\$ 276,086	\$ 2,017,905

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**EXHIBIT 1
(Continued)**

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Cash overdraft	\$ 43,738	\$ -	\$ 43,738
Accounts payable	304,201	113,318	417,519
Salaries payable	313,870	123,110	436,980
Contracts payable	237,956	-	237,956
Due to other governments	197,095	-	197,095
Accrued interest payable	86,182	-	86,182
Unearned revenue	81,528	-	81,528
Customer deposits	377,140	-	377,140
Interest payable from restricted assets	-	517	517
Trust and security deposits payable from restricted assets	-	1,523	1,523
Long-term liabilities			
Due within one year	1,098,616	362,067	1,460,683
Due in more than one year	7,509,486	-	7,509,486
Net pension liability	6,832,540	2,527,108	9,359,648
Other postemployment benefits liability	3,465,440	-	3,465,440
Total Liabilities	\$ 20,547,792	\$ 3,127,643	\$ 23,675,435
<u>Deferred Inflows of Resources</u>			
Deferred other postemployment benefits inflows	\$ 229,770	\$ -	\$ 229,770
Deferred pension inflows	1,727,587	140,933	1,868,520
Total Deferred Inflows of Resources	\$ 1,957,357	\$ 140,933	\$ 2,098,290
<u>Net Position</u>			
Net investment in capital assets	\$ 75,836,206	\$ 568,694	\$ 76,404,900
Restricted for			
Debt service	1,501,210	-	1,501,210
General government	983,848	-	983,848
Public safety	105,132	-	105,132
Highways and streets	2,827,469	-	2,827,469
Sanitation	34,846	-	34,846
Conservation of natural resources	176,915	-	176,915
Economic development	74,752	-	74,752
Donations	-	7,008	7,008
Unrestricted	13,723,143	(1,271,285)	12,451,858
Total Net Position	\$ 95,263,521	\$ (695,583)	\$ 94,567,938

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

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**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Fees, Charges, Fines, and Other</u>
Primary government		
Governmental activities		
General government	\$ 6,741,467	\$ 686,814
Public safety	5,872,141	734,424
Highways and streets	5,666,328	238,055
Sanitation	2,486,311	2,186,139
Human services	3,414,803	1,118,613
Health	1,129,926	267,766
Culture and recreation	155,903	-
Conservation of natural resources	409,986	6,611
Economic development	107,145	25,250
Interest	196,718	-
Total governmental activities	\$ 26,180,728	\$ 5,263,672
Business-type activities		
Nursing home	6,439,710	5,644,722
Total Primary Government	\$ 32,620,438	\$ 10,908,394

General Revenues

Property taxes
Mortgage registry and deed tax
Wheelage tax
Local option sales tax
Payments in lieu of tax
Grants and contributions not restricted to
specific programs
Unrestricted investment earnings
Miscellaneous
Gain on sale of capital assets

Total general revenues

Change in net position

Net Position – Beginning, as restated (Note 1.E)

Net Position – Ending

EXHIBIT 2

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
		Governmental Activities	Business-Type Activities	Total
\$ 246,584	\$ -	\$ (5,808,069)	\$ -	\$ (5,808,069)
357,511	-	(4,780,206)	-	(4,780,206)
5,862,555	303,609	737,891	-	737,891
120,902	-	(179,270)	-	(179,270)
-	-	(2,296,190)	-	(2,296,190)
619,313	-	(242,847)	-	(242,847)
-	-	(155,903)	-	(155,903)
52,929	-	(350,446)	-	(350,446)
422,521	-	340,626	-	340,626
-	-	(196,718)	-	(196,718)
\$ 7,682,315	\$ 303,609	\$ (12,931,132)	\$ -	\$ (12,931,132)
10,053	-	-	(784,935)	(784,935)
\$ 7,692,368	\$ 303,609	\$ (12,931,132)	\$ (784,935)	\$ (13,716,067)
		\$ 14,924,115	\$ -	\$ 14,924,115
		35,736	-	35,736
		494,532	-	494,532
		899,382	-	899,382
		24,274	-	24,274
		3,869,197	1,160,439	5,029,636
		155,909	1,735	157,644
		122,476	-	122,476
		2,917	-	2,917
		\$ 20,528,538	\$ 1,162,174	\$ 21,690,712
		\$ 7,597,406	\$ 377,239	\$ 7,974,645
		87,666,115	(1,072,822)	86,593,293
		\$ 95,263,521	\$ (695,583)	\$ 94,567,938

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT 3

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>Assets</u>					
Cash and pooled investments	\$ 16,140,205	\$ 4,392,263	\$ 1,896,960	\$ 3,269,874	\$ 25,699,302
Petty cash and change funds	3,330	-	-	250	3,580
Investments	-	12,500	-	-	12,500
Taxes receivable – delinquent	129,780	21,586	43,354	18,808	213,528
Special assessments – delinquent	-	-	-	20,120	20,120
Accounts receivable	80,914	700	-	198,771	280,385
Accrued interest receivable	32,969	-	-	-	32,969
Loans receivable	261,055	-	-	-	261,055
Due from other funds	-	834	-	-	834
Due from other governments	176,511	1,233,934	-	4,802	1,415,247
Inventories	-	100,643	-	-	100,643
Total Assets	<u>\$ 16,824,764</u>	<u>\$ 5,762,460</u>	<u>\$ 1,940,314</u>	<u>\$ 3,512,625</u>	<u>\$ 28,040,163</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities					
Cash overdraft	\$ -	\$ -	\$ -	\$ 43,738	\$ 43,738
Accounts payable	85,103	129,510	-	89,588	304,201
Salaries payable	245,449	46,703	-	21,718	313,870
Contracts payable	-	237,956	-	-	237,956
Due to other funds	834	-	-	-	834
Due to other governments	37,545	964	-	158,586	197,095
Unearned revenue	-	-	-	81,528	81,528
Customer deposits	377,140	-	-	-	377,140
Total Liabilities	<u>\$ 746,071</u>	<u>\$ 415,133</u>	<u>\$ -</u>	<u>\$ 395,158</u>	<u>\$ 1,556,362</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>\$ 141,722</u>	<u>\$ 1,108,853</u>	<u>\$ 26,254</u>	<u>\$ 31,617</u>	<u>\$ 1,308,446</u>

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**EXHIBIT 3
(Continued)**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u> (Continued)					
Fund Balances					
Nonspendable					
Long-term loans/notes receivable	\$ 258,491	\$ -	\$ -	\$ -	\$ 258,491
Inventories	-	100,643	-	-	100,643
Restricted for					
Law library	76,523	-	-	-	76,523
Recorder's technology equipment	336,641	-	-	-	336,641
Recorder's compliance fund	108,117	-	-	-	108,117
Attorney forfeiture	49,246	-	-	-	49,246
Permit to carry	105,132	-	-	-	105,132
EDA revolving loan fund	74,752	-	-	-	74,752
Buffer riparian	165,494	-	-	-	165,494
Local option sales tax projects	-	1,718,616	-	-	1,718,616
SCORE	-	-	-	34,846	34,846
Capital projects	-	-	-	188,564	188,564
State COVID relief funding	413,321	-	-	-	413,321
Debt service	-	-	-	1,501,210	1,501,210
Ditch maintenance and construction	-	-	-	11,421	11,421
Committed to					
Capital equipment	-	-	-	337,046	337,046
Wind tower decommission	176,460	-	-	-	176,460
Drug court	10,415	-	-	-	10,415
Public recreation	13,250	-	-	-	13,250
Veteran services van	27,673	-	-	-	27,673
Sheriff lojack safety net	334	-	-	-	334
Sheriff impound lot	11,696	-	-	-	11,696
Election equipment purchase	9,417	-	-	-	9,417
Building operations	953,446	-	-	-	953,446
Change funds	3,330	-	-	250	3,580
Dodge-Fillmore-Olmsted Community					
Corrections	203,335	-	-	-	203,335
Fairview Care Center appropriations	190,000	-	-	-	190,000
Wetlands right-of-way	-	12,500	-	-	12,500
Landfill postclosure	-	-	-	206,740	206,740
Solar decommission	200,679	-	-	-	200,679
Comprehensive land use plan	11,508	-	-	-	11,508
Assigned to					
Subsequent year's appropriated budget	42,606	-	-	-	42,606
Highways and streets	-	2,406,715	-	-	2,406,715
Human services	-	-	1,914,060	-	1,914,060
Sanitation	-	-	-	958,585	958,585
Unassigned	12,495,105	-	-	(152,812)	12,342,293
Total Fund Balances	\$ 15,936,971	\$ 4,238,474	\$ 1,914,060	\$ 3,085,850	\$ 25,175,355
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,824,764	\$ 5,762,460	\$ 1,940,314	\$ 3,512,625	\$ 28,040,163

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT 4

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION—GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020**

Fund balances – total governmental funds (Exhibit 3)	\$ 25,175,355
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.	83,338,693
Investment in joint venture is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds.	4,648,829
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the governmental funds.	1,308,446
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.	1,741,819
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
General obligation bonds	\$ (7,325,000)
Capital leases	(279,726)
Bond premium	(86,324)
Other postemployment benefits liability	(3,465,440)
Net pension liability	(6,832,540)
Accrued interest payable	(86,182)
Compensated absences	(917,052)
	(18,992,264)
Deferred inflows of resources resulting from pension obligations and other postemployment benefits obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(1,957,357)
Net Position of Governmental Activities (Exhibit 1)	<u>\$ 95,263,521</u>

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT 5

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Nonmajor</u>	<u>Total</u>
Revenues					
Taxes	\$ 9,151,933	\$ 2,748,770	\$ 3,165,080	\$ 1,332,525	\$ 16,398,308
Special assessments	44,964	6,032	-	233,161	284,157
Licenses and permits	87,531	19,525	-	44,770	151,826
Intergovernmental	5,053,331	6,096,698	276,896	237,303	11,664,228
Charges for services	1,490,994	158,420	-	1,902,968	3,552,382
Fines and forfeits	5,462	-	-	-	5,462
Gifts and contributions	3,452	-	-	-	3,452
Investment earnings	153,591	-	-	2,318	155,909
Miscellaneous	189,462	54,078	-	9,404	252,944
Total Revenues	\$ 16,180,720	\$ 9,083,523	\$ 3,441,976	\$ 3,762,449	\$ 32,468,668
Expenditures					
Current					
General government	\$ 6,754,667	\$ -	\$ -	\$ -	\$ 6,754,667
Public safety	6,195,187	-	-	-	6,195,187
Highways and streets	-	7,390,880	-	-	7,390,880
Sanitation	-	-	-	2,330,905	2,330,905
Human services	14,000	-	-	-	14,000
Health	1,100,738	-	-	-	1,100,738
Culture and recreation	37,522	-	-	-	37,522
Conservation of natural resources	294,668	-	-	113,614	408,282
Economic development	95,003	-	-	-	95,003
Intergovernmental					
Highways and streets	-	303,906	-	-	303,906
Human services	-	-	3,400,803	-	3,400,803
Culture and recreation	118,381	-	-	-	118,381
Capital outlay					
General government	-	-	-	8,181	8,181
Debt service					
Principal	62,436	-	-	970,000	1,032,436
Interest	7,694	-	-	197,163	204,857
Administrative (fiscal) charges	-	-	-	495	495
Total Expenditures	\$ 14,680,296	\$ 7,694,786	\$ 3,400,803	\$ 3,620,358	\$ 29,396,243
Excess of Revenues Over (Under) Expenditures	\$ 1,500,424	\$ 1,388,737	\$ 41,173	\$ 142,091	\$ 3,072,425
Other Financing Sources (Uses)					
Proceeds from capital lease	\$ 342,162	\$ -	\$ -	\$ -	\$ 342,162
Proceeds from sale of capital assets	2,917	-	-	-	2,917
Insurance recoveries	6,158	-	-	-	6,158
Total Other Financing Sources (Uses)	\$ 351,237	\$ -	\$ -	\$ -	\$ 351,237

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

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**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**EXHIBIT 5
(Continued)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Nonmajor</u>	<u>Total</u>
Change in Fund Balance	\$ 1,851,661	\$ 1,388,737	\$ 41,173	\$ 142,091	\$ 3,423,662
Fund Balance - January 1, as restated (Note 1.E)	14,085,310	2,837,406	1,872,887	2,943,759	21,739,362
Increase (decrease) in inventories	<u>-</u>	<u>12,331</u>	<u>-</u>	<u>-</u>	<u>12,331</u>
Fund Balance – December 31	<u>\$ 15,936,971</u>	<u>\$ 4,238,474</u>	<u>\$ 1,914,060</u>	<u>\$ 3,085,850</u>	<u>\$ 25,175,355</u>

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT 6

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES—GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net change in fund balance – total governmental funds (Exhibit 5)	\$	3,423,662
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Amounts reported for governmental activities in the statement of activities are different because:

In the funds, under modified accrual accounting, distributions of joint venture equity interest are recorded as revenue. In the statement of net position, an asset is reported for the equity interest in the joint venture, and increases or decreases in joint venture equity are reported in the statement of activities. The change in net position differs from the change in fund balance by the increases or decreases in the investment in joint venture.

Increase in investment in joint venture		1,118,613
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In the funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenue between the fund statements and the statement of activities is the increase or decrease in revenue deferred as unavailable.

Unavailable revenue – December 31	\$ 1,308,446	
Unavailable revenue – January 1	<u>(1,132,217)</u>	176,229

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, in the statement of activities, only the gain or loss on the disposal of assets is reported; whereas, in the governmental funds, the proceeds from the sale increase financial resources. Therefore, the change in net position differs from the change in fund balance by the net book value of assets disposed.

Expenditures for general capital assets and infrastructure	\$ 5,097,713	
Gain from sale of assets	2,917	
Current year depreciation	<u>(2,974,518)</u>	2,126,112

Issuing long-term debt provides current financial resources to governmental funds, while the repayment of debt consumes current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued; whereas, those amounts are deferred and amortized over the life of the debt in the statement of net position.

Proceeds of new debt		
Capital lease issued	\$ (342,162)	
Principal repayments		
General obligation bonds	970,000	
Capital lease	<u>62,436</u>	690,274

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

***EXHIBIT 6
(Continued)***

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES—GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

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	\$ (57,345)	
Amortization of premiums on debt	8,634	
Change in net pension liability	(870,494)	
Change in deferred outflows of resources	(615,447)	
Change in deferred inflows of resources	1,643,515	
Change in inventories	12,331	
Change in compensated absences	(58,678)	62,516
Change in Net Position of Governmental Activities (Exhibit 2)		<u><u>\$ 7,597,406</u></u>

PROPRIETARY FUND

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT 7

**STATEMENT OF FUND NET POSITION
NURSING HOME ENTERPRISE FUND
DECEMBER 31, 2020**

Assets

Current assets

Cash and pooled investments	\$ 515,222
Petty cash and change funds	400
Accounts receivable – net	<u>529,839</u>

Total current assets	<u>\$ 1,045,461</u>
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Restricted assets

Cash and pooled investments	<u>\$ 642,752</u>
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Noncurrent assets

Capital assets	
Nondepreciable	\$ 15,600
Depreciable – net	<u>593,094</u>

Total noncurrent assets	<u>\$ 608,694</u>
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Total Assets	<u>\$ 2,296,907</u>
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Deferred Outflows of Resources

Deferred pension outflows	<u>\$ 276,086</u>
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Liabilities

Current liabilities

Accounts payable	\$ 113,318
Salaries payable	123,110
Compensated absences payable – current	<u>322,067</u>

Total current liabilities	<u>\$ 558,495</u>
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Current liabilities payable from restricted assets

Interest payable	\$ 517
Resident trust and security deposits	1,523
General obligation bonds payable – current	<u>40,000</u>

Total current liabilities payable from restricted assets	<u>\$ 42,040</u>
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Noncurrent liabilities

Net pension liability	<u>\$ 2,527,108</u>
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Total Liabilities	<u>\$ 3,127,643</u>
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**DODGE COUNTY
MANTORVILLE, MINNESOTA**

***EXHIBIT 7
(Continued)***

**STATEMENT OF FUND NET POSITION
NURSING HOME ENTERPRISE FUND
DECEMBER 31, 2020**

Deferred Inflows of Resources

Deferred pension inflows	\$ 140,933
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Net Position

Net investment in capital assets	\$ 568,694
Restricted for donations	7,008
Unrestricted	<u>(1,271,285)</u>

Total Net Position	<u>\$ (695,583)</u>
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**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT 8

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NURSING HOME ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Operating Revenues	
Charges for services	\$ 5,626,527
Miscellaneous	<u>18,195</u>
Total Operating Revenues	<u>\$ 5,644,722</u>
Operating Expenses	
Employee benefits and payroll taxes	\$ 1,328,498
Nursing services	2,675,899
Administrative and fiscal services	455,797
Other care-related	182,180
Ancillary services	593,969
Repair and maintenance	294,509
Property and household	161,110
Laundry	96,378
Dietary	456,745
Housekeeping	131,061
Depreciation	<u>62,219</u>
Total Operating Expenses	<u>\$ 6,438,365</u>
Operating Income (Loss)	<u>\$ (793,643)</u>
Nonoperating Revenues (Expenses)	
Interest income	\$ 1,735
Gifts and contributions	10,053
PPP Loan Forgiveness	657,507
Government grants – provider relief funds	502,932
Interest expense	<u>(1,345)</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 1,170,882</u>
Change in Net Position	\$ 377,239
Net Position – January 1	<u>(1,072,822)</u>
Net Position – December 31	<u><u>\$ (695,583)</u></u>

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT 9

**STATEMENT OF CASH FLOWS
NURSING HOME ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
Increase (Decrease) in Cash and Cash Equivalents**

Cash Flows from Operating Activities	
Receipts from customers and users	\$ 5,837,552
Payments to suppliers and employees	<u>(6,437,658)</u>
Net cash provided by (used in) operating activities	<u>\$ (600,106)</u>
Cash Flows from Noncapital Financing Activities	
Government grants – provider relief funds	\$ 502,932
Proceeds from PPP Loan	657,507
Contributions	<u>10,053</u>
Net cash provided by (used in) noncapital financing activities	<u>\$ 1,170,492</u>
Cash Flows from Capital and Related Financing Activities	
Principal paid on long-term debt	\$ (35,000)
Interest paid on long-term debt	(1,797)
Purchase of property and equipment	<u>(5,317)</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ (42,114)</u>
Cash Flows from Investing Activities	
Investment earnings received	<u>\$ 29,204</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 557,476
Cash and Cash Equivalents at January 1	<u>600,898</u>
Cash and Cash Equivalents at December 31	<u><u>\$ 1,158,374</u></u>
Cash and Cash Equivalents – Exhibit 7	
Cash and pooled investments	\$ 515,222
Petty cash and change funds	400
Restricted cash and pooled investments	<u>642,752</u>
Total Cash and Cash Equivalents	<u><u>\$ 1,158,374</u></u>

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

***EXHIBIT 9
(Continued)***

**STATEMENT OF CASH FLOWS
NURSING HOME ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
Increase (Decrease) in Cash and Cash Equivalents**

**Reconciliation of Operating Income (Loss) to Net Cash Provided by
(Used in) Operating Activities**

Operating income (loss)	<u>\$ (793,643)</u>
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**Adjustments to reconcile operating income (loss) to net cash provided by
(used in) operating activities**

Depreciation expense	\$ 62,219
(Increase) decrease in accounts receivable	192,830
Increase (decrease) in accounts payable	(14,289)
Increase (decrease) in salaries payable	16,735
Increase (decrease) in net pension liability	296,655
Increase (decrease) in compensated absences payable	10,918
(Increase) decrease in deferred pension outflows	(29,759)
Increase (decrease) in deferred pension inflows	<u>(341,772)</u>

Total adjustments	<u>\$ 193,537</u>
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Net Cash Provided by (Used in) Operating Activities	<u>\$ (600,106)</u>
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FIDUCIARY FUNDS

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT 10

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020**

	Cemetery Perpetual Care Private-Purpose Trust	Custodial
<u>Assets</u>		
Cash and pooled investments	\$ 11,214	\$ 721,581
Taxes and special assessments receivable	-	460,106
Restricted assets		
Cash and pooled investments	1,125	-
Investments	113,582	-
Total Assets	\$ 125,921	\$ 1,181,687
<u>Liabilities</u>		
Accounts payable	\$ 11,095	\$ -
Due to others	-	29
Due to other governments	-	721,552
Total Liabilities	\$ 11,095	\$ 721,581
<u>Net Position</u>		
Restricted for		
Individuals, organizations, and other governments		\$ 460,106
Held in trust for other organizations		
Nonexpendable	\$ 114,826	

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT 11

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Cemetery Perpetual Care Private-Purpose Trust	Custodial Funds
<u>Additions</u>		
Investment earnings		
Other	\$ 6,584	\$ -
Net increase (decrease) in fair value of investments	(29,639)	-
Property tax collections for other governments	-	21,354,126
License and fees collected for state	-	1,458,130
Payments from state	-	1,108,172
Refunds collected for other entities	-	80,404
Miscellaneous	-	8
Total Additions	\$ (23,055)	\$ 24,000,840
<u>Deductions</u>		
Distributions to participants	\$ 5,601	\$ -
Payments of property tax to other governments	-	20,654,431
Payments to state	-	2,627,610
Payments to other entities	-	1,322,279
Total Deductions	\$ 5,601	\$ 24,604,320
Change in net position	\$ (28,656)	\$ (603,480)
Net Position – January 1, restated (Note 1.E)	143,482	1,063,586
Net Position – December 31	\$ 114,826	\$ 460,106

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

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, 2020. 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

Dodge County was established February 20, 1855, 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 Dodge 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 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 Included in Reporting Entity Because</u>	<u>Separate Financial Statements</u>
The Dodge 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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity (Continued)

Joint Ventures and Jointly-Governed Organizations

The County participates in several joint ventures, which are described in Note 4.C. The County also participates in jointly-governed organizations, which are described in Note 4.D.

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, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties for support.

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

The statement of activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities and different business-type 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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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 and blended component unit. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise 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 assigned property tax revenues used for the construction and maintenance of roads, bridges, and other projects affecting County roadways.

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

The County reports the following major enterprise fund:

The Nursing Home Fund is used to account for the operations of the County nursing home.

Additionally, the County reports the following fund types:

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies

B. Basic Financial Statements

2. Fund Financial Statements (Continued)

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

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

The Cemetery Perpetual Care 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, proprietary fund, 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. Dodge County considers all revenues as available if collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. Cash and Cash Equivalents

The County has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, each fund's equity in the County's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2020. 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.

Dodge 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 2020 were \$153,591.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies

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

3. Receivables and Payables

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

All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable is shown net of an allowance for uncollectibles.

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

Special assessments receivable consist of delinquent special assessments. No provision has been made for an estimated uncollectible amount.

4. Inventories

The supplies inventory in the Road and Bridge Special Revenue Fund is valued at cost using the weighted moving average method. It consists of expendable supplies held for consumption. The cost of the inventory is recorded as an expenditure when purchased rather than when consumed. At the government-wide level, inventories are recorded as expenses when consumed. The County uses the first-in, first-out method for inventory withdrawals.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies

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

5. Restricted Assets

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

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (for example, roads, bridges, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current period, the County did not have any capitalized interest.

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

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	20 - 40
Public domain infrastructure	25 - 75
Furniture, equipment, and vehicles	3 - 20

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies

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

7. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual vacation, compensatory, 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 and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if it has matured, for example, as a result of employee resignations and retirements. The current portion is based on an average of the actual payout of the previous three years. For the governmental activities, compensated absences are liquidated by the General Fund and Road and Bridge and Solid Waste Special Revenue Funds. For the business-type activities, compensated absences are liquidated by the Nursing Home Enterprise Fund.

8. Unearned Revenue

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

9. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies

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

9. Long-Term Obligations (Continued)

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

10. 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. For the governmental activities, the net pension liability is liquidated by the General Fund and Road and Bridge and Solid Waste Special Revenue Funds. For business-type activities, the pension liability is liquidated by the Nursing Home Enterprise Fund.

11. 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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies

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

11. Deferred Outflows/Inflows of Resources (Continued)

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 will not be recognized as an inflow of resources (revenue or reduction of expense) until that time. The County has three types of deferred inflows. The governmental funds report unavailable revenue from delinquent taxes receivable, grant receivables, and long-term receivables. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. Unavailable revenue is deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources associated with pension and OPEB benefits. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

12. 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.

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies

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

13. Classifications of Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which Dodge 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 imposed by law through constitutional provisions or enabling legislation.

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

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

Unassigned – all spendable amounts not contained in the other fund balance classifications for the General Fund. 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, committed, or assigned to those purposes.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies

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

13. Classifications of Fund Balances (Continued)

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or 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.

14. Minimum Fund Balance

Dodge County has adopted a minimum fund balance policy to address cash flow or working capital needs for the General Fund and other special revenue funds that are heavily reliant on property tax revenues to fund current operations. However, property tax revenues are not available for distribution until June. Therefore, the County Board has determined the need to maintain a minimum unassigned fund balance in the General Fund and an unrestricted fund balance in the remaining special revenue funds until the tax revenues are distributed. The County Board has determined this amount to be approximately 35 to 50 percent of fund operating revenues, or no less than five months of operating expenses.

15. 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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

1. Summary of Significant Accounting Policies (Continued)

E. Change in Accounting Principles

During the year ended December 31, 2020, the County adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by including accruals and ending net position to custodial funds and the General Fund not previously required. In addition, the EDA became a blended component unit of the General Fund rather than a custodial fund. Beginning net position has been restated to reflect this change.

	<u>General Fund</u>	<u>Custodial Funds</u>
Fund Balance/Net Position, January 1, 2020, as previously reported	\$ 13,983,970	\$ -
Change in accounting principles	<u>101,340</u>	<u>1,063,586</u>
Fund Balance/Net Position, January 1, 2020, as Restated	<u>\$ 14,085,310</u>	<u>\$ 1,063,586</u>
	<u>Governmental Activities</u>	
Net Position, January 1, 2020, as previously Reported	\$ 87,564,775	
Change in accounting principles	<u>101,340</u>	
Net Position, January 1, 2020, as restated	<u>\$ 87,666,115</u>	

2. Stewardship, Compliance, and Accountability

A. Deficit Fund Equity

The Ditch Special Revenue Fund has a deficit fund balance of \$141,391. The deficit will be eliminated with future special assessment levies against the benefited properties. The following is a summary of the individual ditch systems:

2 ditches with positive fund balances	\$ 11,421
4 ditches with deficit fund balances	<u>(152,812)</u>
Total Fund Balance	<u>\$ (141,391)</u>

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

2. Stewardship, Compliance, and Accountability (Continued)

B. Excess of Expenditures Over Budget

The Solid Waste Special Revenue Fund expenditures of \$2,406,450 exceeded the final budget of \$2,281,470 by \$124,980 due to increased transfer utilization. With COVID-19 lockdowns and people working at home, there was increased utilization of the transfer station as basements and spare rooms became workspaces.

3. Detailed Notes

A. Assets

1. Deposits and Investments

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

	<u>Cash and Investments</u>
Government-wide statement of net position	
Governmental activities	
Cash and pooled investments	\$ 25,699,302
Petty cash and change funds	3,580
Investments	12,500
Cash overdraft	(43,738)
Business-type activities	
Cash and pooled investments	515,222
Petty cash and change funds	400
Cash and pooled investments – restricted assets	642,752
Statement of fiduciary net position	
Cash and pooled investments	732,795
Cash and pooled investments – restricted	1,125
Investments – restricted assets	<u>113,582</u>
 Total Cash and Investments	 <u>\$ 27,677,520</u>

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

A. Assets

1. Deposits and Investments (Continued)

		<u>Carrying (Fair) Value</u>
Deposits		\$ 6,716,819
Petty cash		3,980
Investments		
Equity investments - AT&T stock		82,599
Investment pools/mutual funds		
MAGIC Portfolio	\$ 20,265,995	
Federated Treasury	<u>515,127</u>	20,781,122
Negotiable certificates of deposit		<u>93,000</u>
Total Deposits and Investments		<u>\$ 27,677,520</u>

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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

A. Assets

1. Deposits and Investments

a. Deposits (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. Per the County investment policy, Dodge County is aware of custodial credit risk and attempts to reduce exposure to custodial credit risk by investing the highest percentage of its available cash in deposits or in investments in such a way as to minimize exposure to custodial credit risk as defined by GASB Statement 40. As of December 31, 2020, \$1,942,396 of the County's deposits were exposed to custodial credit risk.

b. Investments

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

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers' acceptances of United States banks;

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

A. Assets

1. Deposits and Investments

b. Investments (Continued)

- (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 policy is to minimize its exposure to interest rate risk by investing in both short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Interest rates fixed for long periods subject investments to variability in their fair value as a result of future changes in interest rates. The negotiable certificates of deposit have fixed interest rates. Following is a list of interest rates and maturity dates of the negotiable certificates of deposit.

<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
June 28, 2021	2.35	\$ 93,000

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, as set by Dodge County's investment policy, to invest only in securities that meet the ratings requirements set by state statute.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

A. Assets

1. Deposits and Investments

b. Investments

Credit Risk (Continued)

The County is required to disclose the credit quality ratings of investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed income securities. Dodge County invests in the following investment pools/mutual funds:

	<u>Credit Rating</u>	<u>Rating Agency</u>
MAGIC Fund	Not rated	-
Federated Treasury Cash Series Money Market	AAAm	Standard & Poor's

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. Per the Dodge County investment policy, the County is aware of custodial credit risk and invests in such a way as to minimize exposure to custodial credit risk, as defined, by investing the highest percentage of its available cash in deposits or investments that fall within category 1 or 2 within GASB Statement 40. As of December 31, 2020, the County does not have any investments 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. The County's investment policy states that the County will try to minimize the risk by investing with multiple issuers, but will concentrate funds with an issuer if it maximizes the interest return for the County. Investments that represent five percent or more of Dodge County's investments include only the MAGIC Fund at 98 percent.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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.

At December 31, 2020, the County had the following recurring fair value measurements:

	December 31, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
Negotiable certificates of deposit	\$ 93,000	\$ -	\$ 93,000	\$ -
Equity securities				
AT&T stock	82,599	82,599	-	-
Total Investments Included in the Fair Value Hierarchy	\$ 175,599	\$ 82,599	\$ 93,000	\$ -
Investments measured at the net asset value (NAV)				
Money market mutual fund	\$ 515,127			
MAGIC Portfolio	20,265,995			
Total Investments Measured at the NAV	\$ 20,781,122			

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

A. Assets

1. Deposits and Investments

b. Investments

Fair Value Measurement (Continued)

Equity securities classified in Level 1 are valued using a market approach quoted in active markets for those securities.

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

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

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

A. Assets (Continued)

2. Receivables

Receivables as of December 31, 2020, for the County's governmental activities and business-type activities, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Accounts receivable, gross	\$ 280,385	\$ 539,283
Less: allowance for uncollectible accounts	<u>-</u>	<u>(9,444)</u>
Net Accounts Receivable	<u>\$ 280,385</u>	<u>\$ 529,839</u>

Net receivables for governmental activities and business-type activities are collectible within the year.

Of the loans receivable, \$112,886 were made with funding through the State of Minnesota to help qualified businesses directly and adversely affected by the 2007 and 2010 floods. Part of the loans may be written off if the business meets qualifications for a period of time, and part of the loans will be paid back by the businesses. The loans receivable balance includes \$106,029 in flood loans not scheduled for collection in the subsequent year.

The remaining loan receivable, \$148,169, was made to the Agricultural Society and is not scheduled for collection in the subsequent year.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

Governmental Activities

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Construction in progress	\$ 47,966	\$ 8,030	\$ -	\$ 55,996
Non-depreciable land improvements	253,097	-	-	253,097
Land	1,980,630	-	-	1,980,630
Total capital assets not depreciated	\$ 2,281,693	\$ 8,030	\$ -	\$ 2,289,723
Capital assets depreciated				
Land improvements	\$ 685,633	\$ -	\$ -	\$ 685,633
Buildings and improvements	18,417,191	408,750	-	18,825,941
Machinery, vehicles, furniture, and equipment	7,998,612	1,182,715	376,263	8,805,064
Infrastructure	91,441,724	3,501,135	-	94,942,859
Total capital assets depreciated	\$ 118,543,160	\$ 5,092,600	\$ 376,263	\$ 123,259,497
Less: accumulated depreciation for				
Land improvements	\$ 357,520	\$ 34,282	\$ -	\$ 391,802
Buildings and improvements	6,428,450	607,865	-	7,036,315
Machinery, vehicles, furniture, and equipment	5,883,704	651,393	376,263	6,158,834
Infrastructure	26,942,598	1,680,978	-	28,623,576
Total accumulated depreciation	\$ 39,612,272	\$ 2,974,518	\$ 376,263	\$ 42,210,527
Total capital assets depreciated, net	\$ 78,930,888	\$ 2,118,082	\$ -	\$ 81,048,970
Governmental Activities Capital Assets, Net	\$ 81,212,581	\$ 2,126,112	\$ -	\$ 83,338,693

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

A. Assets

3. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	\$ 15,600	\$ -	\$ -	\$ 15,600
Capital assets depreciated				
Buildings and improvements	\$ 1,581,175	\$ -	\$ -	\$ 1,581,175
Improvements other than buildings	149,211	-	-	149,211
Machinery, vehicles, furniture, and equipment	681,300	5,317	-	686,617
Total capital assets depreciated	\$ 2,411,686	\$ 5,317	\$ -	\$ 2,417,003
Less: accumulated depreciation for				
Buildings and improvements	\$ 1,153,320	\$ 33,532	\$ -	\$ 1,186,852
Improvements other than buildings	50,276	5,828	-	56,104
Machinery, vehicles, furniture, and equipment	558,094	22,859	-	580,953
Total accumulated depreciation	\$ 1,761,690	\$ 62,219	\$ -	\$ 1,823,909
Total capital assets depreciated, net	\$ 649,996	\$ (56,902)	\$ -	\$ 593,094
Business-Type Activities				
Capital Assets, Net	\$ 665,596	\$ (56,902)	\$ -	\$ 608,694

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

Governmental Activities	
General government	\$ 614,527
Public safety	239,113
Highways and streets, including depreciation of infrastructure assets	1,962,361
Sanitation	158,517
Total Depreciation Expense – Governmental Activities	\$ 2,974,518
Business-Type Activities	
Nursing home	\$ 62,219

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes (Continued)

B. Interfund Receivables, Payables, Advances, and Transfers

The composition of interfund balances as of December 31, 2020, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
Road and Bridge Special Revenue	General Fund	\$ 834

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

C. Liabilities

1. Bonded Debt

Governmental Activities

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (%)	Original Issue Amount	Outstanding Balance December 31, 2020
General obligation bonds					
2011A CIP G.O. Bonds	2021	\$210,000 - \$260,000	2.00 - 3.125	\$ 2,085,000	\$ 260,000
2011A Highway Equipment Certificates	2021	\$35,000 - \$45,000	2.00 - 3.125	350,000	45,000
2011A Solid Waste Equipment	2021	\$45,000 - \$55,000	2.00 - 3.125	435,000	55,000
2014A CIP G.O. Bonds	2030	\$535,000 - \$790,000	0.40 - 3.00	9,900,000	6,965,000
Subtotal				<u>\$ 12,770,000</u>	\$ 7,325,000
Plus: unamortized premiums					86,324
Total General Obligation Bonds					<u>\$ 7,411,324</u>

All 2011A bonds are paid from the Debt Service Fund and the Solid Waste Special Revenue Fund. The 2014A CIP G.O. Bonds are paid from the Debt Service Fund.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

C. Liabilities

1. Bonded Debt (Continued)

Business-Type Activities

<u>Type of Indebtedness</u>	<u>Final Maturity</u>	<u>Installment Amounts</u>	<u>Interest Rates (%)</u>	<u>Original Issue Amount</u>	<u>Outstanding Balance December 31, 2020</u>
2011A G.O. Nursing Home Bonds	2021	\$25,000 - \$40,000	2.00 - 3.128	<u>\$ 275,000</u>	<u>\$ 40,000</u>

Payments on the 2011A G.O. Nursing Home Bonds are being made from the Nursing Home Enterprise Fund.

2. Debt Service Requirements

Debt service requirements at December 31, 2020, were as follows:

Governmental Activities

<u>Year Ending December 31</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 980,000	\$ 173,375
2022	635,000	155,200
2023	650,000	141,538
2024	665,000	125,913
2025	680,000	109,100
2026 - 2030	<u>3,715,000</u>	<u>267,320</u>
Total	<u>\$ 7,325,000</u>	<u>\$ 972,446</u>

Business-Type Activities

<u>Year Ending December 31</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	<u>\$ 40,000</u>	<u>\$ 625</u>

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

C. Liabilities (Continued)

3. Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of vehicles. The lease agreement qualifies as a capital lease for accounting purposes, and therefore, has 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, 2020:

Capital Lease	Final Maturity	Installment Amount	Payment Amount	Original Issue Amount	Outstanding Balance December 31, 2020
2019 Dodge Durango	2024	Yearly	\$ 7,297	\$ 26,843	\$ 20,344
2019 Dodge Durango	2024	Yearly	8,887	32,993	25,143
2019 Dodge Durango	2024	Yearly	8,836	32,498	24,271
2019 Dodge Durango	2024	Yearly	9,286	32,498	24,683
2019 Dodge Durango	2024	Yearly	9,851	32,498	23,773
2019 Dodge Durango	2024	Yearly	8,871	30,848	22,978
2020 Ford F-150	2025	Yearly	4,107	38,496	34,191
2020 Ford F-150	2025	Yearly	4,107	38,496	34,781
2020 Ford F-150	2025	Yearly	4,107	38,496	34,781
2020 Ford F-150	2025	Yearly	4,781	38,496	34,781
Total of Leases			<u>\$ 70,130</u>	<u>\$ 342,162</u>	<u>\$ 279,726</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Year Ending December 31	Governmental Activities
2021	\$ 75,713
2022	75,713
2023	75,713
2024	65,059
2025	16,235
Total	<u>\$ 308,433</u>
Less: amount representing interest	<u>(28,707)</u>
Present Value of Minimum Lease Payments	<u>\$ 279,726</u>

The leases are paid from the General Fund.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

C. Liabilities (Continued)

4. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020, was as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General obligation bonds	\$ 8,295,000	\$ -	\$ 970,000	\$ 7,325,000	\$ 980,000
Plus: deferred amounts for premiums	94,958	-	8,634	86,324	-
Total bonds payable	\$ 8,389,958	\$ -	\$ 978,634	\$ 7,411,324	\$ 980,000
Capital leases payable	-	342,162	62,436	279,726	68,434
Compensated absences	858,374	740,615	681,937	917,052	50,182
Governmental Activities Long-Term Liabilities	<u>\$ 9,248,332</u>	<u>\$ 1,082,777</u>	<u>\$ 1,723,007</u>	<u>\$ 8,608,102</u>	<u>\$ 1,098,616</u>

Business-Type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
2011A G.O. Nursing Home Bonds	\$ 75,000	\$ -	\$ 35,000	\$ 40,000	\$ 40,000
Compensated absences	311,149	10,918	-	322,067	322,067
Business-Type Activities Long-Term Liabilities	<u>\$ 386,149</u>	<u>\$ 10,918</u>	<u>\$ 35,000</u>	<u>\$ 362,067</u>	<u>\$ 362,067</u>

D. Deferred Outflows of Resources and Unearned Revenue/Deferred Inflows of Resources

1. Deferred Outflows of Resources

Governmental funds did not report deferred outflows of resources for the year ended December 31, 2020.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

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

2. Unearned Revenue/Deferred Inflows of Resources

Deferred inflows of resources consist of taxes, special assessments, and state and federal grants receivable not collected soon enough after year-end to pay liabilities of the current period, charges for services, and miscellaneous revenues. Unearned revenues consist of state grants received but not yet earned. Deferred inflows of resources at December 31, 2020, are summarized below:

	<u>Unearned Revenue</u>	<u>Unavailable Revenue</u>
Taxes	\$ -	\$ 100,882
Special assessments	-	20,120
Intergovernmental	81,528	1,129,379
Charges for services	-	53,930
Miscellaneous	<u>-</u>	<u>4,135</u>
Total Governmental Funds	<u>\$ 81,528</u>	<u>\$ 1,308,446</u>

There was no unearned revenue for the year ended December 31, 2020, for business-type activities. There were pension-related deferred inflows of resources for the year ended December 31, 2020, for business-type activities.

E. Pension Plans

1. Defined Benefit Pension Plans

a. Plan Description

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

a. Plan Description (Continued)

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 Dodge 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.

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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

b. Benefits Provided (Continued)

General Employees Plan benefit recipients will receive a post-retirement increase equal to 50 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

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

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

b. Benefits Provided (Continued)

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

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

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. General Employees Plan members were required to contribute 6.50 percent of their annual covered salary in 2020. Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in 2020.

In 2020, the County was required to contribute the following percentages of annual covered salary:

General Employees Plan – Coordinated Plan members	7.50%
Police and Fire Plan	17.70

The Police and Fire Plan member and employer contribution rates increased 0.50 percent and 0.75 percent, respectively, from 2019.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

c. Contributions (Continued)

The County's contributions for the year ended December 31, 2020, to the pension plans were:

General Employees Plan	\$ 654,308
Police and Fire Plan	322,147

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

d. Pension Costs

General Employees Plan

At December 31, 2020, the County reported a liability of \$7,266,494 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the County's proportion was 0.1212 percent. It was 0.1166 percent measured as of June 30, 2019. The County recognized pension expense of \$445,297 for its proportionate share of the General Employees Plan's pension expense.

The County also recognized \$19,495 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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

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	\$ 7,266,494
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>224,006</u>
Total	<u><u>\$ 7,490,500</u></u>

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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 63,715	\$ 27,493
Changes in actuarial assumptions	-	262,896
Difference between projected and actual investment earnings	139,132	-
Changes in proportion	221,255	81,395
Contributions paid to PERA subsequent to the measurement date	<u>329,809</u>	<u>-</u>
Total	<u><u>\$ 753,911</u></u>	<u><u>\$ 371,784</u></u>

The \$329,809 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

General Employees Plan (Continued)

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2021	\$ (402,979)
2022	78,411
2023	201,325
2024	175,561

Police and Fire Plan

At December 31, 2020, the County reported a liability of \$2,093,154 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the County's proportion was 0.1588 percent. It was 0.1640 percent measured as of June 30, 2019. The County recognized pension expense of \$270,309 for its proportionate share of the Police and Fire Plan's pension expense.

The State of Minnesota also contributed \$13.5 million to the Police and Fire Plan in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Police and Fire Plan (Continued)

Legislation required the State of Minnesota to pay direct state aid of \$4.5 million on October 1, 2019, 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 \$15,167 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	\$ 2,093,154
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>49,299</u>
Total	<u>\$ 2,142,453</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 \$14,292 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:

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Police and Fire Plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 93,005	\$ 97,023
Changes in actuarial assumptions	684,674	1,322,471
Difference between projected and actual investment earnings	63,971	-
Changes in proportion	136,162	77,242
Contributions paid to PERA subsequent to the measurement date	166,430	-
Total	<u>\$ 1,144,242</u>	<u>\$ 1,496,736</u>

The \$166,430 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2021	\$ (136,876)
2022	(553,989)
2023	84,810
2024	94,897
2025	(7,766)

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs (Continued)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2020, was \$715,606.

e. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

	<u>General Employees Fund</u>	<u>Police and Fire Fund</u>
Inflation	2.25% per year	2.50% per year
Active Member Payroll Growth	3.00% per year	3.25% per year
Investment Rate of Return	7.50%	7.50%

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 RP-2014 mortality tables for the Police and Fire Plan, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.25 percent for the General Employees Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.00 percent as set by state statute.

Actuarial assumptions used in the June 30, 2020, 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 August 30, 2016. Inflation and investment assumptions for all plans were reviewed in the experience study report for the General Employees Plan.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

e. Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments is 7.50 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 Real Rate of Return</u>
U.S. equities	35.50%	5.10%
Broad international stock pool	17.50	5.30
Bond pool	20.00	0.75
Alternatives	25.00	5.90
Cash equivalents	2.00	0.00

f. Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent in 2020, which remained consistent with 2019. 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 and the Police and Fire Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans (Continued)

g. Changes in Actuarial Assumptions and Plan Provisions

The following changes in actuarial assumptions occurred in 2020:

General Employees Plan

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The changes result 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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

g. Changes in Actuarial Assumptions and Plan Provisions

General Employees Plan (Continued)

- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020, through December 31, 2023, and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Police and Fire Plan

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

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:

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

1. Defined Benefit Pension Plans

h. Pension Liability Sensitivity (Continued)

	Proportionate Share of the			
	General Employees Plan		Police and Fire Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	6.50%	\$ 11,645,669	6.50%	\$ 4,171,957
Current	7.50	7,266,494	7.50	2,093,154
1% Increase	8.50	3,654,026	8.50	373,309

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; by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

2. Defined Contribution Plan

Five Commissioners of Dodge 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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

E. Pension Plans

2. Defined Contribution Plan (Continued)

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 Dodge County during the year ended December 31, 2020, were:

	<u>Employee</u>	<u>Employer</u>
Contribution amount	\$ 5,001	\$ 5,001
Percentage of covered payroll	5.00%	5.00%

F. Other Postemployment Benefits (OPEB)

1. Plan Description

The County provides health insurance benefits for qualifying retired employees under a Blue Cross and Blue Shield Medicare Co-Insurance Plan through the Southeast Service Cooperative. Blue Cross and Blue Shield of Minnesota (BCBSM), under contract with Southeast Service Cooperative, is the claims administrator. There were 27 retirees on this plan in 2020. The retirees on this plan are a separate group from the active plan participants, and the rates for the retiree Medicare Co-Insurance Plan are based on the claims experience of the retirees on the plan only. This plan receives no implicit rate subsidy from the active employees.

The County provides benefits for retirees as required by Minn Stat § 471.61, subd. 2b. Active employees between the ages of 62 and 65, 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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

F. Other Postemployment Benefits (OPEB)

1. Plan Description (Continued)

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.

The County provides postemployment health insurance for qualified employees for life. Qualified employees consist of:

- employees hired prior to 1983 and employees hired from 1984 through 1986 who have eight years of service at retirement who receive County-paid health insurance on the County's plan,
- employees hired from 1987 through 1991 who receive up to \$50 per month of County-paid health insurance, and
- employees hired after 1991 who receive no paid insurance benefits.

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

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

Inactive employees or beneficiaries currently receiving benefit payments	27
Active plan participants	<u>170</u>
Total	<u><u>197</u></u>

2. Total OPEB Liability

The County's total OPEB liability of \$3,465,440 was measured as of January 1, 2020, and was determined by an actuarial valuation as of January 1, 2020.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

F. Other Postemployment Benefits (OPEB)

2. Total OPEB Liability (Continued)

The total OPEB liability in the fiscal year-end December 31, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	Service graded table
Health care cost trend	6.50 percent, decreasing 1.00 percent over six years and then 4.00 percent over the next 48 years

The current year discount rate is 2.90 percent, which is a change from the prior year rate of 3.80 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-2019 Generational Improvement Scale.

3. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2019	<u>\$ 3,408,095</u>
Changes for the year	
Service cost	\$ 153,611
Interest	133,098
Differences between expected and actual experience	(89,144)
Changes in assumptions	(20,831)
Benefit payments	<u>(119,389)</u>
Net change	<u>\$ 57,345</u>
Balance at December 31, 2020	<u>\$ 3,465,440</u>

Other postemployment benefits are liquidated by the General Fund.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

F. Other Postemployment Benefits (OPEB) (Continued)

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:

	<u>Discount Rate</u>	<u>Total OPEB Liability</u>
1% Decrease	1.90%	\$ 3,835,865
Current	2.90	3,465,440
1% Increase	3.90	3,144,142

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:

	<u>Health Care Trend Rate</u>	<u>Total OPEB Liability</u>
1% Decrease	5.50% Decreasing to 4.00%	\$ 3,076,423
Current	6.50% Decreasing to 5.00%	3,465,440
1% Increase	7.50% Decreasing to 6.00%	3,933,120

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

For the year ended December 31, 2020, the County recognized OPEB expense of \$252,486. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

F. Other Postemployment Benefits (OPEB)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in differences between expected and actual experience	\$ -	\$ 79,239
Changes in actuarial assumptions	-	150,531
Contributions subsequent to measurement date	119,752	-
Total	<u>\$ 119,752</u>	<u>\$ 229,770</u>

The \$119,752 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, 2021. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	OPEB Expense Amount
2021	\$ (34,223)
2022	(34,223)
2023	(34,223)
2024	(34,223)
2025	(34,223)
Thereafter	(58,655)

6. Changes in Plan Provisions

None.

7. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2020:

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Detailed Notes

F. Other Postemployment Benefits (OPEB)

7. Changes in Actuarial Assumptions (Continued)

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 Mortality tables (Blue Collar for Public Safety, White Collar for others) with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.

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. To manage these risks, the County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). MCIT is a public entity risk pool currently operated as a common risk management and insurance program for its members. The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. The County participates in a service cooperative pool for health and dental insurance. 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 2020 and 2021. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

4. Summary of Significant Contingencies and Other Items

A. Risk Management (Continued)

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.

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, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The County Attorney estimates that the potential claims against the County not covered by insurance resulting from such litigation would not materially affect the financial statements of the County.

In 2006, the Dodge County Mechanical and Agricultural Society entered into a loan agreement with Kasson State Bank for \$150,000. The County co-signed this loan as guarantors for the life of the loan. This loan was refinanced in 2016 for \$126,657 to extend to 2021. The terms of the refinanced loan are level annual payments of \$10,924 from 2017 to 2020, with a final balloon payment of \$97,876 in 2021. The County remains the guarantor for the loan. The principal outstanding as of December 31, 2020, is \$94,158.

C. Joint Ventures

South Central Human Relations Center, Inc.

The South Central Human Relations Center, Inc., is a joint venture between Dodge, Steele, and Waseca Counties. The Center provides community mental health services to the counties' residents. Each individual county's interest in the Center is based on contractual requirements.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

4. Summary of Significant Contingencies and Other Items

C. Joint Ventures

South Central Human Relations Center, Inc. (Continued)

Control is vested in a Joint Powers Board, comprised of two representatives of each County Board of Commissioners. All contracted payments made to the South Central Human Relations Center, Inc., come from Minnesota Prairie County Alliance. This is a result of the Dodge, Steele, and Waseca combination of human services departments into the service delivery authority known as Minnesota Prairie County Alliance.

Financial statements are available at South Central Human Relations Center, Inc., 610 Florence Avenue, Owatonna, Minnesota 55060.

Dodge County Family Services Collaborative

The Dodge County Family Services Collaborative was established in 1999 under the authority of Minn. Stat. §§ 471.59 and 124D.23. The Collaborative includes Dodge County and approximately seven other human services-related agencies serving Dodge County residents. The governing board consists of seven members, of which four represent the legally required participants of a collaborative (a school district, the county, public health, and a community action agency). The purpose of the Collaborative is to provide a coordinated approach to support and nurture individuals and families through prevention and intervention so as to ensure success of every child.

Control of the Collaborative is vested in a Board of Directors. Minnesota Prairie County Alliance acts as fiscal agent for the Collaborative. The Collaborative is financed by state grants and appropriations from participating members. During 2020, Dodge County did not provide any funding. Any withdrawing party remains liable for fiscal obligations incurred prior to the effective date of withdrawal and shall not be entitled to any compensation as long as the Collaborative continues in existence. Should the Collaborative cease to exist, all property, real and personal, at the time of the termination, shall be distributed by the Dodge County Family Services Collaborative Board of Directors.

Currently, the Collaborative does not prepare complete financial statements. Financial information can be obtained by contacting Amy Kunkel, Coordinator, Dodge County Family Services Collaborative.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

4. Summary of Significant Contingencies and Other Items

C. Joint Ventures (Continued)

South Country Health Alliance

The South Country Health Alliance (SCHA) was created by a joint powers agreement between Brown, Dodge, Freeborn, Goodhue, Kanabec, Mower, Sibley, Steele, Wabasha, and Waseca Counties on July 24, 1998, under Minn. Stat. § 471.59. Mower County has since withdrawn. In 2007, Cass, Crow Wing, Morrison, Todd, and Wadena Counties joined in the joint venture. As of December 31, 2010, Cass, Crow Wing, and Freeborn Counties elected to opt out of the SCHA, consistent with the terms of the joint powers agreement. As of December 31, 2019, Morrison, Todd, and Wadena Counties elected to opt out of the SCHA, consistent with the terms of the joint powers agreement. The agreement was in accordance with Minn. Stat. § 256B.692, which allows the formation of a Board of Directors to operate, control, and manage all matters concerning the participating member counties' health care functions, referred to as county-based purchasing.

The purpose of the SCHA is to improve the social and health outcomes of its clients and all citizens of its member counties by better coordinating social service, public health and medical services, and promoting the achievement of public health goals. The SCHA is authorized to provide prepaid comprehensive health maintenance services to persons enrolled under Medicaid and General Assistance Medical Care in each of the above-listed member counties.

Each member county has an explicit and measurable right to its share of the total capital surplus of the SCHA. Gains and losses are allocated annually to all members based on the percentage of their utilization. Dodge County's equity interest in the SCHA at December 31, 2020, was \$1,593,626. The equity interest is reported as an investment in joint venture on the government-wide statement of net position. Changes in equity are included in the government-wide statement of activities as human services program expenses or revenues.

Complete financial statements for the SCHA can be obtained from the South Country Health Alliance at 110 West Fremont Street, Owatonna, Minnesota 55060, or from its fiscal agent at 2300 Park Drive, Suite 100, Owatonna, Minnesota 55060.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

4. Summary of Significant Contingencies and Other Items

C. Joint Ventures (Continued)

Southeastern Minnesota Multi-County Housing and Redevelopment Authority (HRA)

Wabasha and Goodhue Counties formed the Southeastern 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. In 2019, the County has appointed a member for the vacancy for the first time since 1999. Dodge County contributed \$43,550 to the operations of the HRA in 2020.

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

Minnesota Counties Information Systems (MCIS)

Aitkin, Carlton, Cass, Chippewa, Cook, Crow Wing, Dodge, Itasca, Koochiching, Lac qui Parle, Lake, Sherburne, and St. Louis Counties entered into a joint powers agreement, pursuant to Minn. Stat. § 471.59, for the purpose of operating and maintaining data processing facilities and management information systems for use by its members.

MCIS is governed by a 13-member Board composed of a member appointed by each of the participating county's Board of Commissioners. Financing is obtained through user charges to the member. Cass County is the fiscal agent for MCIS.

Each county's share of the assets and liabilities cannot be accurately determined since it will depend on the number of counties that are members when the agreement is dissolved.

Separate financial information can be obtained from Minnesota Counties Information Systems, 413 Southeast 7th Avenue, Grand Rapids, Minnesota 55744.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

4. Summary of Significant Contingencies and Other Items

C. Joint Ventures (Continued)

Southeast Minnesota Emergency Communications Board

The Southeast Minnesota 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 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, Dodge County paid \$6,000 to the Emergency Communications Board.

Southeast Minnesota Violent Crime Enforcement Team (SEMV CET)

Dodge County and other regional counties and cities have formed the Southeast Minnesota Violent Crime Enforcement Team, under authority of Minn. Stat. § 471.59, to work cooperatively in the enforcement of controlled substance laws and violent crime-related offenses. The SEMVCET is governed by a governing board made up of members known as “Directors.” The chief law enforcement officer from each member county and member city shall serve as a Director.

Olmsted County has been appointed as the fiscal agent for SEMVCET. During 2020, Dodge County paid \$8,149 to SEMVCET.

Minnesota Prairie County Alliance (MNPrairie)

Dodge, Steele, and Waseca Counties formed Minnesota Prairie County Alliance to provide human services to citizens within the counties. MNPrairie is governed by a six-member Board composed of two Dodge County Commissioners, two Steele County Commissioners, and two Waseca County Commissioners. MNPrairie is financed through state and federal grants, fees from clients, and contributions from participating

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

4. Summary of Significant Contingencies and Other Items

C. Joint Ventures

Minnesota Prairie County Alliance (MNPrairie) (Continued)

counties. Each member county has an explicit and measurable right to its contribution to MNPrairie. Dodge County's equity interest in MNPrairie at December 31, 2020, was \$3,055,203. The equity interest is reported as an investment in joint venture on the government-wide statement of net position. Changes in equity are included in the government-wide statement of activities as human services program expenses or revenues.

Financial statements for MNPrairie may be obtained at its Steele County office at 630 Florence Avenue, Owatonna, Minnesota 55060.

D. Jointly-Governed Organizations

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

The Minnesota Counties Computer Cooperative (MCCC) was established under the Minnesota Joint Powers Law, Minn. Stat. § 471.59. Minnesota counties have created the MCCC to jointly provide for the establishment, operation, and maintenance of data processing systems, facilities, and management information systems. During the year, Dodge County expended \$109,177 to the MCCC.

Minnesota Workforce Development (MWD) provides various job training services for member organizations. Dodge County made no payments to this organization in 2020. All Dodge County services are paid through Minnesota Prairie County Alliance.

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. During the year, Dodge County contributed \$5,000 to SEEMS.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

4. Summary of Significant Contingencies and Other Items

D. Jointly-Governed Organizations (Continued)

The Southeastern Minnesota Library (SELCO) provides regional library services to counties and cities in southeastern Minnesota. During the year, Dodge County contributed \$118,381 to SELCO.

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, Dodge County made payments of \$14,500 to SEMCAC.

The Southeast Services Cooperative delivers numerous services to support administrative and instructional functions to its members and to improve learning opportunities. During the year, Dodge County made payments of \$350 to the Cooperative.

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. Dodge County did not contribute to the SEMIC during 2020.

The Southeastern Minnesota Recyclers' Exchange (SEMREX) is a joint powers board made up of the City of Red Wing and Blue Earth, Dodge, Freeborn, Mower, Olmsted, Rice, Steele, and Waseca Counties. It is organized to promote regional waste reduction activities through recycling, cooperative marketing ventures, market development strategies, materials exchange efforts, public education, and other projects to protect the environment of southeast Minnesota. During the year, Dodge County made payments of \$183 to SEMREX.

The Region One – Southeast Minnesota 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. Dodge County's responsibility does not extend beyond making this appointment.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

4. Summary of Significant Contingencies and Other Items

D. Jointly-Governed Organizations (Continued)

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

Dodge 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 Departments of Corrections and Natural Resources, provide the funds needed to operate the STS program. Dodge County has no operational or financial control over the STS program. Dodge County does not budget for this program.

The Zumbro Watershed Partnership is governed by a 25-member Board of Directors who work to address both rural and urban water quality issues to find the best solutions for all the residents of the Watershed. Twelve are elected officials, including a County Commissioner and Soil and Water Conservation District Supervisor from each of the six counties of the Partnership. Thirteen are citizen members who are elected each year at the annual meeting. The six counties included in the Partnership are Dodge, Goodhue, Olmsted, Rice, Steele, and Wabasha Counties. Dodge County did not contribute to the Partnership during 2020.

Dodge-Fillmore-Olmsted (DFO) Community Corrections is governed by a seven-member Board composed of two Dodge County Commissioners, two Fillmore County Commissioners, and three Olmsted County Commissioners. The DFO Community Corrections is financed through state grants and contributions from the participating counties. During 2020, Dodge County contributed \$677,734 to this organization.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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 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. Dodge County's projected allocation of the State and Local Coronavirus Recovery Funds is \$4,066,184. Dodge County received \$2,033,092 on May 26, 2021, and \$2,033,092 on July 13, 2022.

On November 23, 2021, the Dodge County Board paid the Home Federal Loan that it co-signed for Dodge Mechanical and Agricultural Society in the amount of \$97,660 and they forgave the Fair Board loans receivable in the amount of \$148,195.

In November 2021, Dodge County issued \$5,743,000 General Obligation Capital Improvement Plan Refunding Bonds, Series 2021A, to refund the General Obligation Capital Improvement Plan Bonds, Series 2014A.

In January 2022, Dodge County awarded the Highway Department remodel contract in the amount of \$3,607,000.

In April 2022, Dodge County issued \$10,000,000 General Obligation Capital Improvement Plan and Transportation Sales and Use Tax Revenue Bonds, Series 2022A.

During 2022, final settlement agreements were reached with pharmaceutical companies and distributors as part of the National Prescription Opiate Litigation. For Dodge County, the amount to be received as a result of this litigation is \$491,528, to be received over 18 years. The Minnesota Opioids State-Subdivision Memorandum of Agreement was signed January 24, 2022.

On June 13, 2023, Dodge County signed a joint powers agreement with Olmsted County to form Dodge and Olmsted County Community Corrections. This agreement replaced the joint powers agreement formerly known as Dodge-Fillmore-Olmsted Community Corrections.

REQUIRED SUPPLEMENTARY INFORMATION

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT A-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 9,509,256	\$ 9,141,539	\$ 9,151,933	\$ 10,394
Special assessments	-	-	44,964	44,964
Licenses and permits	21,040	21,040	87,531	66,491
Intergovernmental	1,790,592	1,790,592	5,053,331	3,262,739
Charges for services	1,865,349	1,865,349	1,490,994	(374,355)
Fines and forfeits	-	-	5,462	5,462
Gifts and contributions	-	-	3,452	3,452
Investment earnings	225,500	225,500	153,591	(71,909)
Miscellaneous	109,825	109,825	189,462	79,637
Total Revenues	\$ 13,521,562	\$ 13,153,845	\$ 16,180,720	\$ 3,026,875
Expenditures				
Current				
General government				
Commissioners	\$ 650,182	\$ 650,182	\$ 262,290	\$ 387,892
Court administrator	157,720	157,720	162,208	(4,488)
County administration	261,661	261,661	272,233	(10,572)
Elections	65,215	65,215	194,602	(129,387)
Finance	718,144	718,144	650,166	67,978
Data processing information systems	493,967	493,967	338,712	155,255
Central services	168,450	168,450	146,954	21,496
Human resource coordinator	132,060	132,060	137,516	(5,456)
County attorney	456,900	456,900	453,290	3,610
County attorney forfeitures	2,500	2,500	23	2,477
Law library	12,000	12,000	7,039	4,961
Land records	871,047	871,047	873,652	(2,605)
Surveyor	62,500	62,500	58,650	3,850
Maintenance	876,633	876,633	1,127,690	(251,057)
Veterans service officer	87,880	87,880	69,499	18,381
Planning and zoning	338,637	338,637	342,662	(4,025)
Feedlot	-	-	7	(7)
Other general government	332,000	332,000	1,657,474	(1,325,474)
Total general government	\$ 5,687,496	\$ 5,687,496	\$ 6,754,667	\$ (1,067,171)

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**EXHIBIT A-1
(Continued)**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Public safety				
Sheriff	\$ 4,905,797	\$ 4,905,797	\$ 4,964,162	\$ (58,365)
Coroner	62,830	62,830	77,841	(15,011)
E-911 system	154,100	154,100	138,545	15,555
Community corrections	651,974	651,974	650,642	1,332
Drug court	206,418	206,418	200,554	5,864
DARE program	-	-	3,631	(3,631)
Emergency management	151,973	151,973	134,530	17,443
Southeast Minnesota EMS	-	-	5,000	(5,000)
Other public safety	-	-	20,282	(20,282)
Total public safety	\$ 6,133,092	\$ 6,133,092	\$ 6,195,187	\$ (62,095)
Human services				
Other	\$ -	\$ -	\$ 14,000	\$ (14,000)
Health				
Nursing services	\$ 1,231,754	\$ 1,231,754	\$ 1,006,705	\$ 225,049
WIC	-	-	94,033	(94,033)
Total health	\$ 1,231,754	\$ 1,231,754	\$ 1,100,738	\$ 131,016
Culture and recreation				
Historical society	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Senior citizens	-	-	1,900	(1,900)
Appropriations	15,000	15,000	27,772	(12,772)
Other culture and recreation	-	-	350	(350)
Total culture and recreation	\$ 22,500	\$ 22,500	\$ 37,522	\$ (15,022)
Conservation of natural resources				
County extension	\$ 174,109	\$ 174,109	\$ 156,668	\$ 17,441
Soil and water conservation	-	-	121,500	(121,500)
Agriculture society/County fair	-	-	16,500	(16,500)
Total conservation of natural resources	\$ 174,109	\$ 174,109	\$ 294,668	\$ (120,559)

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**EXHIBIT A-1
(Continued)**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Economic development				
Economic development	\$ 42,300	\$ 42,300	\$ 51,453	\$ (9,153)
Southeastern Minnesota Multi-County				
Housing and Redevelopment Authority	-	-	43,550	(43,550)
Total economic development	\$ 42,300	\$ 42,300	\$ 95,003	\$ (52,703)
Intergovernmental				
Culture and recreation				
Southeast Library Cooperative	\$ -	\$ -	\$ 118,381	\$ (118,381)
Debt service				
Principal	\$ -	\$ -	\$ 62,436	\$ (62,436)
Interest	-	-	7,694	(7,694)
Total debt service	\$ -	\$ -	\$ 70,130	\$ (70,130)
Total Expenditures	\$ 13,291,251	\$ 13,291,251	\$ 14,680,296	\$ (1,389,045)
Excess of Revenues Over (Under)				
Expenditures	\$ 230,311	\$ (137,406)	\$ 1,500,424	\$ 1,637,830
Other Financing Sources (Uses)				
Capital lease purchase	\$ -	\$ -	\$ 342,162	\$ 342,162
Proceeds from sale of capital assets	43,000	43,000	2,917	(40,083)
Insurance recoveries	-	-	6,158	6,158
Total Other Financing Sources (Uses)	\$ 43,000	\$ 43,000	\$ 351,237	\$ 308,237
Change in Fund Balance	\$ 273,311	\$ (94,406)	\$ 1,851,661	\$ 1,946,067
Fund Balance – January 1, restated (Note 1.E)	14,085,310	14,085,310	14,085,310	-
Fund Balance – December 31	\$ 14,358,621	\$ 13,990,904	\$ 15,936,971	\$ 1,946,067

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT A-2

**BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 2,682,495	\$ 2,536,210	\$ 2,748,770	\$ 212,560
Special assessments	-	-	6,032	6,032
Licenses and permits	9,000	9,000	19,525	10,525
Intergovernmental	5,335,034	5,326,474	6,096,698	770,224
Charges for services	27,825	27,825	158,420	130,595
Miscellaneous	84,575	84,575	54,078	(30,497)
Total Revenues	\$ 8,138,929	\$ 7,984,084	\$ 9,083,523	\$ 1,099,439
Expenditures				
Current				
Highways and streets				
Administration	\$ 528,525	\$ 528,525	\$ 591,108	\$ (62,583)
Maintenance	1,909,032	1,909,032	1,746,205	162,827
Construction	4,460,647	4,460,647	4,130,934	329,713
Equipment maintenance and shop	785,080	785,080	919,874	(134,794)
Other	3,800	3,800	2,759	1,041
Total highways and streets	\$ 7,687,084	\$ 7,687,084	\$ 7,390,880	\$ 296,204
Intergovernmental				
Highways and streets	297,000	297,000	303,906	(6,906)
Total Expenditures	\$ 7,984,084	\$ 7,984,084	\$ 7,694,786	\$ 289,298
Change in Fund Balance	\$ 154,845	\$ -	\$ 1,388,737	\$ 1,388,737
Fund Balance – January 1	2,837,406	2,837,406	2,837,406	-
Increase (decrease) in inventories	-	-	12,331	12,331
Fund Balance – December 31	\$ 2,992,251	\$ 2,837,406	\$ 4,238,474	\$ 1,401,068

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT A-3

**BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 3,093,115	\$ 3,574,897	\$ 3,165,080	\$ (409,817)
Intergovernmental	199,333	199,333	276,896	77,563
Total Revenues	\$ 3,292,448	\$ 3,774,230	\$ 3,441,976	\$ (332,254)
Expenditures				
Intergovernmental				
Human services	3,774,230	3,774,230	3,400,803	373,427
Total Expenditures	\$ 3,774,230	\$ 3,774,230	\$ 3,400,803	\$ 373,427
Change in Fund Balance	\$ (481,782)	\$ -	\$ 41,173	\$ 41,173
Fund Balance – January 1	1,872,887	1,872,887	1,872,887	-
Fund Balance – December 31	\$ 1,391,105	\$ 1,872,887	\$ 1,914,060	\$ 41,173

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT A-4

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS
DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 153,611	\$ 140,183	\$ 149,715
Interest	133,098	116,119	111,489
Differences between expected and actual experience	(89,144)	-	-
Changes of assumption or other inputs	(20,831)	(176,021)	-
Benefit payments	<u>(119,389)</u>	<u>(100,722)</u>	<u>(121,854)</u>
Net change in total OPEB liability	\$ 57,345	\$ (20,441)	\$ 139,350
Total OPEB Liability – Beginning	<u>3,408,095</u>	<u>3,428,536</u>	<u>3,289,186</u>
Total OPEB Liability – Ending	<u><u>\$ 3,465,440</u></u>	<u><u>\$ 3,408,095</u></u>	<u><u>\$ 3,428,536</u></u>
 Covered-employee payroll	 \$ 9,253,288	 \$ 8,530,463	 \$ 8,282,003
 Total OPEB liability (asset) as a percentage of covered-employee payroll	 37.45%	 39.95%	 41.40%

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT A-5

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2020**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Dodge County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.1212 %	\$ 7,266,494	\$ 224,006	\$ 7,490,500	\$ 8,634,147	84.16 %	79.06 %
2019	0.1166	6,446,553	200,325	6,646,878	8,343,290	77.27	80.23
2018	0.1155	6,407,466	210,196	6,617,662	7,870,377	81.41	79.53
2017	0.1206	7,699,025	96,801	7,795,826	7,768,709	99.10	75.90
2016	0.1136	9,223,756	120,378	9,344,134	7,046,672	130.90	68.91
2015	0.1282	6,643,989	N/A	6,643,989	7,870,470	84.42	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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT A-6

**SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2020**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b - a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2020	\$ 654,308	\$ 654,308	\$ -	\$ 8,718,472	7.50 %
2019	633,064	633,064	-	8,445,654	7.50
2018	605,770	605,770	-	8,082,284	7.50
2017	567,646	567,646	-	7,568,612	7.50
2016	548,296	548,296	-	7,310,608	7.50
2015	531,988	531,988	-	7,093,173	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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT A-7

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2020**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Dodge County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.1588 %	\$ 2,093,154	\$ 49,299	\$ 2,142,453	\$ 1,819,891	115.02 %	87.19 %
2019	0.1640	1,745,946	N/A	1,745,946	1,726,812	101.11	89.26
2018	0.1560	1,667,063	N/A	1,667,063	1,648,114	101.15	88.84
2017	0.1610	2,173,692	N/A	2,173,692	1,651,393	131.63	85.43
2016	0.1550	6,220,421	N/A	6,220,421	1,496,787	415.58	63.88
2015	0.1540	1,749,800	N/A	1,749,800	1,463,644	119.55	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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT A-8

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2020**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b - a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2020	\$ 322,147	\$ 322,147	\$ -	\$ 1,819,720	17.70 %
2019	300,055	300,055	-	1,770,294	16.95
2018	273,492	273,492	-	1,688,220	16.20
2017	261,814	261,814	-	1,616,132	16.20
2016	252,344	252,344	-	1,557,678	16.20
2015	242,276	242,276	-	1,495,531	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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all major 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 County Administrator so that a budget can be prepared. Before October 31, the proposed budget is presented to the County Board for review. The Board holds public hearings, and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the County Board. The legal level of budgetary control (that is, the level at which expenditures may not legally exceed appropriations) is the fund level. During the year, the Board made no supplemental budgetary appropriations.

2. Excess of Expenditures Over Budget

The General Fund expenditures of \$14,680,296 exceeded final budget of \$13,291,251 by \$1,389,045 due to receiving and spending CARES Act funds that were not budgeted.

3. Other Postemployment Benefits

In 2018, Dodge 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 the County's other postemployment benefits.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

4. Employer Contributions to Other Postemployment Benefits

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

The following changes in actuarial assumptions occurred in 2020:

- The discount rate was changed from 3.80 percent to 2.90 percent.
- The health care trend rates changed to better anticipate short-term and long-term medical increases.
- The mortality tables updated from the RP-2014 Mortality tables (Blue Collar for Public Safety, White Collar for others) with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2019 Generational Improvement Scale.
- The salary increase rates changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.

The following changes in actuarial assumptions occurred in 2019:

- The discount rate was changed from 3.50 percent to 3.80 percent.

The following changes in actuarial assumptions occurred in 2018:

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2014 White Collar Headcount Weighted Mortality tables with MP-2015 Generational Improvement Scale (with blue collar adjustment for police and fire personnel) to the RP-2014 White Collar Headcount Weighted Mortality tables with MP-2017 Generational Improvement Scale (with blue collar adjustment for police and fire personnel).
- The retirement and withdrawal tables for all employees were updated.
- The discount rate was changed from 3.30 percent to 3.50 percent.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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

2020

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The changes result 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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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

General Employees Retirement Plan

2020 (Continued)

- The assumed number of married male new retirees electing the 100 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023 and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

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

2018

- The mortality projection scale was changed from Scale MP-2015 to Scale MP-2017.
- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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

General Employees Retirement Plan

2018 (Continued)

- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost of living adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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

General Employees Retirement Plan (Continued)

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Public Employees Police and Fire Plan

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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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.

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.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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

Public Employees Police and Fire Plan

2016 (Continued)

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

SUPPLEMENTARY INFORMATION

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Ditch Fund accounts for construction, reconstruction, and maintenance of both County and joint County drainage systems. These public improvements and services are deemed to benefit the properties against which special assessments are levied.

The Solid Waste Fund accounts for the financial activities of the solid waste landfill/recycling operations.

DEBT SERVICE FUND

The Courthouse Improvements Fund accounts for the accumulation of resources for and the payment of principal, interest, and related costs of the general obligation bonds.

CAPITAL PROJECTS FUND

The Capital Improvements Plan Fund accounts for capital improvements on the Courthouse building.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT B-1

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Special Revenue Funds		Courthouse Improvements Debt Service Fund	Capital Improvements Plan Capital Projects Fund	Total Nonmajor Governmental Funds (Exhibit 3)
	Ditch	Solid Waste			
<u>Assets</u>					
Cash and pooled investments	\$ -	\$ 1,586,002	\$ 1,495,308	\$ 188,564	\$ 3,269,874
Petty cash and change funds	-	250	-	-	250
Taxes receivable – delinquent	-	3,766	15,042	-	18,808
Special assessments receivable – delinquent	-	20,120	-	-	20,120
Accounts receivable	-	198,771	-	-	198,771
Due from other governments	717	4,085	-	-	4,802
Total Assets	\$ 717	\$ 1,812,994	\$ 1,510,350	\$ 188,564	\$ 3,512,625
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities					
Cash overdraft	\$ 43,738	\$ -	\$ -	\$ -	\$ 43,738
Accounts payable	59,315	30,273	-	-	89,588
Salaries payable	-	21,718	-	-	21,718
Due to other governments	39,055	119,531	-	-	158,586
Unearned revenue	-	81,528	-	-	81,528
Total Liabilities	\$ 142,108	\$ 253,050	\$ -	\$ -	\$ 395,158
Deferred Inflows of Resources					
Unavailable revenue	\$ -	\$ 22,477	\$ 9,140	\$ -	\$ 31,617
Fund Balances					
Restricted for					
Capital projects	\$ -	\$ -	\$ -	\$ 188,564	\$ 188,564
SCORE	-	34,846	-	-	34,846
Debt service	-	-	1,501,210	-	1,501,210
Ditch maintenance and construction	11,421	-	-	-	11,421
Committed to					
Capital equipment	-	337,046	-	-	337,046
Change funds	-	250	-	-	250
Landfill postclosure	-	206,740	-	-	206,740
Assigned to					
Sanitation	-	958,585	-	-	958,585
Unassigned	(152,812)	-	-	-	(152,812)
Total Fund Balances	\$ (141,391)	\$ 1,537,467	\$ 1,501,210	\$ 188,564	\$ 3,085,850
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 717	\$ 1,812,994	\$ 1,510,350	\$ 188,564	\$ 3,512,625

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT B-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Special Revenue Funds		Courthouse Improvements Debt Service Fund	Capital Improvements Plan Capital Projects Fund	Total Nonmajor Governmental Funds (Exhibit 5)
	Ditch	Solid Waste			
Revenues					
Taxes	\$ -	\$ 258,679	\$ 1,073,846	\$ -	\$ 1,332,525
Special assessments	5,000	228,161	-	-	233,161
Licenses and permits	-	44,770	-	-	44,770
Intergovernmental	-	143,390	93,913	-	237,303
Charges for services	-	1,902,968	-	-	1,902,968
Investment earnings	-	2,318	-	-	2,318
Miscellaneous	-	9,404	-	-	9,404
Total Revenues	\$ 5,000	\$ 2,589,690	\$ 1,167,759	\$ -	\$ 3,762,449
Expenditures					
Current					
Sanitation	\$ -	\$ 2,330,905	\$ -	\$ -	\$ 2,330,905
Conservation of natural resources	110,882	2,732	-	-	113,614
Capital outlay					
General government	-	-	-	8,181	8,181
Debt service					
Principal	-	70,000	900,000	-	970,000
Interest	-	2,813	194,350	-	197,163
Administrative (fiscal) charges	-	-	495	-	495
Total Expenditures	\$ 110,882	\$ 2,406,450	\$ 1,094,845	\$ 8,181	\$ 3,620,358
Change in Fund Balance	\$ (105,882)	\$ 183,240	\$ 72,914	\$ (8,181)	\$ 142,091
Fund Balance – January 1	(35,509)	1,354,227	1,428,296	196,745	2,943,759
Fund Balance – December 31	\$ (141,391)	\$ 1,537,467	\$ 1,501,210	\$ 188,564	\$ 3,085,850

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT B-3

**BUDGETARY COMPARISON SCHEDULE
SOLID WASTE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 253,914	\$ 258,122	\$ 258,679	\$ 557
Special assessments	231,000	231,000	228,161	(2,839)
Licenses and permits	28,000	28,000	44,770	16,770
Intergovernmental	116,518	116,518	143,390	26,872
Charges for services	1,630,930	1,630,930	1,902,968	272,038
Investment earnings	4,100	4,100	2,318	(1,782)
Miscellaneous	12,800	12,800	9,404	(3,396)
Total Revenues	\$ 2,277,262	\$ 2,281,470	\$ 2,589,690	\$ 308,220
Expenditures				
Current				
Sanitation				
Solid waste	\$ 1,559,278	\$ 1,559,278	\$ 1,661,925	\$ (102,647)
Recycling	483,215	483,215	500,158	(16,943)
Hazardous waste	28,498	28,498	35,345	(6,847)
Wastewater treatment	132,306	132,306	133,477	(1,171)
Total sanitation	\$ 2,203,297	\$ 2,203,297	\$ 2,330,905	\$ (127,608)
Conservation of natural resources				
Water planning	-	-	2,732	(2,732)
Debt service				
Principal	75,000	75,000	70,000	5,000
Interest	3,173	3,173	2,813	360
Total Expenditures	\$ 2,281,470	\$ 2,281,470	\$ 2,406,450	\$ (124,980)
Change in Fund Balance	\$ (4,208)	\$ -	\$ 183,240	\$ 183,240
Fund Balance – January 1	1,354,227	1,354,227	1,354,227	-
Fund Balance – December 31	\$ 1,350,019	\$ 1,354,227	\$ 1,537,467	\$ 183,240

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT B-4

**BUDGETARY COMPARISON SCHEDULE
COURTHOUSE IMPROVEMENTS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 1,151,975	\$ 1,042,393	\$ 1,073,846	\$ 31,453
Intergovernmental	67,607	67,607	93,913	26,306
Total Revenues	\$ 1,219,582	\$ 1,110,000	\$ 1,167,759	\$ 57,759
Expenditures				
Debt service				
Principal	\$ 927,000	\$ 927,000	\$ 900,000	\$ 27,000
Interest	182,000	182,000	194,350	(12,350)
Administrative – fiscal charges	1,000	1,000	495	505
Total Expenditures	\$ 1,110,000	\$ 1,110,000	\$ 1,094,845	\$ 15,155
Change in Fund Balance	\$ 109,582	\$ -	\$ 72,914	\$ 72,914
Fund Balance – January 1	1,428,296	1,428,296	1,428,296	-
Fund Balance – December 31	\$ 1,537,878	\$ 1,428,296	\$ 1,501,210	\$ 72,914

FIDUCIARY FUNDS

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

FIDUCIARY FUNDS

CUSTODIAL FUNDS

The Settlement Fund accounts for the collection and distribution of all property taxes to local towns, cities, and school districts.

The Revolving Fund accounts for the collection and payment of the state's share of fees, fines, and mortgage registry and deed taxes collected by the County.

The Civil Process Fund accounts for the collection and payment of money related to the Sheriff's civil processing services that are not the property of the County.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT C-1

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
DECEMBER 31, 2020**

	<u>Settlement</u>	<u>Revolving</u>	<u>Civil Process</u>	<u>Total Custodial Funds</u>
<u>Assets</u>				
Cash and pooled investments	\$ 355,363	\$ 366,218	\$ -	\$ 721,581
Taxes and special assessments receivable for other governments	<u>460,106</u>	<u>-</u>	<u>-</u>	<u>460,106</u>
Total Assets	<u>\$ 815,469</u>	<u>\$ 366,218</u>	<u>\$ -</u>	<u>\$ 1,181,687</u>
<u>Liabilities</u>				
Due to others	\$ -	\$ 29	\$ -	\$ 29
Due to other governments	<u>355,363</u>	<u>366,189</u>	<u>-</u>	<u>721,552</u>
Total Liabilities	<u>\$ 355,363</u>	<u>\$ 366,218</u>	<u>\$ -</u>	<u>\$ 721,581</u>
<u>Net Position</u>				
Restricted for individuals, organizations, and other governments	<u>\$ 460,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,106</u>

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT C-2

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Settlement</u>	<u>Revolving</u>	<u>Civil Process</u>	<u>Total Custodial Funds</u>
<u>Additions</u>				
Property tax collections for other governments	\$ 21,354,126	\$ -	\$ -	\$ 21,354,126
License and fees collected for state	-	1,458,130	-	1,458,130
Payments from state	-	1,108,172	-	1,108,172
Refunds collected for other entities	-	-	80,404	80,404
Miscellaneous	-	8	-	8
Total Additions	\$ 21,354,126	\$ 2,566,310	\$ 80,404	\$ 24,000,840
<u>Deductions</u>				
Payments of property tax to other governments	\$ 20,654,431	\$ -	\$ -	\$ 20,654,431
Payments to state	955,600	1,672,010	-	2,627,610
Payments to other entities	133,703	1,108,172	80,404	1,322,279
Total Deductions	\$ 21,743,734	\$ 2,780,182	\$ 80,404	\$ 24,604,320
Change in Net Position	\$ (389,608)	\$ (213,872)	\$ -	\$ (603,480)
Net Position – January 1, as restated (Note 1.E)	849,714	213,872	-	1,063,586
Net Position – December 31	\$ 460,106	\$ -	\$ -	\$ 460,106

OTHER SCHEDULES

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT D-1

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Governmental Funds
Appropriations and Shared Revenue	
State	
Highway users tax	\$ 5,636,362
PERA contribution	36,582
Disparity reduction aid	149,033
SCORE	69,692
Police aid	226,825
County program aid	934,527
Riparian aid	40,193
Market value credit – agricultural	215,837
Enhanced 911	94,195
Total appropriations and shared revenue	\$ 7,403,246
Reimbursement for Services	
State	
Minnesota Department of Human Services	\$ 151,163
Payments	
Local	
Local grants	\$ 13,300
Payments in lieu of taxes	24,274
Total payments	\$ 37,574
Grants	
State	
Minnesota Department/Board of	
Agriculture	\$ 1,082
Employment and Economic Development	413,321
Health	247,670
Human Services	56,042
Natural Resources	16,373
Transportation	303,609
Veterans Affairs	10,000
Water and Soil Resources	54,878
Secretary of State	25,213
Peace Officer Standards and Training Board	25,816
Total state	\$ 1,154,004

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

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

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Governmental Funds
Grants (Continued)	
Federal	
Department of	
Agriculture	\$ 105,739
Justice	1,691
Transportation	2,275
Treasury	2,572,738
Education	2,038
Health and Human Services	195,459
Homeland Security	38,301
Total federal	<u>\$ 2,918,241</u>
Total state and federal grants	<u>\$ 4,072,245</u>
Total Intergovernmental Revenue	<u><u>\$ 11,664,228</u></u>

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

EXHIBIT D-2

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Agriculture			
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	12-700-00099	\$ 89,432
Passed Through Minnesota Prairie County Alliance SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	202MN101S2514	16,307
Total U.S. Department of Agriculture			\$ 105,739
U.S. Department of Justice			
Direct Bulletproof Vest Partnership Program	16.607		\$ 1,691
U.S. Department of Transportation			
Passed Through Minnesota Department of Public Safety Highway Safety Cluster State and Community Highway Safety	20.600	F-ENFRC20-2020-DODGESD	\$ 296
National Priority Safety Programs	20.616	F-ENFRC20-2020-DODGESD	768
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	F-ENFRC20-2020-DODGESD	1,211
Total U.S. Department of Transportation			\$ 2,275
U.S. Department of the Treasury			
Passed Through Minnesota Management and Budget COVID-19 – Coronavirus Relief Fund	21.019	SLT0016	\$ 2,527,669
Passed Through Minnesota Department of Health COVID-19 – Coronavirus Relief Fund (Total COVID-19 – Coronavirus Relief Fund 21.019 \$2,572,738)	21.019	189829	45,069
Total U.S. Department of the Treasury			\$ 2,572,738
U.S. Department of Education			
Passed Through Minnesota Department of Health Special Education – Grants for Infants and Families	84.181	81110114221	\$ 2,038
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	65507	\$ 24,822
Early Hearing Detection and Intervention	93.251	20705	1,050
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$17,450)	93.558	12-700-00099	3,973
Maternal and Child Health Services Block Grant to the States	93.994	12-700-00099	17,309

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**EXHIBIT D-2
(Continued)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Health and Human Services (Continued)			
Passed Through Minnesota Department of Human Services Children's Health Insurance Program	93.767	2005MN5021	16
Passed Through Minnesota Prairie County Alliance Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$17,450)	93.558	2001MNTANF	13,477
Child Support Enforcement	93.563	2001MNCSES	40,899
Refugee and Entrant Assistance – State Administered Programs	93.566	2001MNRCSA	17
Foster Care – Title IV-E	93.658	2001MNFOST	3,933
Medicaid Cluster Medical Assistance Program	93.778	2005MN5ADM	99,343
Passed Through Rice County, Minnesota Maternal, Infant and Early Childhood Home Visiting Grant	93.870	Not provided	16,263
Total U.S. Department of Health and Human Services			\$ 221,102
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Public Safety Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	DR1941/P0720/09/10/20	\$ 38,301
Total Federal Awards			\$ 2,943,884

The County did not pass any federal awards through to subrecipients during the year ended December 31, 2020.

Totals by Cluster

Total expenditures for SNAP Cluster	\$ 16,307
Total expenditures for Highway Safety Cluster	1,064
Total expenditures for Medicaid Cluster	99,343

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 Dodge 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 Dodge County under programs of the federal government for the year ended December 31, 2020. 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 Dodge County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Dodge 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

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

3. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue (Exhibit D-1)	\$ 2,918,241
Deferred in 2019, recognized as revenue in 2020	
Medical Assistance Program (CFDA #93.778)	(8,997)
Grants received more than 60 days after year-end, unavailable in 2020	
Public Health Emergency Preparedness (CFDA #93.069)	5,747
Temporary Assistance for Needy Families (CFDA #93.558)	702
Child Support Enforcement (CFDA #93.563)	8,008
Maternal, Infant and Early Childhood Home Visiting Program (CFDA #93.870)	1,671
Children's Health Insurance Program (CFDA #93.767)	8
Medical Assistance Program (CFDA #93.778)	<u>18,504</u>
 Expenditures per Schedule of Expenditures of Federal Awards (Exhibit D-2)	 <u>\$ 2,943,884</u>



**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
Dodge County
Mantorville, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dodge County, Minnesota, as of and for the year ended December 31, 2020, 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 6, 2023. Our report includes references to other auditors who audited the financial statements of the Dodge County Nursing Home and the South Country Health Alliance joint venture as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of South Country Health Alliance were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

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 combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002 to be material weaknesses and item 2020-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dodge 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, we noted that Dodge County failed to comply with the provisions of the deposits and investments section 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 as described in the Schedule of Findings and Questioned Costs as items 2020-005 and 2020-006. Also, in connection with our audit, nothing came to our attention that caused us to believe that Dodge County failed to comply with the provisions of the contracting and bidding, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Counties*, 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.

Other Matters

Included in the Schedule of Findings and Questioned Costs is a management practices comment. We believe this recommendation to be of benefit to the County, and it is reported for that purpose.

Dodge County's Response to Findings

Dodge County's responses to the internal control, legal compliance, and management practices findings identified in our audit are described in the Corrective Action Plan. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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/Chad Struss

CHAD STRUSS, CPA
DEPUTY STATE AUDITOR

September 6, 2023



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Independent Auditor's Report

Board of County Commissioners
Dodge County
Mantorville, Minnesota

Report on Compliance for the Major Federal Program

We have audited Dodge County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2020. Dodge County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Dodge County's major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dodge County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the Major Federal Program

In our opinion, Dodge County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

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 2020-004. Our opinion on the major federal program is not modified with respect to this matter

Dodge County's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Dodge County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 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 the attention of those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies 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, we did identify a deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-004, that we consider to be a significant deficiency.

Dodge County's response to the internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

/s/Julie Blaha

JULIE BLAHA
STATE AUDITOR

/s/Chad Struss

CHAD STRUSS, CPA
DEPUTY STATE AUDITOR

September 6, 2023

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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? **Yes**
- Significant deficiencies identified? **Yes**

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

Federal Awards

Internal control over the major program:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **Yes**

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

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

The major federal program is:

COVID-19 – Coronavirus Relief Fund

CFDA No. 21.019

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

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

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

INTERNAL CONTROL

Finding Number: 2020-001

Prior Year Finding Number: 2019-001

Repeat Finding Since: 2006

Audit Adjustment

Criteria: 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 of the financial statements on a timely basis. Auditing standards define a material weakness as a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Condition: A material audit adjustment was identified that resulted in a significant change to the County's financial statements.

Context: The County provides trial balances which convert the cash basis general ledger to the modified accrual basis necessary for preparing fund level and government-wide financial statements. The inability to detect significant misstatements in the financial statements increases the likelihood the financial statements would not be fairly presented. The adjustment was found in the audit; however, independent external auditors cannot be considered part of the County's internal control.

Effect: The following audit adjustment was reviewed and approved by the appropriate County staff and is reflected in the financial statements: in the Road and Bridge Special Revenue Fund, contracts payable and related expenditures were increased by \$475,912 to correct an accrual entry made in reverse in error.

Cause: Errors occurred during the financial statement process that were not discovered during review.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

Recommendation: We recommend County staff review the County's financial statement closing procedures, trial balances, and journal entries in detail to ensure the County's financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

View of Responsible Official: Concur

Finding Number: 2020-002

Prior Year Finding Number: 2019-002

Repeat Finding Since: 2014

Reconciliation of Treasurer's Cash Book to the General Ledger and Bank Statements

Criteria: Internal controls in place over operations should be designed to provide reasonable assurance material errors will be prevented and detected in a timely manner.

Condition: The County is not reconciling the Treasurer's cash book to the general ledger and bank statements on a regular basis. As of October 27, 2021, the most recent reconciliation of the Treasurer's cash book and the general ledger was performed for month-end December 31, 2019. The most recent bank reconciliation of the general checking account was performed on August 11, 2021, for October of 2020.

Context: Reconciliations between the Treasurer's cash book, the general ledger, and bank statements is a tool to help ensure cash records are complete and accurate, and is a control designed to detect, and allow for correction of, errors or irregularities on a timely basis.

Effect: When accounting records are not reconciled on a regular basis, there is an increased risk errors or irregularities will not be detected in a timely manner.

Cause: The County indicated the reconciliation of the Treasurer's cash book to the general ledger and bank statements was significantly behind due to other priorities which included election responsibilities, presidential primary, and significantly higher absentee ballot voting.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

Recommendation: We recommend the Treasurer's cash book be reconciled to the general ledger and bank statements monthly and in a timely manner.

View of Responsible Official: Concur

Finding Number: 2020-003

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Investment Oversight

Criteria: Internal controls should provide adequate segregation of functions and responsibilities so no one person has incompatible duties that would permit the perpetration and concealment of material irregularities.

Condition: The Finance Director and Accounting Services Director are able to exchange, renew, purchase, and sell investments. The County's investment policy indicates the Investment Committee is to review the County's investment activity. The Committee has not met since 2018.

Context: The duties of purchasing investments and selling/exchanging investments are considered incompatible duties because it provides an opportunity for errors or irregularities to occur without being detected on a timely basis. A review of the investment activity by the Investment Committee would allow oversight of the investing process.

Effect: Investment activity was not reviewed, providing an opportunity for errors or irregularities to occur without being detected in a timely manner.

Cause: The County indicated the Investment Committee did not meet since the majority of the investments are in certificates of deposit.

Recommendation: We recommend Dodge County follow its investment policy by having the Investment Committee review investments made by the Finance Director and Accounting Services Director.

View of Responsible Official: Concur

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

Finding Number: 2020-004

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Reporting

Program: U.S. Department of the Treasury's COVID-19 – Coronavirus Relief Fund (CFDA No. 20.219), Award No. SLT0016, 2020

Pass-Through Agency: Minnesota Management and Budget (MMB)

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.

Per MMB guidance, local governments accepting Coronavirus Relief Funds were required to submit monthly, interim, and final reports. The County was required to report monthly to MMB; this reporting includes the total spent to date and the total received by the County. On the final report, the County reports the status of Coronavirus Relief Funds spent that were awarded by MMB. The final report requires reporting of both summary and detailed information. The summary information is the same as that for monthly reporting on the total spent to date. Detail reporting requires the selection of the eligible Coronavirus Relief Fund category, the amount spent, and the date. The County should have procedures in place to verify the accuracy of the reports and that the reports agree to the underlying support.

Condition: The final report submitted by Dodge County for November 2020 did not balance to supporting documentation and, therefore, was not complete and accurate. Also, there was no documented review of reports by someone other than the preparer for 2020.

Questioned Costs: \$64,974

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

Context: The County expended a total of \$2,527,669 in COVID-19 – Coronavirus Relief Funds and incurred other expenditures which were not reported.

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

Effect: The reporting error resulted in \$64,974 being reported that did not balance to the County general ledger or have supporting documentation for those expenditures.

Cause: The error was made while reporting expenditure categories which caused additional expenditures to be reported that were not supported by the general ledger.

Recommendation: We recommend the County implement policies and procedures to ensure reports are reviewed for accuracy and completeness by an individual independent of the preparer.

View of Responsible Official: Concur

IV. OTHER FINDINGS AND RECOMMENDATIONS

MINNESOTA LEGAL COMPLIANCE

Finding Number: 2020-005

Prior Year Finding Number: 2019-003

Repeat Finding Since: 2014

Unsecured Deposits

Criteria: Governmental entities are required by Minn. Stat. § 118A.03, subd. 3, to obtain collateral to secure deposits to the extent funds on deposit exceed available federal deposit insurance at the close of the financial institution's banking day. As required by Minn. Stat. § 118A.03, subd. 3, the market value of collateral should be at least ten percent more than the uninsured and unbonded amount on deposit.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

Condition: For one financial institution, the fair market value of collateral pledged to secure uninsured deposits was not obtained to determine if it was sufficient to meet the 110 percent requirement for October and December of 2020.

Context: In October, the County's deposits were undercollateralized by \$2,991,459, and in December, the County's deposits were undercollateralized by \$1,942,396.

Effect: The County was not in compliance with Minnesota statutes, and County deposits may have been exposed to custodial credit risk.

Cause: The County indicated documentation of collateral for those months could not be found or obtained.

Recommendation: We recommend the County monitor all County deposits to ensure there is adequate collateral pledged to secure deposits in accordance with Minn. Stat. § 118A.03.

View of Responsible Official: Concur

Finding Number: 2020-006

Prior Year Finding Number: 2019-004

Repeat Finding Since: 2019

Collateral Assignments

Criteria: Minnesota Statutes, section 118A.03, subdivision 4, states that, "[a]ny collateral pledged shall be accompanied by a written assignment to the government entity from the financial institution. The written assignment shall recite that, upon default, the financial institution shall release to the government entity on demand, free of exchange or any other charges, the collateral pledged." Finally, to be enforceable under federal law (12 U.S.C. § 1823(e)), this written assignment must be approved by the depository's board of directors or loan committee and must be an official record of the depository.

Condition: The County's depositories have not provided written assignment for all collateral pledged to secure County deposits. Also, documentation of approval by the depository's board of directors or loan committee was not provided.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

Context: Depositories have pledged securities from their investment portfolio as collateral to secure deposits in excess of the available federal deposit insurance. However, for two of the depositories tested, a written assignment of the collateral to the County was absent from the pledging documents.

Effect: Without an approved written assignment of the pledged collateral, the County does not have a perfected security interest in the pledged collateral. Deposits held in excess of federal deposit insurance are at risk of loss should a depository fail.

Cause: The Finance Director asserted that assignment and collateral substitution records were found to be incomplete.

Recommendation: We recommend the County require its depositories to provide written assignments for all collateral pledged. The assignments should include the statutory language required by Minn. Stat. § 118A.03, subd. 4, and should be approved by each bank's board of directors or loan committee, with the County receiving documentation of that approval.

View of Responsible Official: Concur

MANAGEMENT PRACTICES

Finding Number: 2020-007

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Ditch Deficit Fund Balance

Criteria: As provided by Minn. Stat. § 103E.735, subd. 1, a fund balance to be used for repairs may be established for any drainage system, not to exceed 20 percent of the assessed benefits of the ditch system or \$100,000, whichever is larger.

Condition: As of December 31, 2020, the County had individual ditch systems where liabilities exceeded assets, resulting in individual deficit fund balance amounts.

**DODGE COUNTY
MANTORVILLE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

Context: Four of the six individual ditch systems had deficit fund balances as of December 31, 2020, totaling \$152,812.

Effect: Ditch systems with deficits indicate measures have not been taken to ensure an individual ditch system can meet financial obligations.

Cause: The ditch systems have required high costs due to unexpected repairs as they are very old systems.

Recommendation: We recommend the County eliminate the ditch system fund balance deficits by levying assessments pursuant to Minn. Stat. § 103E.735, subd. 1, which permits the accumulation of a surplus balance to provide for the repair and maintenance costs of a ditch system.

View of Responsible Official: Concur

DODGE COUNTY

721 MAIN STREET NORTH

MANTORVILLE, MN 55955

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www.co.dodge.mn.us



**REPRESENTATION OF DODGE COUNTY
MANTORVILLE, MINNESOTA**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2020**

Finding Number: 2020-001

Finding Title: Audit Adjustment

Name of Contact Person Responsible for Corrective Action:

Lisa Kramer, Finance Director

Corrective Action Planned:

Finance Director will work with staff to complete their audit work more accurately and review their work for correctness to lessen the occurrence of errors.

Anticipated Completion Date:

2021 Fiscal Audit FYE 12/31/2021

Finding Number: 2020-002

Finding Title: Reconciliation of Treasurer's Cash Book to the General Ledger and Bank Statements

Name of Contact Person Responsible for Corrective Action:

Sara Marquardt, Account Services Director and Jean Allen, Taxpayer Services Director

Corrective Action Planned:

A schedule for reconciling these two accounts has been set up, with consequences for non-compliance.

Anticipated Completion Date:

2021 Fiscal Audit FYE 12/31/2021

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Finding Number: 2020-003

Finding Title: Investment Oversight

Name of Contact Person Responsible for Corrective Action:

Lisa Kramer, Finance Director

Corrective Action Planned:

Finance Director will present investment portfolio to the County Board quarterly.

Anticipated Completion Date:

December 31, 2023

Finding Number: 2020-004

Finding Title: Reporting

Program: COVID-19 Coronavirus Relief Fund (CFDA # 20.219)

Name of Contact Person Responsible for Corrective Action:

Lisa Kramer, Finance Director

Corrective Action Planned:

Finance Director will correctly report allowed expenses in a timely manner.

Anticipated Completion Date:

2021 Fiscal Audit FYE 12/31/2021

Finding Number: 2020-005

Finding Title: Unsecured Deposits

Name of Contact Person Responsible for Corrective Action:

Lisa Kramer, Finance Director

Corrective Action Planned:

Finance Director will work directly with the County's banks to either limit balances to FDIC limits or sufficient collateral for the deposits. To aid with this the Finance Director will ask the County's banks to provide monthly collateral reports.

Anticipated Completion Date:

December 31, 2023

DODGE COUNTY

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Finding Number: 2020-006

Finding Title: Collateral Assignments

Name of Contact Person Responsible for Corrective Action:

Lisa Kramer, Finance Director

Corrective Action Planned:

Finance Director will work with the County's banks to update the county's collateral assignment documentation.

Anticipated Completion Date:

December 31, 2023

Finding Number: 2020-007

Finding Title: Ditch Deficit Fund Balance

Name of Contact Person Responsible for Corrective Action:

Lisa Kramer, Finance Director

Corrective Action Planned:

Finance Director will work with ditch boards to assess for repair work completed to get ditch cash balances restored. To address negative balances at the end of the year, the Finance Director will ask the County Board to approve a loan to each ditch with a negative balance.

Anticipated Completion Date:

December 31, 2023



**REPRESENTATION OF DODGE COUNTY
MANTORVILLE, MINNESOTA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Finding Number: 2019-001

Finding Title: Audit Adjustments

Summary of Condition: A material audit adjustment was identified that resulted in a significant change to the County's financial statements.

Summary of Corrective Action Previously Reported: We will move the audit preparation earlier in the year, so there is more time to review work. We are also holding departments and ourselves to timely review of transactions which will also lessen the likelihood of audit adjustments. Time will be spent reviewing prior year adjustments and reclassifications, to correct how transactions are recorded on the current year audit.

Status: Not Corrected. Office had a key staff retirement. Training new staff to fill the key role and training staff to backfill the vacancy from an internal hire took significant time. As a result the office fell behind. We have since completed additional training from outside audit firms and staff from other counties.

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

Finding Number: 2019-002

Finding Title: Reconciliation of Treasurer's Cash Book to the General Ledger

Summary of Condition: The County is not reconciling the Treasurer's cash book to the general ledger on a regular basis. As of November 10, 2020, the most recent reconciliation of the Treasurer's cash book and the general ledger was performed for month-end December 31, 2018. The December 31, 2019, Treasurer's cash book has not been entirely reconciled to the general ledger.

Summary of Corrective Action Previously Reported: The County will work with staff to correct this for fiscal year 2020 within the first quarter of 2021.

Status: Not Corrected. County staff has reconciled cash book and general ledger to December 2020. We are reorganizing the department workload to develop a better workflow to get balancing caught up and simpler to maintain.

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

Finding Number: 2019-003

Finding Title: Unsecured Deposits

Summary of Condition: The fair market value of collateral pledged to secure uninsured deposits was not sufficient to meet the 110 percent requirement for one financial institution in October and one in December.

Summary of Corrective Action Previously Reported: The County will work with that bank to either put additional securities in place, a Federal Home Loan Bank Irrevocable Standby Letter of Credit, or an ICS Sweep Agreement prior to December 31, 2020.

Status: Not Corrected. This finding was due to a bank sale. There were no records for the exact value of the underlying bank collateral, however the county did have evidence of the rights to the underlying collateral. This bank can produce collateral values for the securities it holds now.

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

Finding Number: 2019-004

Finding Title: Collateral Assignments

Summary of Condition: The County's depositories have not provided written assignment for all collateral pledged to secure the County deposits. Documentation was also not provided of approval by the depository's board of directors or loan committee.

Summary of Corrective Action Previously Reported: Finance Director will request new assignments from each bank to start from a fresh position. Then create a spreadsheet to track substitutions that can tie back to the records on file.

Status: Not Corrected. Finance Director will request updated director's resolutions from Luminate Bank, Home Federal Bank, Heritage Bank, Bremer Bank, and Wells Fargo Bank.

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