

State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

Grant County Elbow Lake, Minnesota

Year Ended December 31, 2022

Description of the Office of the State Auditor

The Office of the State Auditor (OSA) helps ensure financial integrity and accountability in local government financial activities. The OSA is the constitutional office that oversees more than \$40 billion in annual financial activity by local governments and approximately \$20 billion of federal funding financial activity.

The OSA performs around 90 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office maintains the following seven divisions:

- **Audit Practice:** Helps ensure fiscal integrity by conducting financial and compliance audits of local governments and the federal compliance audit of the State of Minnesota.
- **Constitution:** Connects with the public via external communication, media relations, legislative coordination, and public engagements for the State Auditor.

This division also supports the State Auditor's service on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, the Minnesota Historical Society, and the Rural Finance Authority Board.

- **Government Information:** Collects, analyzes, and shares local government financial data to assist in policy and spending decisions; administers and supports financial tools including the Small Cities and Towns Accounting System (CTAS) software and infrastructure comparison tools.
- **Legal/Special Investigations:** Provides legal analysis and counsel to the OSA and responds to outside inquiries about Minnesota local law relevant to local government finances; investigates local government financial records in response to specific allegations of theft, embezzlement, or unlawful use of public funds or property.
- **Operations:** Ensures the office runs efficiently by providing fiscal management and technology support to the office.
- **Pension:** Analyzes investment, financial, and actuarial reporting for Minnesota's local public pension plans and monitors pension plan operations.
- **Tax Increment Financing (TIF):** Promotes compliance and accountability in local governments' use of tax increment financing through education, reporting, and compliance reviews.

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www.osa.state.mn.us

Grant County Elbow Lake, Minnesota

Year Ended December 31, 2022



Office of the State Auditor

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

Grant County Elbow Lake, Minnesota

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Introductory Section

**Grant County
Elbow Lake, Minnesota**

**Organization Schedule
December 31, 2022**

Office	Name	Term Expires
Commissioners		
1st District	Troy Johnson	January 2025
2nd District	Dwight Walvatne	January 2023
3rd District	Kenneth Johnson	January 2025
4th District	Bill LaValley*	January 2023
5th District	Doyle Sperr	January 2025
Officers		
Elected		
Attorney	Justin R. Anderson	January 2023
Auditor	Chad Van Santen	January 2023
County Recorder	Diann Giese	January 2023
Sheriff	Mark Haberer	January 2023
Treasurer	Amanda Lustila	January 2023
Appointed		
Assessor	Karl Lindquist	January 2025
Highway Engineer	Tracey Von Bargen	May 2024
Veterans Service Officer	Robert Larsen	Indefinite
Coroner	Midwest Medical Examiner's Office	January 2028

*Chair

Financial Section



Independent Auditor's Report

Board of County Commissioners
Grant County
Elbow Lake, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Grant County, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Grant County as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing and Redevelopment Authority (HRA) of Grant County, the discretely presented component unit. 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 HRA of Grant County component unit, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, which represents a change in accounting principles. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed;
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the budgetary comparison schedules for the General Fund, and the Road and Bridge and Human Services Special Revenue Funds; Schedule of Changes in Total OPEB Liability and Related Ratios – Other Postemployment Benefits; PERA retirement plan schedules; and Notes to the Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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 Grant County's basic financial statements. The combining nonmajor governmental fund financial statements, Budgetary Comparison Schedule – Solid Waste Special Revenue Fund, combining fiduciary fund financial statements, Balance Sheet – By Ditch – Ditch Special Revenue Fund, Schedule of Intergovernmental Revenue, and Schedule of Expenditures of Federal Awards and related notes, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information as identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

/s/Julie Blaha

Julie Blaha
State Auditor

November 9, 2023

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor

Management's Discussion and Analysis

Grant County Elbow Lake, Minnesota

Management's Discussion and Analysis December 31, 2022 (Unaudited)

Introduction

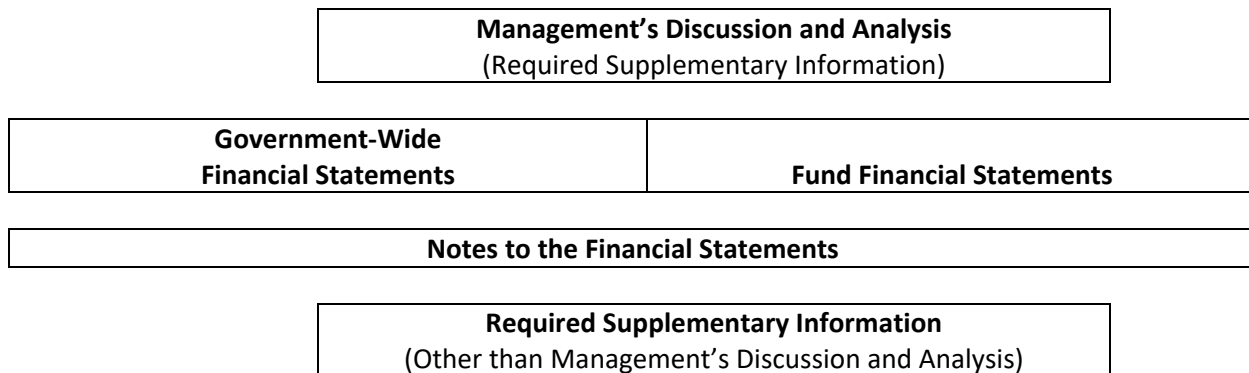
Grant County's Management's Discussion and Analysis (MD&A) provides an overview of the County's financial activities for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with Grant County's financial statements and the notes to the financial statements.

Financial Highlights

- Governmental activities' total net position is \$59,948,850, of which \$49,865,010 is the net investment in capital assets and \$5,518,787 is restricted to specific purposes/uses by the County.
- The net cost of Grant County's governmental activities for the year ended December 31, 2022, was \$5,671,177; the net cost was funded by general revenues totaling \$9,219,520.

Overview of the Financial Statements

Grant County's MD&A serves as an introduction to the basic financial statements. The County's basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements. The MD&A (this section), certain budgetary comparison schedules, information on the County's other postemployment benefits (OPEB) and net pension liability, 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 inter-related.



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

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

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

These two statements consider all of Grant County's current year revenues and expenses, regardless of when the County receives the revenue or pays the expense, and reports the County's net position and changes in them. You can think of the County's net position—the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources—as one way to measure Grant County's financial health or financial position. Over time, increases or decreases in the County's net position is 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 general economic conditions of the state and County, to assess the overall health of Grant County.

- **Governmental activities**—Grant County reports its basic services in the “Governmental Activities” column of these reports. The activities reported by the County include general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development. Grant County finances the majority of these activities with local property taxes, state-paid aids, fees, charges for services, and federal and state grants.
- **Component unit**—Grant County includes a separate legal entity in its report, the Housing and Redevelopment Authority of Grant County. This entity is presented in a separate column. Although legally separate, the component unit is important because the County is financially accountable for it.

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

Fund Financial Statements

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

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

The basic governmental fund financial statements can be found as Exhibits 3 through 6 of this report.

- **Fiduciary funds**—Grant County is the trustee, or fiduciary, over assets that can be used only for the trust beneficiaries based on a trust agreement. The County is also an agent for individuals, private organizations, other governments or other funds. The County reports its fiduciary activities in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These activities have been excluded from the

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

The fiduciary funds financial statements can be found as Exhibits 7 and 8 of this report.

Notes to the Financial Statements

Notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 29 of this report.

The County as a Whole

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

Table 1
Net Position

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	\$ 20,132,905	\$ 19,286,202
Capital assets, net of accumulated depreciation	57,381,347	54,544,990
Total Assets	\$ 77,514,252	\$ 73,831,192
Deferred Outflows of Resources		
Deferred OPEB outflows	\$ 66,321	\$ 77,332
Deferred pension outflows	3,169,239	2,683,383
Total Deferred Outflows of Resources	\$ 3,235,560	\$ 2,760,715
Liabilities		
Current liabilities	\$ 1,835,173	\$ 1,458,387
Long-term liabilities	15,176,920	13,010,583
Total Liabilities	\$ 17,012,093	\$ 14,468,970
Deferred Inflows of Resources		
Deferred OPEB inflows	\$ 443,112	\$ 119,792
Deferred pension inflows	1,279,444	3,527,175
Advance from other governments	2,066,313	346,690
Total Deferred Inflows of Resources	\$ 3,788,869	\$ 3,993,657
Net Position		
Net investment in capital assets	\$ 49,865,010	\$ 46,955,420
Restricted	5,518,787	4,886,015
Unrestricted	4,565,053	6,287,845
Total Net Position	\$ 59,948,850	\$ 58,129,280

The County's total net position for the year ended December 31, 2022, totals \$59,948,850. The governmental activities' unrestricted net position, totaling \$4,565,053, is available to finance the day-to-day operations of the governmental activities of Grant County.

Table 2
Changes in Net Position

	Governmental Activities	
	2022	2021 (Restated)
Revenues		
Program revenues		
Fees, charges, fines, and other	\$ 2,241,521	\$ 2,873,262
Operating grants and contributions	5,768,322	6,175,985
Capital grants and contributions	2,112,473	824,385
General revenues		
Property taxes	7,612,615	7,321,035
Other taxes	371,430	333,456
Payments in lieu of tax	76,102	75,613
Grants and contributions not restricted to specific programs	1,056,245	1,060,690
Unrestricted investment earnings	103,128	16,968
Gain on sale of capital assets	-	88,328
Total Revenues	\$ 19,341,836	\$ 18,769,722
Expenses		
General government	\$ 4,418,670	\$ 3,597,413
Public safety	2,369,341	2,277,442
Highways and streets	5,464,122	2,860,650
Sanitation	873,462	749,215
Human services	1,537,473	3,739,339
Health	43,130	43,323
Culture and recreation	107,975	104,122
Conservation of natural resources	580,002	517,734
Economic development	75,000	331,500
Interest	324,318	180,858
Total Expenses	\$ 15,793,493	\$ 14,401,596
Contributions to Permanent Fund	\$ 48,170	\$ -
Special Item	\$ (1,776,943)	\$ -
Change in Net Position	\$ 1,819,570	\$ 4,368,126
Net Position – January 1, as restated (Note 1)	58,129,280	53,761,154
Net Position – December 31	\$ 59,948,850	\$ 58,129,280

Governmental Activities

Revenues for Grant County's governmental activities for the year ended December 31, 2022, were \$19,341,836. The County's cost for all governmental activities for the year ended December 31, 2022, was \$15,793,493. Net position for the County's governmental activities increased by \$1,819,570 in 2022, an increase of 3.1 percent.

As shown in the Statement of Activities, the amount that Grant County taxpayers ultimately financed for these governmental activities through local property taxation was \$7,612,615, because \$10,122,316 of the costs were paid by grants and contributions received for those programs and by those who directly benefited from the programs, and \$1,056,245 was paid by other governments and organizations that provided additional grants and contributions. Grant County paid for the remaining "public benefit" portion of governmental activities with \$550,660 in other revenues, such as investment income, mortgage registry tax, state deed tax, wind tax, and payments in lieu of tax.

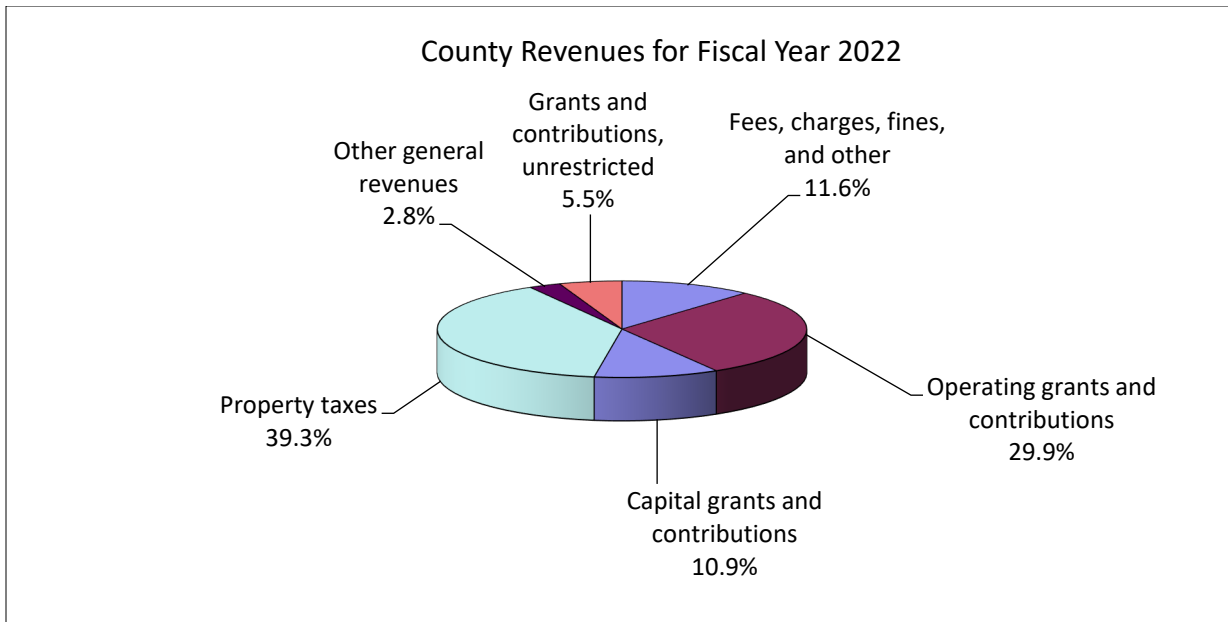
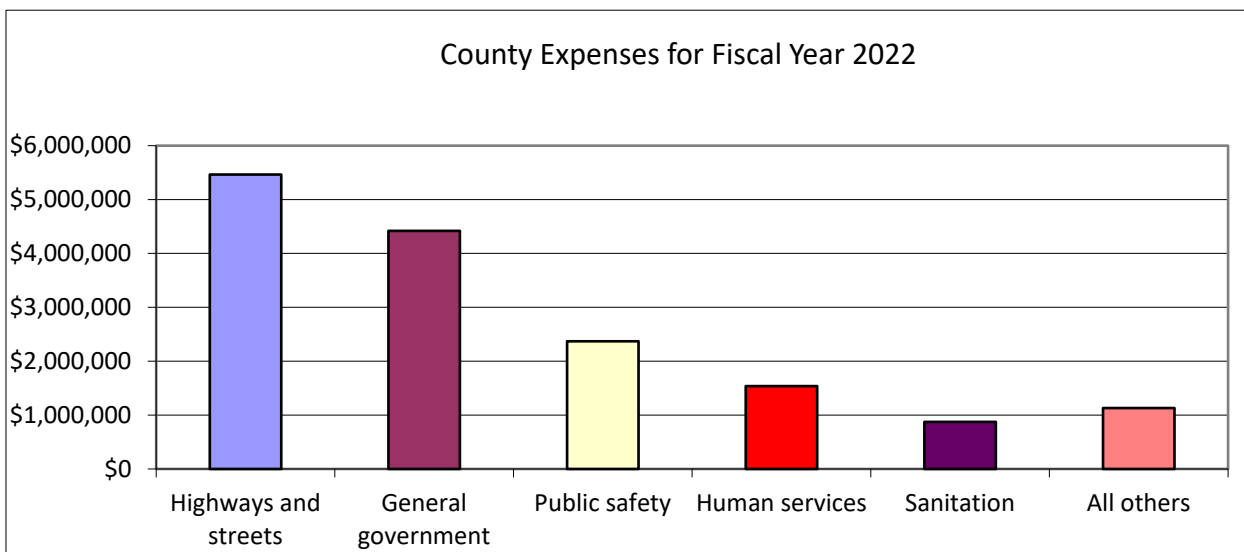


Table 3 presents the cost of each of Grant County's five largest program functions, as well as each function's net cost (total cost, less revenues generated by the activities). The net cost shows the financial burden placed on Grant County taxpayers by each of these functions.

Table 3
Governmental Activities

	Total Cost of Services	Net Cost of Services
Program expenses		
Highways and streets	\$ 5,464,122	\$ (1,768,137)
General government	4,418,670	3,234,821
Public safety	2,369,341	1,833,006
Human services	1,537,473	1,531,022
Sanitation	873,462	66,055
All others	1,130,425	774,410
Total Program Expenses	<u>\$ 15,793,493</u>	<u>\$ 5,671,177</u>



The County's Funds

As Grant County completed the year, its governmental funds, as presented in the Balance Sheet, reported a combined fund balance of \$14,246,687.

As of January 1, 2022, Grant County entered into a joint powers agreement with Pope County to form Western Prairie Human Services. Fund balance transfers of \$1,776,943 from the Human Services Special Revenue Fund, a total of \$677,824 from the Assertive Community Treatment and Adult Mental Health Initiative Custodial Funds, and \$16,239 from the Social Welfare Private-Purpose Trust Fund were made.

General Fund Budgetary Highlights

The Grant County Board of Commissioners, over the course of a budget year, may amend/revise the County's General Fund budget; in 2022, no budget amendments were made.

In the General Fund, the actual revenues were \$1,630,475 more than expected revenues, and actual expenditures were \$1,561,327 more than budgeted expenditures. These differences were primarily due to non-budgeted revenues and expenditures of mortgage registry tax collections, sale of assets and State Coronavirus Relief Funds received in 2022.

Capital Assets and Debt Administration

Capital Assets

At the end of 2022, Grant County had \$57,381,347 invested in a broad range of capital assets, net of depreciation. This investment in capital assets includes land, buildings, highways and streets, and equipment (see Table 4).

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

	2022	2021 (Restated)
Land and right-of-way	\$ 1,605,060	\$ 1,515,920
Construction in progress	6,072,144	8,111,687
Buildings	10,396,071	10,841,107
Office furniture and equipment	113,716	128,209
Machinery and automotive	2,144,652	1,796,486
Infrastructure	36,832,428	32,151,581
Leased office furniture and equipment	69,023	61,884
Leased machinery and automotive	148,253	161,182
Totals	<u>\$ 57,381,347</u>	<u>\$ 54,768,056</u>

Long-Term Debt

As of December 31, 2022, Grant County had \$3,449,131 in bonds outstanding, compared with \$3,660,446 as of December 31, 2021, a decrease of 5.8 percent.

Table 5
Outstanding Debt at Year-End

	2022	2021
Bonds payable		
General obligation bonds	\$ -	\$ 115,000
Taxable general obligation capital improvement bonds	2,000,000	2,000,000
General obligation refunding bonds	1,415,000	1,510,000
Unamortized premiums	39,065	42,129
Less: unamortized discounts	(4,934)	(6,683)
Totals	\$ 3,449,131	\$ 3,660,446

Other long-term obligations include leases payable, loans payable, installment purchase payable, compensated absences, other postemployment benefits, and the net pension liability. Grant County's notes to the financial statements provide detailed information about the County's long-term liabilities.

Economic Factors and Next Year's Budgets and Rates

The County's elected and appointed officials considered many factors when setting the fiscal year 2023 budget and tax rates. These factors include federal and state aid, increasing input costs and maintaining appropriate fund balances while being mindful of the burden on County taxpayers, and a need to provide a certain level of services to Grant County residents/taxpayers.

- Major revenue sources for the County are state-paid aids, credits, and grants. Should the State of Minnesota make significant changes to these revenues, it would have a significant impact on next year's budget.
- Reviewing revenue sources and considering cost-effective and efficient means for the delivery of Grant County programs and services will influence the development of future budgets.

Contracting the County's Financial Management

Grant County's financial report provides citizens, taxpayers, customers, investors, and creditors with a general overview of Grant County's finances and shows the County's accountability for the money it receives and spends. If you have questions about this report or need additional financial information, contact Chad Van Santen, Grant County Auditor, (218-685-8236), Grant County Courthouse, 10 Second Street Northeast, Elbow Lake, Minnesota 56531-4400.

Basic Financial Statements

Government-Wide Financial Statements

**Grant County
Elbow Lake, Minnesota**

Exhibit 1

**Statement of Net Position
December 31, 2022**

	Primary Government Governmental Activities	Component Unit Housing and Redevelopment Authority of Grant County
<u>Assets</u>		
Cash and pooled investments	\$ 17,402,062	\$ 1,204,430
Taxes receivable – net	122,268	-
Special assessments receivable		
Delinquent	4,541	-
Noncurrent	1,299,814	-
Accounts receivable – net	50,434	-
Rent receivable – net	-	2,509
Accrued interest receivable	51,736	-
Due from other governments	1,054,900	-
Prepaid items	-	28,524
Inventories	147,150	-
Restricted assets		
Cash and pooled investments	-	29,223
Capital assets		
Non-depreciable or amortizable	7,677,204	188,204
Depreciable or amortizable – net of accumulated depreciation and amortization	49,704,143	1,939,872
Total Assets	\$ 77,514,252	\$ 3,392,762
<u>Deferred Outflows of Resources</u>		
Deferred other postemployment benefits outflows	\$ 66,321	\$ -
Deferred pension outflows	3,169,239	-
Total Deferred Outflows of Resources	\$ 3,235,560	\$ -
<u>Liabilities</u>		
Accounts payable	\$ 239,092	\$ 85,397
Salaries payable	115,136	-
Contracts payable	418,717	-
Due to other governments	92,002	-
Accrued interest payable	55,019	-
Unearned revenue	915,207	-
Long-term liabilities		
Due within one year	441,144	72,983
Due in more than one year	8,532,982	1,240,421
Net pension liability	5,757,301	-
Other postemployment benefits liability	445,493	-
Total Liabilities	\$ 17,012,093	\$ 1,398,801

**Grant County
Elbow Lake, Minnesota**

**Exhibit 1
(Continued)**

**Statement of Net Position
December 31, 2022**

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Housing and Redevelopment Authority of Grant County</u>
<u>Deferred Inflows of Resources</u>		
Deferred other postemployment benefits inflows	\$ 443,112	\$ -
Deferred pension inflows	1,279,444	-
Advance from other governments	<u>2,066,313</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>\$ 3,788,869</u>	<u>\$ -</u>
<u>Net Position</u>		
Net investment in capital assets	\$ 49,865,010	\$ 829,684
Restricted for		
Debt service	2,489,181	-
General government	206,088	-
Public safety	503,217	-
Highways and streets	1,475,186	-
Conservation of natural resources	802,235	-
Opioid remediation activities	40,410	-
Held in trust for other purposes	2,470	-
Other purposes	-	1,211
Unrestricted	<u>4,565,053</u>	<u>1,163,066</u>
Total Net Position	<u>\$ 59,948,850</u>	<u>\$ 1,993,961</u>

**Grant County
Elbow Lake, Minnesota**

**Statement of Activities
For the Year Ended December 31, 2022**

	<u>Expenses</u>	<u>Fees, Charges, Fines, and Other</u>
<u>Functions/Programs</u>		
Primary government		
Governmental activities		
General government	\$ 4,418,670	\$ 780,659
Public safety	2,369,341	376,844
Highways and streets	5,464,122	140,945
Sanitation	873,462	710,886
Human services	1,537,473	-
Health	43,130	-
Culture and recreation	107,975	-
Conservation of natural resources	580,002	232,187
Economic development	75,000	-
Interest	324,318	-
Total Primary Government	<u>\$ 15,793,493</u>	<u>\$ 2,241,521</u>
Component unit		
Housing and Redevelopment Authority of Grant County	<u>\$ 992,001</u>	<u>\$ 606,947</u>
General Revenues		
Property taxes, levied for general purposes		
Mortgage registry and deed tax		
Wind production tax		
Payments in lieu of tax		
Grants and contributions not restricted to specific programs		
Unrestricted investment earnings		
Gain on sale of capital assets		
Contributions to Permanent Fund		
Special Item		
Transfer of human services operation to Western Prairie Human Services (Note 1)		
Total general revenues, contributions, and special item		
Change in net position		
Net Position – Beginning, as restated (Note 1)		
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	Component Unit Housing and Redevelopment Authority of Grant County
\$ 403,190	\$ -	\$ (3,234,821)	
159,491	-	(1,833,006)	
4,978,841	2,112,473	1,768,137	
96,521	-	(66,055)	
6,451	-	(1,531,022)	
40,410	-	(2,720)	
-	-	(107,975)	
83,418	-	(264,397)	
-	-	(75,000)	
-	-	(324,318)	
<u>\$ 5,768,322</u>	<u>\$ 2,112,473</u>	<u>\$ (5,671,177)</u>	
<u>\$ 263,672</u>	<u>\$ -</u>		<u>\$ (121,382)</u>
		\$ 7,612,615	\$ -
		325,596	-
		45,834	-
		76,102	-
		1,056,245	-
		103,128	3,102
		-	-
		48,170	-
		<u>(1,776,943)</u>	<u>-</u>
		<u>\$ 7,490,747</u>	<u>\$ 3,102</u>
		\$ 1,819,570	\$ (118,280)
		<u>58,129,280</u>	<u>2,112,241</u>
		<u>\$ 59,948,850</u>	<u>\$ 1,993,961</u>

Fund Financial Statements

Governmental Funds

**Grant County
Elbow Lake, Minnesota**

**Balance Sheet
Governmental Funds
December 31, 2022**

	<u>General</u>	<u>Road and Bridge</u>
<u>Assets</u>		
Cash and pooled investments	\$ 5,636,289	\$ 7,888,764
Taxes receivable – net	75,503	22,577
Special assessments		
Delinquent	-	-
Noncurrent	-	-
Accounts receivable – net	37,386	-
Accrued interest receivable	51,503	-
Due from other governments	342,801	712,099
Inventories	-	147,150
Total Assets	<u>\$ 6,143,482</u>	<u>\$ 8,770,590</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>		
Liabilities		
Accounts payable	\$ 68,122	\$ 164,020
Salaries payable	72,769	41,918
Contracts payable	-	418,717
Due to other governments	69,934	2,576
Unearned revenue	915,207	-
Total Liabilities	<u>\$ 1,126,032</u>	<u>\$ 627,231</u>
Deferred Inflows of Resources		
Unavailable revenues	\$ 35,234	\$ 691,180
Advance from other governments	-	2,066,313
Total Deferred Inflows of Resources	<u>\$ 35,234</u>	<u>\$ 2,757,493</u>

Exhibit 3

Human Services	County Ditch 29 Debt Service	Nonmajor Funds	Total
\$ 1,633,607	\$ 271,639	\$ 1,971,763	\$ 17,402,062
18,092	-	6,096	122,268
-	-	4,541	4,541
-	1,299,814	-	1,299,814
-	-	13,048	50,434
-	163	70	51,736
-	-	-	1,054,900
-	-	-	147,150
\$ 1,651,699	\$ 1,571,616	\$ 1,995,518	\$ 20,132,905
\$ -	\$ -	\$ 6,950	\$ 239,092
-	-	449	115,136
-	-	-	418,717
-	-	19,492	92,002
-	-	-	915,207
\$ -	\$ -	\$ 26,891	\$ 1,780,154
\$ 7,866	\$ 1,299,814	\$ 5,657	\$ 2,039,751
-	-	-	2,066,313
\$ 7,866	\$ 1,299,814	\$ 5,657	\$ 4,106,064

**Grant County
Elbow Lake, Minnesota**

**Balance Sheet
Governmental Funds
December 31, 2022**

	<u>General</u>	<u>Road and Bridge</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u> (Continued)		
Fund Balances		
Nonspendable		
Trust principal	\$ -	\$ -
Inventories	-	147,150
Missing heirs	2,470	-
Restricted		
Endowments	13,874	-
Law library	18,082	-
Debt service	-	-
Recorder's technology equipment	71,105	-
Election equipment	24,340	-
E-911	468,789	-
Recorder's compliance	78,687	-
DARE	3,550	-
Forfeitures	30,878	-
Opioid settlement	40,410	-
County state-aid highway system	-	3,353,960
Ditch maintenance and construction	-	-
Committed		
Sheriff's contingencies	5,000	-
Assigned		
Highways and streets	-	1,884,756
Human services	-	-
Sanitation	-	-
Sheriff improvement	26,637	-
Unassigned	4,198,394	-
Total Fund Balances	\$ 4,982,216	\$ 5,385,866
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,143,482	\$ 8,770,590

Exhibit 3
(Continued)

<u>Human Services</u>	<u>County Ditch 29 Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 166,375	\$ 166,375
-	-	-	147,150
-	-	-	2,470
-	-	-	13,874
-	-	-	18,082
-	-	1,189,367	1,189,367
-	-	-	71,105
-	-	-	24,340
-	-	-	468,789
-	-	-	78,687
-	-	-	3,550
-	-	-	30,878
-	-	-	40,410
-	-	-	3,353,960
-	271,802	364,058	635,860
-	-	-	5,000
-	-	-	1,884,756
1,643,833	-	-	1,643,833
-	-	251,825	251,825
-	-	-	26,637
-	-	(8,655)	4,189,739
<u>\$ 1,643,833</u>	<u>\$ 271,802</u>	<u>\$ 1,962,970</u>	<u>\$ 14,246,687</u>
<u><u>\$ 1,651,699</u></u>	<u><u>\$ 1,571,616</u></u>	<u><u>\$ 1,995,518</u></u>	<u><u>\$ 20,132,905</u></u>

**Grant County
Elbow Lake, Minnesota**

Exhibit 4

**Reconciliation of Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position—Governmental Activities
December 31, 2022**

Fund balances – total governmental funds (Exhibit 3)	\$	14,246,687
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		57,381,347
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Deferred outflows of resources are not available resources and, therefore, are not reported in the governmental funds.

Deferred other postemployment benefits outflows	\$ 66,321	
Deferred pension outflows	3,169,239	3,235,560

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.		2,039,751
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

General obligation bonds	\$ (3,415,000)	
Bond discounts	4,934	
Bond premiums	(39,065)	
Leases payable	(217,553)	
Loans payable	(20,148)	
Installment purchase payable	(4,885,000)	
Compensated absences	(402,294)	
Net pension liability	(5,757,301)	
Other postemployment benefits liability	(445,493)	
Accrued interest payable	(55,019)	(15,231,939)

Deferred inflows of resources are created as a result of various differences related to other postemployment benefits and pensions that are not recognized in the governmental funds.

Deferred other postemployment benefits inflows	\$ (443,112)	
Deferred pension inflows	(1,279,444)	(1,722,556)

Net Position of Governmental Activities (Exhibit 1)	\$	<u>59,948,850</u>
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**Grant County
Elbow Lake, Minnesota**

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022**

	<u>General</u>	<u>Road and Bridge</u>
Revenues		
Taxes	\$ 4,980,479	\$ 1,443,608
Special assessments	-	-
Licenses and permits	10,123	-
Intergovernmental	1,432,182	7,989,236
Charges for services	641,587	123,833
Fines and forfeits	2,617	-
Gifts and contributions	120	-
Investment earnings	101,228	-
Miscellaneous	568,216	17,112
Total Revenues	\$ 7,736,552	\$ 9,573,789
Expenditures		
Current		
General government	\$ 4,063,479	\$ -
Public safety	2,117,272	-
Highways and streets	-	7,916,540
Sanitation	-	-
Human services	-	-
Health	43,130	-
Culture and recreation	107,975	-
Conservation of natural resources	484,745	-
Economic development	75,000	-
Capital Outlay		
General government	94,883	-
Public safety	224,681	-
Intergovernmental		
Highways and streets	-	408,054
Human services	-	-
Debt service		
Principal	265,806	-
Interest	190,433	-
Total Expenditures	\$ 7,667,404	\$ 8,324,594
Excess of Revenues Over (Under) Expenditures	\$ 69,148	\$ 1,249,195
Other Financing Sources (Uses)		
Leases issued	319,564	-

Exhibit 5

Human Services	County Ditch 29 Debt Service	Nonmajor Funds	Total
\$ 1,156,594	\$ -	\$ 400,876	\$ 7,981,557
-	131,475	182,104	313,579
-	-	-	10,123
137,597	-	171,726	9,730,741
-	-	533,960	1,299,380
-	-	-	2,617
-	-	48,170	48,290
-	922	978	103,128
2,322	-	46,903	634,553
\$ 1,296,513	\$ 132,397	\$ 1,384,717	\$ 20,123,968
\$ -	\$ -	\$ -	\$ 4,063,479
-	-	-	2,117,272
-	-	-	7,916,540
-	-	869,820	869,820
18,850	-	-	18,850
-	-	-	43,130
-	-	-	107,975
-	-	96,433	581,178
-	-	-	75,000
-	-	-	94,883
-	-	-	224,681
-	-	-	408,054
1,671,143	-	-	1,671,143
-	95,000	115,000	475,806
-	24,494	113,030	327,957
\$ 1,689,993	\$ 119,494	\$ 1,194,283	\$ 18,995,768
\$ (393,480)	\$ 12,903	\$ 190,434	\$ 1,128,200
-	-	-	319,564

**Grant County
Elbow Lake, Minnesota**

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022**

	<u>General</u>	<u>Road and Bridge</u>
Special Item		
Transfer of human services operation to Western Prairie Human Services	-	-
Net Change in Fund Balance	\$ 388,712	\$ 1,249,195
Fund Balance – January 1	4,593,504	4,296,156
Increase (decrease) in inventories	-	(159,485)
Fund Balance – December 31	<u>\$ 4,982,216</u>	<u>\$ 5,385,866</u>

Exhibit 5
(Continued)

<u>Human Services</u>	<u>County Ditch 29 Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>(1,776,943)</u>	<u>-</u>	<u>-</u>	<u>(1,776,943)</u>
\$ (2,170,423)	\$ 12,903	\$ 190,434	\$ (329,179)
3,814,256	258,899	1,772,536	14,735,351
<u>-</u>	<u>-</u>	<u>-</u>	<u>(159,485)</u>
<u>\$ 1,643,833</u>	<u>\$ 271,802</u>	<u>\$ 1,962,970</u>	<u>\$ 14,246,687</u>

**Grant County
Elbow Lake, Minnesota**

Exhibit 6

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds to the
Government-Wide Statement of Activities—Governmental Activities
For the Year Ended December 31, 2022**

Net change in fund balances – total governmental funds (Exhibit 5)	\$	(329,179)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Unavailable revenue – December 31	\$	2,039,751	
Unavailable revenue – January 1		(2,803,118)	(763,367)

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. 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 sales increase financial resources. Therefore, the change in net position differs from the change in fund balance by the net book value of the assets sold.

Expenditures for general capital assets and infrastructure	\$	4,932,624	
Net book value of assets sold		(3,544)	
Current year depreciation and amortization		(2,092,723)	2,836,357

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

Principal repayments			
General obligation bonds	\$	210,000	
Loans		3,795	
Current year amortization of discounts/premiums		1,315	215,110

Some capital asset additions were financed through leases. In governmental funds, a lease arrangement is considered a source of financing but, in the statement of net position, the lease obligation is reported as a liability. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Principal payments on leases	\$	102,011	
Leases issued		(319,564)	(217,553)

**Grant County
Elbow Lake, Minnesota**

Exhibit 6
(Continued)

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds to the
Government-Wide Statement of Activities—Governmental Activities
For the Year Ended December 31, 2022**

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

Change in accrued interest payable	\$	2,325	
Change in installment purchase payable		160,000	
Change in compensated absences		121,499	
Change in other postemployment benefits liability		379,620	
Change in inventories		(159,485)	
Change in deferred other postemployment benefits outflows		(11,011)	
Change in deferred other postemployment benefits inflows		(323,320)	
Change in deferred pension outflows		485,856	
Change in deferred pension inflows		2,247,731	
Change in net pension liability		<u>(2,825,013)</u>	<u>78,202</u>
Change in Net Position of Governmental Activities (Exhibit 2)			<u>\$ 1,819,570</u>

Fiduciary Funds

**Grant County
Elbow Lake, Minnesota**

Exhibit 7

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022**

	<u>Custodial Funds</u>
<u>Assets</u>	
Cash and pooled investments	\$ 176,286
Taxes receivable for other governments	<u>152,173</u>
Total Assets	<u>\$ 328,459</u>
<u>Liabilities</u>	
Due to other governments	<u>\$ 176,286</u>
<u>Net Position</u>	
Restricted for:	
Individuals, organizations, and other governments	<u><u>\$ 152,173</u></u>

**Grant County
Elbow Lake, Minnesota**

Exhibit 8

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022**

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
<u>Additions</u>		
Property tax collections for other governments	\$ -	\$ 6,338,422
Licenses and fees collected for state	-	24,791
Total Additions	\$ -	\$ 6,363,213
<u>Deductions</u>		
Payments of property tax to other governments	\$ -	\$ 6,343,129
Payments to state	-	24,791
Total Deductions	\$ -	\$ 6,367,920
<u>Special Item</u>		
Transfer of human services operation to Western Prairie Human Services	\$ (16,239)	\$ (677,824)
Change in Net Position	\$ (16,239)	\$ (682,531)
Net Position – January 1	16,239	834,704
Net Position – December 31	\$ -	\$ 152,173

Grant County Elbow Lake, Minnesota

Notes to the Financial Statements As of and for the Year Ended December 31, 2022

Note 1 – Summary of Significant Accounting Policies

The County's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as of and for the year ended December 31, 2022. 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 by GAAP and used by the County are discussed below.

Financial Reporting Entity

Grant County was established March 6, 1868, 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 Grant County (primary government) and its component unit for which the County is financially accountable. 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.

Discretely Presented Component Unit

The Housing and Redevelopment Authority (HRA) of Grant County is a component unit of Grant County and is reported in a separate column in the County's government-wide financial statements to emphasize that the HRA is legally separate from Grant County. The HRA operates as a local governmental unit for the purpose of providing housing and redevelopment services to Grant County. The governing body consists of a five-member Board of Commissioners appointed by the Grant County Board of Commissioners to serve five-year terms. The financial statements included are as of and for the year ended December 31, 2022.

Component Units of the County		
Component Unit	Component Unit Included in Reporting Entity Because	Separate Financial Statements
The HRA of Grant County provides services pursuant to Minn. Stat. §§ 469.001-.047	The County appoints members, and the HRA is a financial burden.	Grant County Coordinator's Office 10 Second Street Northeast Elbow Lake, Minnesota 56531

Joint Ventures and Jointly-Governed Organizations

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

Grant County Elbow Lake, Minnesota

Basic Financial Statements

Government-Wide Statements

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

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

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

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented.

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

The County reports the following major governmental funds:

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

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

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

The County Ditch 29 Debt Service Fund is used to account for the accumulation of resources for, and the repayment of, principal, interest and related costs of drainage bonds related to County Ditch 29.

Additionally, the County reports the following fund types:

Grant County Elbow Lake, Minnesota

The Trust Payment Permanent Fund accounts for resources legally restricted to the extent that only earnings and not principal from the Trust Payment Permanent Fund may be used for County purposes.

The Social Welfare Private-Purpose Trust Fund is used to account for resources legally held in a trust for the benefit of individuals.

Custodial funds are used to account for assets held by the County for fiduciary activities, for individuals or other governments.

Measurement Focus and Basis of Accounting

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

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

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

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. Investments are reported at their fair value at December 31, 2022. 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.

Grant 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 2022 were \$101,228.

Grant County

Elbow Lake, Minnesota

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 receivables, including those of the discretely presented component unit, are 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

Special assessments receivable consist of delinquent special assessments payable in the years 2017 through 2022, and noncurrent special assessments payable in 2023 and after. No allowance for special assessments are shown because such amounts are not expected to be material. The receivable includes special assessments on solid waste fees, septic loans, and ditches.

Inventories and Prepaid Items

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

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

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (for example roads, bridges, sidewalks, and similar items), and right-to-use assets acquired under leasing arrangements are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Estimated Useful Lives of Capital Assets

Assets	Years
Buildings and building improvements	30-40
Office furniture and equipment	3-15
Right-to-use office furniture and equipment	2-5
Machinery and automotive	3-20
Right-to-use machinery and automotive	3
Infrastructure	25-100

Unearned Revenue

All County governmental funds and the government-wide financial statements report unearned revenue for resources that have been received, but not yet earned. In the current year, all unearned revenue was the result of grants received prior to revenue recognition criteria being met.

Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual vacation, sick leave, and compensatory time balances.

The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The government-wide statement of net position reports both current and noncurrent portions of compensated absences. The current portion consists of compensatory time and an amount based on a trend analysis of current usage of vacation and sick leave. The noncurrent portion consists of the remaining amount of vacation and sick leave. The compensated absences liability is liquidated through the General Fund and other governmental funds that have personal services.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of

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net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four types of deferred inflows. The governmental funds report unavailable revenue from delinquent taxes receivable, delinquent and noncurrent special assessments receivable, and for amounts that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. Unavailable revenue is deferred and recognized as an inflow of resources in the period that the amounts become available. The County reports advance allotments for state aid received by the County not yet appropriated by the State of Minnesota. Advanced allotments are reported in the governmental funds balance sheet and on the government-wide statement of net position. The County also reports deferred inflows of resources associated with pension benefits and OPEB. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

Long-Term Obligations

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

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension Plan

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

Classification of Net Position

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

Net investment in capital assets – the portion 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 – the portion 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

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provisions or enabling legislation.

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

Classification of Fund Balances

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

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

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

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

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

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

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

Minimum Fund Balance

The County has adopted a minimum fund balance policy for the General Fund in order to provide protection against the need to reduce services due to a lack of resources resulting from temporary revenue shortfalls or unpredicted expenditures. Therefore, the County Board has determined it needs to maintain a minimum level of unrestricted fund balance (committed, assigned, and unassigned) of \$800,000. The fund balance policy was adopted by the County Board on December 20, 2011.

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At December 31, 2022, unrestricted fund balance for the General Fund was above the minimum fund balance level.

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.

Special Item

On January 1, 2022, Grant County Human Services joined Pope County Human Services to form Western Prairie Human Services (WPHS), a joint entity that will serve the people of both counties. As part of this transition, Grant County agreed to contribute \$1,762,491 from the Human Services Special Revenue Fund to WPHS. Grant County also transferred an additional \$14,452 to WPHS for payroll and severance related items and petty cash. In addition, WPHS will now be the fiscal host for the Region 4 South Adult Mental Health Consortium, a joint venture of Grant County, who was the fiscal host. The Assertive Community Treatment Fund and the Adult Mental Health Initiative Fund, both custodial funds, transferred their entire fund balances of \$901,288 and (\$223,464) respectively to WPHS. The entire fund balance of \$16,239 for the Social Welfare Private-Purpose Trust Fund was also transferred to WPHS.

Change in Accounting Principles

During the year ended December 31, 2022, Grant County adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases*, which establishes criteria for accounting and financial reporting for leases. The implementation of this statement resulted in changing the presentation of the government-wide financial statements by increasing the beginning balances of the right-to-use capital assets and the leases liability by \$223,066. The implementation also resulted in reclassifying the \$5,045,000 beginning balance of capital lease payable to installment purchase payable.

Prior Period Restatement – Change in Accounting Guidance

During the year ended December 31, 2022, Grant County restated due from other governments and deferred inflows of resources – unavailable revenue by \$169,741 as a result of a change in GASB's opinion on the reporting of the National Opioid Settlement. Funds received in connection with this settlement should not be considered funds of Grant County until each annual distribution is made.

Note 2 – Stewardship, Compliance, and Accountability

Deficit Fund Equity

The Ditch Special Revenue Fund had a positive fund balance of \$355,403 as of December 31, 2022, although one individual ditch system had a deficit fund balance. This deficit will be eliminated with future special assessment levies against the benefited properties. The following is a summary of the individual ditch systems:

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Summary of Ditch Systems

19 ditches with positive fund balances	\$ 364,058
1 ditch with negative fund balance	(8,655)
Total Fund Balance	<u>\$ 355,403</u>

Excess of Expenditures Over Budget

Each of the major governmental funds' budgets are discussed in the notes to the required supplementary information. The Solid Waste Special Revenue Fund, a nonmajor governmental fund, had expenditures in excess of the final budget for the year ended December 31, 2022, in the amount of \$64,310.

Note 3 – Detailed Notes

Assets

Deposits and Investments

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

Reconciliation of the County's Total Cash and Investments to the Basic Financial Statements as of December 31, 2022

Government-wide statement of net position	
Governmental activities	
Cash and pooled investments	\$ 17,402,062
Statement of fiduciary net position	
Cash and pooled investments	<u>176,286</u>
Total Cash and Investments	<u>\$ 17,578,348</u>

Deposits

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

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be

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returned to it. The County does not have a deposit policy for custodial credit risk. The County's deposits in banks at December 31, 2022, were entirely covered by federal depository insurance and collateral in accordance with Minnesota statutes.

Investments

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

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the County's policy to invest only in securities that meet the ratings requirements set by state statute. None of the County's investments at December 31, 2022, were rated.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party. The County does not have a policy on custodial credit risk. As of December 31, 2022, the County's investments were not exposed to custodial credit risk.

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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 does not have a policy on concentration of credit risk.

The following table presents the County's deposit and investment balances at December 31, 2022, and information relating to potential investment risk:

Deposit and Investments and Information Relating to Potential Investment Risk as of December 31, 2022			
	Concentration of Credit Risk	Interest Rate Risk	
Investment Type	Over 5 Percent of Portfolio	Maturity Date	Carrying (Fair) Value
Negotiable certificates of deposit			
Comenity Bank DE US	<5%	04/23/2023	\$ 198,980
Barclays Bank DE US	<5%	11/14/2023	237,763
Goldman Sachs Bank NY US	<5%	05/13/2024	234,199
American Express Natl Bank UT US	<5%	03/03/2025	230,969
CFG Community Bank MD US	<5%	12/11/2025	97,748
Beak Bank TX US	<5%	05/29/2024	239,138
Beal Bank NV US	<5%	05/29/2024	239,138
BMO Harris Bank Natl Assn IL US	<5%	11/27/2023	240,908
Capital One Bank, Natl Assn VA US	<5%	05/20/2024	240,047
Capital One Natl Assn VA US	<5%	05/20/2024	240,047
Discover Bank DE US	<5%	05/20/2024	239,871
First State Bank OK US	<5%	06/03/2024	238,678
Israel Discount Bank NY US	<5%	05/28/2024	239,790
Kearny Bank NJ US	<5%	11/30/2023	240,798
Pony Express Bank MO US	<5%	01/31/2024	239,731
Sandy Spring Bank MD US	<5%	11/20/2023	240,926
United Bankers Bank MN US	<5%	05/31/2024	238,947
Total negotiable certificates of deposit			\$ 3,877,678
Investment pools			
MAGIC Fund	54.60%		5,108,406
MAGIC Term	<5%		250,000
Money market accounts with broker	<5%		120,095
Total investments			\$ 9,356,179
Deposits			8,220,794
Petty cash			1,375
Total Cash and Investments			\$ 17,578,348

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Fair Value Measurement

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

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

At December 31, 2022, the County had the following recurring fair value measurements:

Recurring Fair Value Measurements as of December 31, 2022

	December 31, 2022	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				
Negotiable certificates of deposit	\$ 3,877,678	\$ -	\$ 3,877,678	\$ -
Investments measured at the net asset value (NAV)				
MAGIC Portfolio	\$ 5,108,406			
MAGIC Term	250,000			
Money market mutual funds	120,095			
Total investments measured at the NAV	\$ 5,478,501			
Total Investments	\$ 9,356,179			

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

MAGIC is a local government 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 and the MAGIC Term Series.

MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions.

There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

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Shares of MAGIC Term Series are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely, they must provide notice at least seven days prior to premature redemption date. The value of a premature redemption is equal to the original price for such share, plus dividends thereon, at the projected yield, less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

The County invests in money market funds for the benefit of liquid investments that can be readily re-invested. Money market funds held by the County seek a constant NAV of \$1.00 per share.

Receivables

Receivables as of December 31, 2022, for the County's governmental activities, net of the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities' Receivables as of December 31, 2022

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Taxes	\$ 122,268	\$ -
Special assessments	1,304,355	1,299,814
Accounts	50,434	-
Accrued interest	51,736	-
Due from other governments	1,054,900	-
Total Governmental Activities	<u>\$ 2,583,693</u>	<u>1,299,814</u>

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Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

Changes in Capital Assets for the Year Ended December 31, 2022

	Beginning Balance, as Restated*	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	\$ 125,585	\$ -	\$ -	\$ 125,585
Right-of-way	1,390,335	89,140	-	1,479,475
Construction in progress	8,111,687	2,913,265	4,952,808	6,072,144
Total capital assets not depreciated	\$ 9,627,607	\$ 3,002,405	\$ 4,952,808	\$ 7,677,204
Capital assets depreciated				
Buildings	\$ 14,683,562	\$ -	\$ -	\$ 14,683,562
Office furniture and equipment	1,080,435	38,393	-	1,118,828
Machinery and automotive	4,661,456	681,842	342,827	5,000,471
Infrastructure	52,715,898	5,843,228	-	58,559,126
Total capital assets depreciated	\$ 73,141,351	\$ 6,563,463	\$ 342,827	\$ 79,361,987
Less: accumulated depreciation for				
Buildings	\$ 3,842,455	\$ 445,036	\$ -	\$ 4,287,491
Office furniture and equipment	952,226	52,886	-	1,005,112
Machinery and automotive	2,864,970	330,132	339,283	2,855,819
Infrastructure	20,564,317	1,162,381	-	21,726,698
Total accumulated depreciation	\$ 28,223,968	\$ 1,990,435	\$ 339,283	\$ 29,875,120
Total capital assets depreciated, net	\$ 44,917,383	\$ 4,573,028	\$ 3,544	\$ 49,486,867
Capital assets amortized				
Leased office furniture and equipment	\$ 61,884	\$ 32,999	\$ -	\$ 94,883
Leased machinery and automotive	161,182	63,499	-	224,681
Total capital assets amortized	\$ 223,066	\$ 96,498	\$ -	\$ 319,564
Less: accumulated amortization for				
Leased office furniture and equipment	\$ -	\$ 25,860	\$ -	\$ 25,860
Leased machinery and automotive	-	76,428	-	76,428
Total accumulated amortization	\$ -	\$ 102,288	\$ -	\$ 102,288
Total capital assets amortized, net	\$ 223,066	\$ (5,790)	\$ -	\$ 217,276
Governmental Activities Capital Assets, Net	\$ 54,768,056	\$ 7,569,643	\$ 4,956,352	\$ 57,381,347

*See Change in Accounting Principles in Note 1.

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

Depreciation and Amortization Expense Charged to Functions/Programs

General Activities	
General government	\$ 460,000
Public safety	113,010
Highways and streets, including depreciation of infrastructure	1,514,718
Sanitation	3,862
Conservation of natural resources	1,133
Total Depreciation Expense	\$ 2,092,723

Interfund Receivables, Payables, and Transfers

There were no interfund balances as of December 31, 2022.

Liabilities and Deferred Inflows of Resources

Payables

Payables at December 31, 2022, were as follows:

Governmental Activities' Payables as of December 31, 2022

	Governmental Activities
Accounts	\$ 239,092
Salaries	115,136
Contracts	418,717
Due to other governments	92,002
Accrued interest	55,019
Total Payables	\$ 919,966

Construction Commitments

The County has active construction projects as of December 31, 2022. The projects include the following:

Active Construction Commitments as of December 31, 2022

	Spent-to-Date	Remaining Commitment
Highways and streets		
Roads and bridges	\$ 3,828,071	\$ 418,717

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Long-Term Debt

Bonds Payable

Bonds Payable as of December 31, 2022

Type of Indebtedness	Final Maturity	Installment Amount	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2022
Taxable general obligation capital improvement plan bonds 2011B Bonds	2026	\$2,000,000	5.50	\$ 2,000,000	\$ 2,000,000
General obligation drainage refunding bonds 2020B Bonds	2035	\$85,000-\$120,000	1.00-2.00	1,595,000	1,415,000
Total General Obligation Bonds				<u>\$ 3,595,000</u>	<u>\$ 3,415,000</u>

Leases

The County has entered into lease agreements as lessee for financing the acquisition of squad cars for the Sheriff's Department and copier leases for various departments. Leases range from two to five years and have been recorded at the present value of their future minimum lease payments as of the inception date. All lease payments are paid by the General Fund.

Future Minimum Lease Obligations and Present Value of Minimum Lease Payments as of December 31, 2022

Year Ending December 31	Principal	Interest
2023	\$ 114,241	\$ 1,787
2024	63,931	1,015
2025	29,228	379
2026	6,743	108
2027	3,410	15
Total	<u>\$ 217,553</u>	<u>\$ 3,304</u>

Loans Payable

Loans Payable as of December 31, 2022

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2022
SRF0280 State of Minnesota Septic System Replacement Loans	2027	\$3,505-\$4,192	2.00	<u>\$ 38,388</u>	<u>\$ 20,148</u>

In 2014, the County entered into a loan agreement with the Minnesota Pollution Control Agency for financing of the Minnesota Clean Water Partnership Project. These loans are secured by special assessments placed on the individual parcels requesting repair of a failing septic system. Loan payments are reported in the General Fund.

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Installment Purchase Payable

In 2017, Grant County entered into a 26-year agreement with the Economic Development Authority (EDA) of the City of Elbow Lake for the purchase of an office building. The building was recorded by the County as a capital asset at the amount of the bond issued by the EDA of the City of Elbow Lake of \$5,500,000. The future obligations of the County equal the principal and interest payments of the bond issued by the EDA.

Debt Service Requirements

Debt service requirements at December 31, 2022, were as follows:

Debt Service Requirements as of December 31, 2022

Year Ending December 31	Taxable General Obligation Capital Improvement Plans Bonds		General Obligation Drainage Refunding Bonds	
	Principal	Interest	Principal	Interest
2023	\$ -	\$ 110,000	\$ 95,000	\$ 21,095
2024	-	110,000	100,000	19,145
2025	-	110,000	100,000	17,145
2026	2,000,000	55,000	105,000	15,095
2027	-	-	105,000	12,995
2028-2032	-	-	560,000	40,580
2033-2035	-	-	350,000	7,420
Total	\$ 2,000,000	\$ 385,000	\$ 1,415,000	\$ 133,475

Debt Service Requirements as of December 31, 2022

Year Ending December 31	Loans Payable		Installment Purchase Payable	
	Principal	Interest	Principal	Interest
2023	\$ 3,871	\$ 384	\$ 165,000	\$ 185,230
2024	3,949	306	165,000	180,899
2025	4,028	226	170,000	176,568
2026	4,109	146	175,000	171,468
2027	4,191	63	180,000	166,218
2028-2032	-	-	1,010,000	734,788
2033-2037	-	-	1,205,000	529,350
2038-2042	-	-	1,480,000	262,080
2043	-	-	335,000	14,070
Total	\$ 20,148	\$ 1,125	\$ 4,885,000	\$ 2,420,671

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Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2022, was as follows:

Changes in Long-Term Liabilities for the Year Ended December 31, 2022

	Beginning Balance, as restated*	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 115,000	\$ -	\$ 115,000	\$ -	\$ -
Taxable general obligation capital improvement plan bonds	2,000,000	-	-	2,000,000	-
General obligation drainage refunding bonds	1,510,000	-	95,000	1,415,000	95,000
Less: unamortized discount	(6,683)	-	(1,749)	(4,934)	-
Add: unamortized premium	42,129	-	3,064	39,065	-
Total general obligation bonds	\$ 3,660,446	\$ -	\$ 211,315	\$ 3,449,131	\$ 95,000
Leases payable	223,066	96,498	102,011	217,553	114,241
Loans payable	23,943	-	3,795	20,148	3,871
Installment purchase payable	5,045,000	-	160,000	4,885,000	165,000
Compensated absences	523,793	241,028	362,527	402,294	63,032
Total Long-Term Liabilities	\$ 9,476,248	\$ 337,526	\$ 839,648	\$ 8,974,126	\$ 441,144

*See Change in Accounting Principles in Note 1.

Bonded debt is paid by the Courthouse Improvement and County Ditch 29 Debt Service Funds.

Grant County Elbow Lake, Minnesota

Deferred Inflows of Resources

Deferred inflows of resources – unavailable revenue consists of taxes and special assessments receivable, state and federal grants not collected soon enough after year-end to pay liabilities of the current period, money from state-aid highway allotments, and other receivables not collected soon enough after year-end to pay liabilities of the current period. Unavailable revenue at December 31, 2022, is summarized by fund:

Deferred Inflows of Resources by Fund as of December 31, 2022

	Taxes and Special Assessment	Grants	State-Aid Highway Allotments	Other	Total
Major governmental funds					
General	\$ 35,234	\$ -	\$ -	\$ -	\$ 35,234
Special Revenue					
Road and Bridge	9,822	178,248	503,110	-	691,180
Human Services	7,866	-	-	-	7,866
County Ditch 29 Debt Service	1,299,814	-	-	-	1,299,814
Nonmajor governmental funds					
Ditch Special Revenue	9	-	-	-	9
Solid Waste Special Revenue	3,096	-	-	-	3,096
Courthouse Improvement Debt Service	2,552	-	-	-	2,552
Total	\$ 1,358,393	\$ 178,248	\$ 503,110	\$ -	\$ 2,039,751

Other Postemployment Benefits (OPEB)

Plan Description

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

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

As of the January 1, 2022, actuarial valuation, the following employees were covered by the benefit terms:

Employees Covered by the OPEB Benefit Terms As of the December 31, 2022, Actuarial Valuation

Inactive employees or beneficiaries currently receiving benefit payments	2
Active plan participants	66
Total	68

Total OPEB Liability

The County's total OPEB liability of \$445,493 was measured as of January 1, 2022, and was determined by an actuarial valuation as of January 1, 2022. The total OPEB liability is liquidated through the General Fund and other

Grant County Elbow Lake, Minnesota

governmental funds that have personal services.

The total OPEB liability in the fiscal year-end December 31, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

OPEB Actuarial Assumptions and Other Inputs

Actuarial cost method	Entry Age, level percentage of pay
Inflation	2.00 percent
Salary increases	Service graded table
Medical trend	6.50 percent in 2022, grading to 5.00 percent over six years and then to 4.00 percent over the next 48 years

The current year discount rate is 2.00 percent which is unchanged from the prior year rate. The discount rate is based on the 20-Year AA-rated municipal bond yield.

Mortality rates used are based on Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

Retirement and withdrawal assumptions used are similar to those used to value pension liabilities for Minnesota public employees. The state pension plans base their assumptions on periodic experience studies.

Changes in the Total OPEB Liability

Changes in the Total OPEB Liability For the Year Ended December 31, 2022

Balance at January 1, 2022	\$ 825,113
Changes for the year	
Service cost	\$ 54,974
Interest	17,260
Changes of assumption or other inputs	(7,728)
Differences between expected and actual experience	(409,801)
Benefit payments	(34,325)
Net change	\$ (379,620)
Balance at December 31, 2022	\$ 445,493

Grant County Elbow Lake, Minnesota

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 1.00 percentage point lower or 1.00 percentage point higher than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes In the Discount Rate as of December 31, 2022

	Discount Rate	Total OPEB Liability
1% Decrease	1.00%	\$ 478,304
Current	2.00%	445,493
1% Increase	3.00%	414,227

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 1.00 percentage point lower or 1.00 percentage point higher than the current health care cost trend rate:

Sensitivity of the Total OPEB Liability to Changes In the Health Care Trend Rates as of December 31, 2022

	Health Care Trend Rate	Total OPEB Liability
1% Decrease	5.50% Decreasing to 4.00%	\$ 403,668
Current	6.50% Decreasing to 5.00%	445,493
1% Increase	7.50% Decreasing to 6.00%	495,064

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

For the year ended December 31, 2022, the County recognized OPEB expense of \$45,289. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB as of December 31, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability gains	\$ -	\$ 426,760
Changes in actuarial assumptions	35,574	16,352
Contributions made subsequent to the measurement date	30,747	-
Total	\$ 66,321	\$ 443,112

The \$30,747 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Schedule of Amortization of Deferred Outflows And Inflows of Resources Related to OPEB As of December 31, 2022

Year Ended December 31	OPEB Expense Amount
2023	\$ (86,776)
2024	(86,776)
2025	(86,776)
2026	(83,468)
2027	(63,742)

Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2022:

- The health care trend rates, mortality rates, salary increase rates, withdrawal rates, and retirement rates were all updated.
- The inflation rate was changed from 2.50 percent to 2.00 percent.

Pension Plans

Defined Benefit Pension Plans

Plan Description

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

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

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vested after 20 years.

Benefits Provided

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

General Employees Plan benefit recipients will receive a post-retirement increase equal to 50 percent of the cost-of-living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and 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 ten years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Police and Fire Plan members, the annuity accrual rate is 3.00 percent of average salary for each year of service.

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

Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund

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assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. Rates did not change from 2021.

Member and Employer Required Contribution Rates

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

Employer Contributions For the Year Ended December 31, 2022

General Employees Plan	\$ 208,163
Police and Fire Plan	139,602

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

[Pension Costs](#)

[General Employees Plan](#)

At December 31, 2022, the County reported a liability of \$2,859,132 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2022, the County's proportion was 0.0361 percent. It was 0.0565 percent measured as of June 30, 2021. The County recognized pension expense of \$180,448 for its proportionate share of the General Employees Plan's pension expense.

Legislation requires the State of Minnesota to contribute \$16 million to the General Employees Plan annually until September 15, 2031. The County recognized an additional \$16,584 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense related to the special funding situation.

General Employees Plan Employer's Share of the Net Pension Liability and the State's Related Liability As of December 31, 2022

The County's proportionate share of the net pension liability	\$ 2,859,132
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>110,985</u>
Total	<u>\$ 2,970,117</u>

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

**General Employees Plan
Deferred Outflows of Resources and Deferred Inflows of Resources
As of December 31, 2022**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 23,882	\$ 47,825
Changes in actuarial assumptions	1,001,686	18,297
Difference between projected and actual investment earnings	-	506,007
Changes in proportion	9,675	662,373
Contributions paid to PERA subsequent to the measurement date	104,666	-
Total	<u>\$ 1,139,909</u>	<u>\$ 1,234,502</u>

The \$104,666 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**General Employees Plan
Schedule of Amortization of
Deferred Outflows and Inflows of Resources
As of December 31, 2022**

Year Ended December 31	Pension Expense Amount
2023	\$ 24,472
2024	32,393
2025	(514,690)
2026	258,566

Police and Fire Plan

At December 31, 2022, the County reported a liability of \$2,898,169 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2022, the County's proportion was 0.0666 percent. It was 0.0673 percent measured as of June 30, 2021. The County recognized pension expense of \$305,904 for its proportionate share of the Police and Fire Plan's pension expense.

The State of Minnesota also contributed \$18 million to the Police and Fire Plan in the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation.

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Legislation requires the State of Minnesota to pay direct state aid of \$9 million on October 1 each year until full funding is reached, or July 1, 2048, whichever is earlier. The County recognized an additional \$25,591 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense related to the special funding situation.

Police and Fire Plan Employer's Share of the Net Pension Liability and the State's Related Liability As of December 31, 2022

The County's proportionate share of the net pension liability	\$ 2,898,169
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>126,773</u>
Total	<u><u>\$ 3,024,942</u></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 \$5,994 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Police and Fire Plan.

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

Police and Fire Plan Deferred Outflows of Resources and Deferred Inflows of Resources As of December 31, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 178,041	\$ -
Changes in actuarial assumptions	1,712,371	18,056
Difference between projected and actual investment earnings	31,026	-
Changes in proportion	40,002	26,886
Contributions paid to PERA subsequent to the measurement date	<u>67,890</u>	<u>-</u>
Total	<u><u>\$ 2,029,330</u></u>	<u><u>\$ 44,942</u></u>

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The \$67,890 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**Police and Fire Plan
Schedule of Amortization of
Deferred Outflows and Inflows of Resources
As of December 31, 2022**

Year Ended December 31	Pension Expense Amount
2023	\$ 395,352
2024	360,446
2025	321,600
2026	598,868
2027	240,232

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2022, was \$486,352

Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuations were determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Actuarial Assumptions for the Year Ended June 30, 2022

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disability rates were based on the Pub-2010 General Employee Mortality table for the General Employees Plan and the Pub-2010 Public Safety Employee Mortality tables for the Police and Fire Plan, with slight adjustments. Cost-of-living benefit increases for retirees are assumed to be 1.25 percent for the General Employees Plan per year through December 31, 2054, and 1.50 percent per year thereafter. 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, 2022, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 27, 2019. The experience study for the Police and Fire Plan was dated July 14, 2020. For both plans, a review of inflation and investment assumptions dated July 12, 2022, was utilized.

The long-term expected rate of return on pension plan investments is 6.50 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term

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expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.50 percent for the General Employees Plan in 2022, which remained consistent with 2021. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Plan was 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.

In the Police and Fire Plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in fiscal year ended June 30, 2061, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69 percent, based on the weekly rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index. An equivalent single discount rate of 5.40 percent for the Police and Fire Plan was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.50 percent applied to all years of projected benefits to the point of asset depletion and 3.69 percent thereafter.

Changes in Actuarial Assumptions and Plan Provisions

The following changes in actuarial assumptions occurred in 2022:

General Employees Plan

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

Police and Fire Plan

- The single discount rate changed from 6.50 percent to 5.40 percent.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

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Pension Liability Sensitivity

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate As of December 31, 2022

	Proportionate Share of the			
	General Employees Plan		Police and Fire Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	5.50%	\$ 4,516,149	4.40%	\$ 4,386,007
Current	6.50%	2,859,132	5.40%	2,898,169
1% Increase	7.50%	1,500,123	6.40%	1,695,341

Pension Plan Fiduciary Net Position

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

Defined Contribution Plan

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

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

Total Contributions by Dollar Amount and Percentage of Covered Payroll Made by the Employer For the Year Ended December 31, 2022

	Employee	Employer
Contribution amount	\$ 7,511	\$ 7,511
Percentage of covered payroll	5.00%	5.00%

Grant County

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Note 4 – Risk Management

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

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2022 and 2023. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

The Lakes Country Service Cooperative is a joint powers entity which sponsors a plan to provide group employee health benefits to its participating members. All members pool premiums and losses; however, a particular member may receive increases or decreases depending on a good or bad year of claims experience. Premiums are determined annually by the Service Cooperative and are based partially on the experience of the County and partially on the experience of the group. The Service Cooperative solicits proposals from carriers and negotiates the contracts.

Note 5 – Summary of Significant Contingencies and Other Items

Contingent Liabilities

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

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

Conduit Debt

In 2020, the County issued \$20,000,000 of Industrial Development Revenue Bonds to provide financial assistance to Riverview LLP, located in North Ottawa Township, Minnesota. The project will consist of the construction, acquisition, and installation of facilities and equipment to be used in connection with the storage and disposal of

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manure including site preparation, concreted flushing and scraping lanes, flushing equipment, separators, storage pit, and functionally related facilities to be used in the owner's dairy facilities. The notes are secured by the property financed and are payable solely from revenues of the partnership. Neither the County, the State, nor any political subdivision thereof, is obligated in any manner for repayment of the notes. Accordingly, the notes are not reported as liabilities in the accompanying financial statements. As of December 31, 2022, the outstanding principal balance was \$20,000,000.

Joint Ventures

Horizon Public Health

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

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

Financing is provided by state and federal grants and contributions from the five member counties. During 2022, Grant County contributed \$42,126 in funds to Horizon Public Health.

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

Pomme de Terre River Association

The Pomme de Terre River Association Joint Powers Board was established August 11, 1981, by an agreement between Grant County and five other counties and their respective soil and water conservation districts. The agreement was made to develop and implement plans to protect property from damage of flooding; control erosion of land; protect streams and lakes from sedimentation and pollution; and maintain or improve the quality of water in the streams, lakes, and ground water lying within the boundaries of the watershed of the Pomme de Terre River. Administrative costs are apportioned equally to the soil and water conservation districts based on actual costs. An amended and restated joint powers agreement was approved on March 19, 2013.

Control is vested in a Joint Powers Board, comprised of one representative of each Board of County Commissioners and one representative from each soil and water conservation district board of supervisors included within the agreement. During 2022, Grant County contributed \$5,900 in funds to Pomme de Terre River Association.

Complete financial information can be obtained from: Pomme de Terre River Association Joint Powers Board, 12 Highway 28 East, Suite 2, Morris, Minnesota 56267.

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PrimeWest Health

The PrimeWest Central County-Based Purchasing Initiative (since renamed PrimeWest Health) was established in December 1998 by a joint powers agreement with Big Stone, Douglas, Grant, McLeod, Meeker, Pipestone, Pope, Renville, Stevens, and Traverse Counties under the authority of Minn. Stat. § 471.59. Beltrami, Clearwater, and Hubbard Counties were later added to PrimeWest Health. Pipestone County has since joined Southwest Health and Human Services for public health and human services functions. The partnership is organized to directly purchase health care services for county residents who are eligible for Medical Assistance and General Assistance Medical Care as authorized by Minn. Stat. § 256B.692. County-based purchasing is the local control alternative favored for improved coordination of services to prepaid Medical Assistance programs in complying with Minnesota Department of Health requirements as set forth in Minn. Stat. chs. 62D and 62N.

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

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

Financing is provided by Medical Assistance and General Assistance Medical Care payments from the Minnesota Department of Human Services, initial start-up loans from the member counties, and by proportional contributions from member counties, if necessary, to cover operational costs. Grant County did not make any contributions to PrimeWest Health during 2022.

Complete financial information can be obtained from: PrimeWest Health, 3905 Dakota Street, Suite 101, Alexandria, Minnesota 56308.

Central Minnesota Emergency Services Board

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

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

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

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

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in the original expense.

The Central Minnesota Emergency Services Board has no long-term debt. Financing is provided by appropriations from member parties and by state and federal grants. Grant County did not contribute any funds to the Board during 2022.

Complete financial information can be obtained from: Central Minnesota Emergency Services Board, City of St. Cloud, Office of the Mayor, City Hall, 400 Second Street South, St. Cloud, Minnesota 56303.

Region 4 South Adult Mental Health Consortium

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

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

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

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

Financing is predominantly provided by state grants. In 2022, Western Prairie Human Services became the fiscal host and reports the activity of the Consortium as custodial funds on its financial statements.

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

Rainbow Rider Transit Board

Douglas, Grant, Pope, Stevens, and Traverse Counties entered into a joint powers agreement to establish the West Central Multi-County Joint Powers Transit Board effective December 1, 1994, and empowered under Minn. Stat. § 471.59. Effective January 13, 2000, the Board changed its name from West Central Multi-County Joint Powers Transit Board to Rainbow Rider Transit Board. The purpose of the Board is to provide coordinated service delivery and a funding source for public transportation. Grant County terminated its membership in Rainbow Rider on May 31, 1999. Grant County rejoined, and Todd County became a member county effective January 1, 2011 and 2012, respectively.

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The Board consists of two members appointed by each member county from its County Board for terms of one year each. Rainbow Rider is a joint venture with no county having control over the Board. Each county has an ongoing responsibility to provide funding for the operating costs of Rainbow Rider allocated in accordance with the actual expenses incurred by representatives of the respective counties on the Board. Grant County did not make any contributions to the Board during 2022.

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

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

Counties Providing Technology

Counties Providing Technology (CPT) was established in 2018, under the authority conferred upon by member parties by Minn. Stat. § 471.59 for the purpose of purchasing the former software vendor, Computer Professionals Unlimited, Inc., (CPUI) and to provide for the development, operation, and maintenance of technology applications and systems. Grant County and 22 other counties are members of CPT. Each member county provided an initial contribution to start up CPT and provide funds for the purchase of CPUI. CPT purchased CPUI in September 2018 for a purchase price of \$3,600,000.

Control is vested in the CPT Board, which consists of one individual appointed by each member county's Board of Commissioners. The joint powers agreement provides that initial operating capital contributed by each member is to be repaid from any excess in fund balance at the end of the fiscal year, in proportion to the initial contribution. Excess funds beyond the initial capital contribution shall be distributed to members as determined by the CPT Board. Full repayment of initial capital contributed by members joining after the original signatories to the initial agreement is not to be required to be completed prior to the CPT Board distributing excess fund balances to other members.

Financing is primarily from county member contributions. During 2022, Grant County contributed \$84,409 to CPT.

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

Viking Library System

Grant County, along with ten cities and five other counties, participates in the Viking Library System in order to establish continue, strengthen, and improve library services in the participating cities and counties. The Viking Library System was created as a public library service in 1975, by Douglas, Grant, Otter Tail, and Stevens Counties along with the cities of Alexandria, Elbow Lake, Fergus Falls, Hancock, and Morris. Additions to the Library system included Browns Valley, Glenwood, New York Mills, Perham, and Wheaton in 1976, Pope County in 1981, Traverse County in 1983, and Pelican Rapids in 1988. In 1992, the Alexandria Library became the Douglas County library.

The Viking Library System is governed by a governing board which consists of 19 members. Each County board appoints a resident of the County, each member library board appoints a representative, and any libraries with a service area population over 15,000 have an additional representative. Currently, Fergus Falls and Douglas County have additional representatives. During 2022, Grant County provided \$75,975 to the Viking Library System.

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

Western Prairie Human Services

Grant and Pope Counties entered into a joint powers agreement, effective January 1, 2022, to create Western Prairie Human Services, pursuant to Minn. Stat. § 145A, to provide human services and to promote efficiency and economy in the delivery of human services. The Western Prairie Human Services Board consists of ten members, five each from Pope and Grant Counties.

Funding is provided by state and federal grants and appropriations from the member counties. Grant County contributed \$3,524,081 during 2022.

Complete financial information of Western Prairie Human Services can be obtained from 15 Central Avenue North, Elbow Lake, Minnesota 56531.

Jointly-Governed Organizations

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

District IV Transportation Planning

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

Region Four – West Central Minnesota Homeland Security Emergency Management Organization

The Region Four – West Central Minnesota Homeland Security Emergency Management Organization was established to provide for regional coordination of planning, training, purchase of equipment, and allocating emergency services and staff in order to better respond to emergencies and natural or other disasters within the region. Control is vested in the Board, which is composed of representatives appointed by each Board of County Commissioners. Grant County's responsibility does not extend beyond making this appointment.

Lakeland Mental Health Center

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

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

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Services are provided to the member counties through purchase of service agreements. A member county may lose its membership, by action of the Board of Directors, if it fails to have a signed contract with Lakeland Mental Health Center. During the year, Grant County made no payments to the joint powers.

Minnesota Criminal Justice Data Communications Network

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

Minnesota Rural Counties

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

National Opioid Settlement

Grant County is a participating government in the opioid settlement with pharmaceutical manufacturers, distributors, and pharmacy chains. The County is expected to receive up to \$169,741 over the next 18 years. The majority of the funds are intended for opioid abatement. The *Minnesota Opioids State-Subdivision Memorandum of Agreement (MOA)* identifies the requirements for Minnesota governments participating in the settlement. Pursuant to the terms of the MOA, the County created a separate fund. The County has combined the Opioid Settlement Fund with the General Fund for financial reporting. Funds are restricted until expended. The MOA requires that the County recognize the settlement revenues when the annual distribution is made to the participating governments. Therefore, the County does not record a receivable for the settlement. For the year ended December 31, 2022, the County received \$40,410 as part of the settlement.

Note 6 – Component Unit Disclosures

Summary of Significant Accounting Policies

Reporting Entity

The Housing and Redevelopment Authority (HRA) of Grant County is a component unit of Grant County and is reported in a separate column in the County's financial statements to emphasize that the HRA is a legally separate entity from Grant County. The HRA operates as a public agency created by Grant County under the United States Housing Act of 1937, as amended. The primary purpose is to provide housing and redevelopment services to the County. The governing body consists of a five-member Board of Commissioners appointed by the Grant County Board of Commissioners to serve five-year terms. The financial statements included are as of and for the year ended December 31, 2022.

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Basis of Accounting

The HRA is reported and accounted for using the full accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Rent Receivable

Rent is due on the first of the month for the current month. Rent which remains uncollected is accrued as a receivable. Management represents all rent receivables are collectible either through normal collection procedures or through revenue recapture through the State of Minnesota. Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed. The collection loss for December 31, 2022, was \$1,552.

Capital Assets

Property and equipment are stated at historical cost or estimated historical cost, and are depreciated using the straight-line method over their estimated useful lives as follows:

Estimated Useful Lives of Capital Assets

Buildings	30-40 years
Improvements	10-15 years
Equipment	3-7 years

Estimates

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

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Detailed Notes on All Funds

Deposits

Reconciliation of the HRA's total cash as reported in the basic financial statements to deposits, cash on hand, and investments follows:

Reconciliation of the HRA's Total Cash and Investments to the Basic Financial Statements as of December 31, 2022	
Cash and pooled investments	
Deposits	\$ 517,881
Certificates of deposit	<u>686,549</u>
Total cash and pooled investments	\$ 1,204,430
Restricted cash	
Tenant security deposits	<u>29,223</u>
Total Cash and Investments	<u>\$ 1,233,653</u>

In accordance with Minnesota statutes, the HRA maintains deposits at those depository banks authorized by the Board of Directors. Minnesota statutes require that all HRA deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

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

At December 31, 2022, the HRA's deposits had a carrying amount of \$1,233,653 and a bank balance of \$1,248,245. The bank balances were covered by federal depository insurance. The HRA had sufficient collateral coverage on all cash accounts.

Investments

Minnesota statutes generally authorize the same types of investments for the HRA as for the County. See Note 3.

During the year ended December 31, 2022, the HRA had no investments that required disclosure regarding interest rate risk, credit risk, custodial credit risk, or concentration of credit risk.

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Capital Assets

The HRA's capital asset activity for the year ended December 31, 2022, follows:

Changes in Capital Assets for the Year Ended December 31, 2022

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not depreciated				
Land	\$ 188,204	\$ -	\$ -	\$ 188,204
Capital assets depreciated				
Buildings	\$ 6,944,668	\$ -	\$ -	\$ 6,944,668
Equipment, furniture, and fixtures	381,388	4,891	-	386,279
Total capital assets depreciated	\$ 7,326,056	\$ 4,891	\$ -	\$ 7,330,947
Less: accumulated depreciation	\$ 5,222,600	\$ 168,475	\$ -	\$ 5,391,075
Total capital assets depreciated, net	\$ 2,103,456	\$ (163,584)	\$ -	\$ 1,939,872
Total	\$ 2,291,660	\$ (163,584)	\$ -	\$ 2,128,076

Long-Term Debt

Long-term liability activity for the year ended December 31, 2022, was as follows:

Changes in Long-Term Liabilities for the Year Ended December 31, 2022

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2002 GMHF Loan	\$ 101,500	\$ -	\$ -	\$ 101,500	\$ -
MHFA Loan – AA1	165,966	-	-	165,966	-
MHFA Loan – AA2	110,389	-	-	110,389	-
USDA Loan	48,841	-	4,643	44,198	4,923
MHFA-POPHP Loan – Vart Hjem	106,740	-	-	106,740	-
MHFA-POPHP Loan – NS Manor	42,800	-	-	42,800	-
MHFA-POPHP Loan – LFD	63,099	-	-	63,099	-
FHLB – Vart Hjem	-	160,500	-	160,500	-
FHLB – NS Manor	-	64,200	-	64,200	-
2020A Housing Development					
Refunding Bonds	499,000	-	60,000	439,000	59,000
Compensated absences	14,808	9,853	9,649	15,012	9,060
Total Long-Term Debt	\$ 1,153,143	\$ 234,553	\$ 74,292	\$ 1,313,404	\$ 72,983

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Bonds and loans payable at December 31, 2022, consisted of the following issues:

Bonds and Loans Payable as of December 31, 2022

Type of Indebtedness	Original Issue Amount	Final Maturity	Interest Rate (%)	Outstanding Balance December 31, 2022
2002 GMHF Loan	\$ 101,500	2027	-	\$ 101,500
MHFA Loan – AA1	165,966	2030	-	165,966
MHFA Loan – AA2	110,389	2030	-	110,389
USDA Loan	59,521	2030	4.875	44,198
MHFA-POPHP Loan – Vart Hjem	106,740	2055	-	106,740
MHFA-POPHP Loan – NS Manor	42,800	2055	-	42,800
MHFA-POPHP Loan – LFD	63,099	2055	-	63,099
FHLB – Vart Hjem	160,500	2036	-	160,500
FHLB – NS Manor	64,200	2036	-	64,200
2020A Housing Development Refunding Bonds	613,000	2029	1.40	439,000
Total Long-Term Debt	<u>1,487,715</u>			<u>\$ 1,298,392</u>

The 2002 GMHF Loan matures on April 2, 2027. The loan is noninterest-bearing, unsecured, and requires no periodic payments.

The MHFA Loan – AA1 matures on March 12, 2030. The loan is noninterest-bearing, unsecured, and requires no periodic payments.

The MHFA Loan – AA2 matures March 1, 2030. The loan is non-interest bearing, unsecured, and requires no periodic payments.

The USDA Loan matures July 7, 2030. The loan bears an interest rate of 4.875 percent in monthly interest and principle payments.

The MHFA POHP loans consist of three separate notes all of which are non-interest bearing, unsecured notes which will be forgiven in 2055 if no events of default occur as described in the loan agreements.

The FHLB loans consist of two separate notes both of which are non-interest bearing, unsecured notes which will be forgiven in 2036 if no events of default occur as described in the loan agreements.

On September 1, 2020, the HRA issued Housing Development Refunding Bonds, Series 2020A, in the amount of \$613,000. The bond proceeds refinanced the Housing Development Bonds of 2009. The bond bears an interest rate of 1.40 percent in semi-annual interest payments and annual principal payments. The bond is secured by all real and personal property as well as by all revenues of the housing project.

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The annual minimum payment requirements for bonds and loans outstanding as of December 31, 2022, are as follows:

Debt Service Requirements as of December 31, 2022						
Year Ending December 31	Bonds		Notes from Direct Borrowings		Total	
	Principal	Interest	Principal	Interest		
2023	\$ 59,000	\$ 6,146	\$ 4,923	\$ 2,039	\$ 72,108	
2024	62,000	5,320	5,168	1,794	74,282	
2025	65,000	4,452	5,426	1,536	76,414	
2026	59,000	3,542	5,697	1,265	69,504	
2027	62,000	2,716	5,981	981	71,678	
2028-2030	132,000	2,786	394,858	1,118	530,762	
	\$ 439,000	\$ 24,962	\$ 422,053	\$ 8,733	\$ 894,748	
Forgivable debt	-	-	437,339	-	437,339	
Totals	\$ 439,000	\$ 24,962	\$ 859,392	\$ 8,733	\$ 1,332,087	

Defined Contribution Pension Plan

Plan Description

The Definiti, LLC Trust for Certain Governmental Plans (Plan) is a defined contribution retirement plan covering essentially all employees of the various participating employers. Since the participating employers are all government units, the Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, except for the contribution limitations of Section 415. The payroll for employees covered by the Plan for the year ended December 31, 2022, was \$168,999; the HRA's total payroll was \$168,999.

The Plan and Trust are qualified under Section 401(a) of the Internal Revenue Code, and their income is exempt from taxation under Section 501(a) of the Code.

The Plan is funded by employer contributions only. The rates of contributions are determined by the various adoption agreements of the participating employers. Terminating or retiring participants are entitled to certain benefits including the full amount of their contributions to the Plan as well as earnings on their contributions.

In addition to the amount of their contribution, each participant is entitled to the portion of the employer's contributions in which he or she has a vested interest. Vesting provisions are determined in accordance with the participating employers' adoption agreement. If a participating employee should die prior to retirement, then the employee or their designated beneficiary shall be entitled to the full value of the participant's account.

Benefits are payable in the form of lump sum cash settlements or purchased annuities, depending upon the election of the participant and the nature of their termination or retirement. If the Plan is terminated or contributions under the Plan are discontinued, the participating employees are entitled to benefits accrued to the date of such termination or discontinuance to the extent funded and/or to the amounts credited to the employees' accounts.

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Contributions Required and Contributions Made

Covered employees may elect to contribute a percentage of their gross earnings to the Plan. The HRA makes monthly contributions to the pension plan. Current contribution rates are as follows:

Employee and Employer Required Contribution Rates	
Employee	-
Employer	14.00%

Total contributions made during the fiscal years ending December 31, 2022, 2021, and 2020, were \$25,583, \$25,131, and \$21,186, respectively.

Risk Management

The HRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors or omissions; job-related illnesses or injuries to employees; and natural disasters for which the HRA carries commercial insurance. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductibles and maximum coverages are exceeded, this could cause the HRA to suffer losses if a loss is incurred from such incidents. The ultimate outcome of uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. Settled claims to date have not exceeded coverage levels, and insurance coverage, by major categories of risk, is consistent with coverage in the prior year.

Contingencies

The HRA receives grant funds, principally from the U.S. Department of Housing and Urban Development (HUD) for the Vouchers Choice program, the Public Housing Operating Subsidy, and Capital Fund. Monies from HUD are received directly from the federal agency. Certain expenditures are subject to audit by HUD, and the HRA is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the HRA, no material refunds will be required as a result of expenditures disallowed by HUD.

Required Supplementary Information

Grant County Elbow Lake, Minnesota

Exhibit A-1

Budgetary Comparison Schedule General Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 4,653,469	\$ 4,653,469	\$ 4,980,479	\$ 327,010
Licenses and permits	40	40	10,123	10,083
Intergovernmental	794,662	794,662	1,432,182	637,520
Charges for services	583,800	583,800	641,587	57,787
Fines and forfeits	-	-	2,617	2,617
Gifts and contributions	-	-	120	120
Investment earnings	25,000	25,000	101,228	76,228
Miscellaneous	49,106	49,106	568,216	519,110
Total Revenues	\$ 6,106,077	\$ 6,106,077	\$ 7,736,552	\$ 1,630,475
Expenditures				
Current				
General government				
Commissioners	\$ 210,137	\$ 210,137	\$ 524,796	\$ (314,659)
Retiree insurance	59,000	59,000	10,575	48,425
Law library	-	-	6,493	(6,493)
County auditor	325,964	325,964	333,122	(7,158)
County treasurer	240,903	240,903	196,205	44,698
Blue Cross/Blue Shield	-	-	26,249	(26,249)
Human resources	120,373	120,373	129,957	(9,584)
Public examiners	52,000	52,000	61,132	(9,132)
Elections	35,000	35,000	55,516	(20,516)
Accounting and auditing	288,283	288,283	291,258	(2,975)
County recorder	266,881	266,881	261,804	5,077
County assessor	371,003	371,003	358,744	12,259
County buildings	280,037	280,037	317,030	(36,993)
County fair	25,000	25,000	25,000	-
Veterans service officer	80,447	80,447	70,820	9,627
Coordinator	176,911	176,911	175,560	1,351
License bureau	154,828	154,828	156,572	(1,744)
GIS services	101,740	101,740	79,115	22,625
Collections	-	-	330,553	(330,553)
Other general government	331,150	331,150	652,978	(321,828)
Total general government	\$ 3,119,657	\$ 3,119,657	\$ 4,063,479	\$ (943,822)
Public safety				
Sheriff	\$ 1,920,843	\$ 1,920,843	\$ 1,783,164	\$ 137,679
Coroner	15,000	15,000	9,875	5,125
Sheriff's contingent fund	-	-	1,657	(1,657)
Water enforcement	5,000	5,000	406	4,594
Corrections and jails	170,775	170,775	174,366	(3,591)
E-911 program	-	-	51,344	(51,344)
Emergency management program	110,067	110,067	96,460	13,607
Total public safety	\$ 2,221,685	\$ 2,221,685	\$ 2,117,272	\$ 104,413

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Exhibit A-1
(Continued)

Budgetary Comparison Schedule General Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Health				
Public health	\$ 43,126	\$ 43,126	\$ 43,130	\$ (4)
Culture and recreation				
Historical society	\$ 32,000	\$ 32,000	\$ 32,000	\$ -
Viking library system	75,975	75,975	75,975	-
Total culture and recreation	\$ 107,975	\$ 107,975	\$ 107,975	\$ -
Conservation of natural resources				
County extension	\$ 111,523	\$ 111,523	\$ 88,017	\$ 23,506
Soil and water conservation	128,472	128,472	154,164	(25,692)
Office of land management	298,639	298,639	216,872	81,767
Water plan	-	-	25,692	(25,692)
Total conservation of natural resources	\$ 538,634	\$ 538,634	\$ 484,745	\$ 53,889
Economic development				
HRA	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Total economic development	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Capital Outlay				
General government	\$ -	\$ -	\$ 94,883	\$ (94,883)
Public safety	-	-	224,681	(224,681)
Total capital outlay	\$ -	\$ -	\$ 319,564	\$ (319,564)
Debt service				
Principal	\$ -	\$ -	\$ 265,806	\$ (265,806)
Interest	-	-	190,433	(190,433)
Total debt service	\$ -	\$ -	\$ 456,239	\$ (456,239)
Total Expenditures	\$ 6,106,077	\$ 6,106,077	\$ 7,667,404	\$ (1,561,327)
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 69,148	\$ 69,148
Other Financing Sources (Uses)				
Leases issued	-	-	319,564	319,564
Net Change in Fund Balance	\$ -	\$ -	\$ 388,712	\$ 69,148
Fund Balance – January 1	4,593,504	4,593,504	4,593,504	-
Fund Balance – December 31	\$ 4,593,504	\$ 4,593,504	\$ 4,982,216	\$ 69,148

**Grant County
Elbow Lake, Minnesota**

Exhibit A-2

**Budgetary Comparison Schedule
Road and Bridge Special Revenue Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 1,444,533	\$ 1,444,533	\$ 1,443,608	\$ (925)
Intergovernmental	11,139,021	11,139,021	7,989,236	(3,149,785)
Charges for services	68,900	68,900	123,833	54,933
Miscellaneous	24,000	24,000	17,112	(6,888)
Total Revenues	\$ 12,676,454	\$ 12,676,454	\$ 9,573,789	\$ (3,102,665)
Expenditures				
Current				
Highways and streets				
Administration	\$ 393,329	\$ 393,329	\$ 417,536	\$ (24,207)
Engineering	35,304	35,304	16,495	18,809
Authorized work contribution	1,500	1,500	21	1,479
Construction	9,952,284	9,952,284	4,678,965	5,273,319
Maintenance	1,583,159	1,583,159	1,382,681	200,478
Shops	90,676	90,676	157,695	(67,019)
Equipment	842,383	842,383	1,263,147	(420,764)
Total highways and streets	\$ 12,898,635	\$ 12,898,635	\$ 7,916,540	\$ 4,982,095
Intergovernmental				
Highways and streets	-	-	408,054	(408,054)
Total Expenditures	\$ 12,898,635	\$ 12,898,635	\$ 8,324,594	\$ 4,574,041
Net Change in Fund Balance	\$ (222,181)	\$ (222,181)	\$ 1,249,195	\$ 1,471,376
Fund Balance – January 1	4,296,156	4,296,156	4,296,156	-
Increase (decrease) in inventories	-	-	(159,485)	(159,485)
Fund Balance – December 31	\$ 4,073,975	\$ 4,073,975	\$ 5,385,866	\$ 1,311,891

**Grant County
Elbow Lake, Minnesota**

Exhibit A-3

**Budgetary Comparison Schedule
Human Services Special Revenue Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 1,157,976	\$ 1,157,976	\$ 1,156,594	\$ (1,382)
Intergovernmental	103,835	103,835	137,597	33,762
Miscellaneous	-	-	2,322	2,322
Total Revenues	\$ 1,261,811	\$ 1,261,811	\$ 1,296,513	\$ 34,702
Expenditures				
Current				
Human services				
Income maintenance	\$ -	\$ -	\$ 471	\$ (471)
Social services	1,261,811	1,261,811	18,379	1,243,432
Total human services	\$ 1,261,811	\$ 1,261,811	\$ 18,850	\$ 1,242,961
Intergovernmental				
Human services	-	-	1,671,143	(1,671,143)
Total Expenditures	\$ 1,261,811	\$ 1,261,811	\$ 1,689,993	\$ (428,182)
Excess of Revenues Over (Under)				
Expenditures	\$ -	\$ -	\$ (393,480)	\$ (393,480)
Special Item				
Transfer of human services operation to Western Prairie Human Services	-	-	(1,776,943)	(1,776,943)
Net Change in Fund Balance	\$ -	\$ -	\$ (2,170,423)	\$ (2,170,423)
Fund Balance – January 1	3,814,256	3,814,256	3,814,256	-
Fund Balance – December 31	\$ 3,814,256	\$ 3,814,256	\$ 1,643,833	\$ (2,170,423)

**Grant County
Elbow Lake, Minnesota**

Exhibit A-4

**Schedule of Changes in Total OPEB Liability and Related Ratios
Other Postemployment Benefits
December 31, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 54,974	\$ 96,175	\$ 81,753	\$ 84,154	\$ 88,313
Interest	17,260	22,482	31,240	25,570	23,981
Differences between expected and actual experience	(409,801)	-	(149,208)	-	-
Changes of assumption or other inputs	(7,728)	40,894	11,137	(23,128)	-
Benefit payments	<u>(34,325)</u>	<u>(26,807)</u>	<u>(45,373)</u>	<u>(28,686)</u>	<u>(90,816)</u>
Net change in total OPEB liability	\$ (379,620)	\$ 132,744	\$ (70,451)	\$ 57,910	\$ 21,478
Total OPEB Liability – Beginning	<u>825,113</u>	<u>692,369</u>	<u>762,820</u>	<u>704,910</u>	<u>683,432</u>
Total OPEB Liability – Ending	<u>\$ 445,493</u>	<u>\$ 825,113</u>	<u>\$ 692,369</u>	<u>\$ 762,820</u>	<u>\$ 704,910</u>
 Covered-employee payroll	 \$ 3,839,288	 \$ 4,758,835	 \$ 4,609,041	 \$ 4,613,308	 \$ 4,478,940
Total OPEB liability (asset) as a percentage of covered-employee payroll	11.60%	17.34%	15.02%	16.54%	15.74%

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

**Grant County
Elbow Lake, Minnesota**

Exhibit A-5

**Schedule of Proportionate Share of Net Pension Liability
PERA General Employees Retirement Plan
December 31, 2022**

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 Grant 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
2022	0.0361 %	\$ 2,859,132	\$ 110,985	\$ 2,970,117	\$ 3,577,192	79.93 %	76.67 %
2021	0.0565	2,412,803	73,650	2,486,453	4,067,287	59.32	87.00
2020	0.0568	3,405,420	105,098	3,510,518	4,010,998	84.90	79.06
2019	0.0561	3,101,643	96,496	3,198,139	3,971,480	78.10	80.23
2018	0.0580	3,217,602	105,539	3,323,141	3,889,797	82.72	79.53
2017	0.0552	3,523,932	44,294	3,568,226	3,554,744	99.13	75.90
2016	0.0514	4,173,425	54,537	4,227,962	3,034,606	137.53	68.91
2015	0.0507	2,627,537	N/A	2,627,537	2,810,449	93.49	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

**Grant County
Elbow Lake, Minnesota**

Exhibit A-6

**Schedule of Contributions
PERA General Employees Retirement Plan
December 31, 2022**

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)
2022	\$ 208,163	\$ 208,163	\$ -	\$ 2,775,493	7.50 %
2021	318,900	318,900	-	4,254,373	7.50
2020	304,076	304,076	-	4,054,330	7.50
2019	297,625	297,625	-	3,968,327	7.50
2018	291,577	291,577	-	3,887,678	7.50
2017	277,316	277,316	-	3,697,540	7.50
2016	239,010	239,010	-	3,186,794	7.50
2015	217,945	231,921	13,976	2,905,932	7.98

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.

**Grant County
Elbow Lake, Minnesota**

Exhibit A-7

**Schedule of Proportionate Share of Net Pension Liability
PERA Public Employees Police and Fire Plan
December 31, 2022**

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 Grant 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
2022	0.0666 %	\$ 2,898,169	\$ 126,773	\$ 3,024,942	\$ 809,547	358.00 %	70.53 %
2021	0.0673	519,485	23,346	542,831	795,277	65.32	93.66
2020	0.0670	883,132	20,812	903,944	757,242	116.62	87.19
2019	0.0710	757,997	N/A	757,997	752,046	100.79	89.26
2018	0.0705	751,457	N/A	751,457	743,327	101.09	88.84
2017	0.0550	742,565	N/A	742,565	560,023	132.60	85.43
2016	0.0560	2,247,377	N/A	2,247,377	501,532	448.10	63.88
2015	0.0550	624,929	N/A	624,929	490,276	127.46	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.

**Grant County
Elbow Lake, Minnesota**

Exhibit A-8

**Schedule of Contributions
PERA Public Employees Police and Fire Plan
December 31, 2022**

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)
2022	\$ 139,602	\$ 139,602	\$ -	\$ 788,712	17.70 %
2021	137,952	137,952	-	779,389	17.70
2020	138,871	138,871	-	784,583	17.70
2019	125,693	125,693	-	741,554	16.95
2018	124,345	124,345	-	767,561	16.20
2017	103,045	103,045	-	636,083	16.20
2016	83,446	83,446	-	515,101	16.20
2015	81,683	85,392	3,709	504,214	16.94

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.

Grant County Elbow Lake, Minnesota

Notes to the Required Supplementary Information For the Year Ended December 31, 2022

Note 1 – Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Ditch Special Revenue Fund, the Courthouse Improvement and County Ditch 29 Debt Service Funds, and the Trust Payment Permanent Fund. A budget was not adopted for the Ditch Special Revenue Fund because it is based on taxing and special assessments which cannot be determined on an annual basis. All annual appropriations lapse at fiscal year-end unless specifically carried over to the next budget year by Board action.

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

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the County Board. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the fund level.

Note 2 – Excess of Expenditures Over Appropriations

The following individual major funds had expenditures in excess of final budgets for the year ended December 31, 2022:

Excess of Expenditures Over Budget for the Year Ended December 31, 2022

	Expenditures	Final Budget	Excess
General Fund	\$ 7,667,404	\$ 6,106,077	\$ 1,561,327
Human Services Special Revenue Fund	1,689,993	1,261,811	428,182

Note 3 – Other Postemployment Benefits Funded Status

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

Note 4 – Other Postemployment Benefits – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

2022

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.

Grant County Elbow, Minnesota

- The mortality tables were updated from Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50 percent to 2.00 percent.

2021

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

2020

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

2019

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

2018

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire personnel) to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire personnel).

Note 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:

Grant County Elbow, Minnesota

General Employees Retirement Plan

2022

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

2021

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

2020

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality table to the Pub-2010 General/Teacher Disabled Retiree Mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020, through December 31, 2023, and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Grant County Elbow, Minnesota

2019

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

2018

- The mortality projection scale was changed from Scale MP-2015 to Scale MP-2017.
- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost of living adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- 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.

Grant County Elbow, Minnesota

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

2022

- The single discount rate changed from 6.50 percent to 5.40 percent.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 Healthy Annuitant Mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety Disabled Annuitant Mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.

Grant County Elbow, Minnesota

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

2020

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

2019

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

2018

- The mortality projection scale was changed from Scale MP-2016 to Scale MP-2017.
- Post-retirement benefit increases changed to 1.00 percent for all years with no trigger.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed effective January 1, 2019, and January 1, 2020, from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019, and January 1, 2020, from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- The assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA load has been changed to 33 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality table assumed for healthy retirees.
- The assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

Grant County Elbow, Minnesota

- The assumed percentage of married female members was decreased from 65 percent to 60 percent.
- The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016

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

Supplementary Information

**Combining and Individual Fund
Financial Statements**

Grant County Elbow Lake, Minnesota

Nonmajor Governmental Funds

Special Revenue Funds

The Ditch Fund accounts for the financing and related costs of all County ditches.

The Solid Waste Fund accounts for the financing and costs related to the collection and disposal of solid waste and the County recycling activities.

Debt Service Fund

The Courthouse Improvement Fund accounts for the retirement of bonds issued for the Courthouse improvement.

Permanent Fund

The Trust Payment Fund accounts for resources legally restricted to the extent that only earnings and not principal from the Trust Payment Permanent Fund may be used for County purposes.

**Grant County
Elbow Lake, Minnesota**

Exhibit B-1

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

	<u>Special Revenue</u>		<u>Courthouse Improvement Debt Service</u>	<u>Trust Payment Permanent</u>	<u>Total</u>
	<u>Ditch</u>	<u>Solid Waste</u>			
<u>Assets</u>					
Cash and pooled investments	\$ 358,601	\$ 260,964	\$ 1,185,823	\$ 166,375	\$ 1,971,763
Taxes receivable – net	-	-	6,096	-	6,096
Special assessments receivable					
Delinquent	9	4,532	-	-	4,541
Accounts receivable – net	-	13,048	-	-	13,048
Accrued interest receivable	70	-	-	-	70
Total Assets	\$ 358,680	\$ 278,544	\$ 1,191,919	\$ 166,375	\$ 1,995,518
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities					
Accounts payable	\$ 3,268	\$ 3,682	\$ -	\$ -	\$ 6,950
Salaries payable	-	449	-	-	449
Due to other governments	-	19,492	-	-	19,492
Total Liabilities	\$ 3,268	\$ 23,623	\$ -	\$ -	\$ 26,891
Deferred Inflows of Resources					
Unavailable revenues	\$ 9	\$ 3,096	\$ 2,552	\$ -	\$ 5,657
Fund Balances					
Nonspendable					
Trust principal	\$ -	\$ -	\$ -	\$ 166,375	\$ 166,375
Restricted					
Debt service	-	-	1,189,367	-	1,189,367
Ditch maintenance and construction	364,058	-	-	-	364,058
Assigned					
Sanitation	-	251,825	-	-	251,825
Unassigned	(8,655)	-	-	-	(8,655)
Total Fund Balances	\$ 355,403	\$ 251,825	\$ 1,189,367	\$ 166,375	\$ 1,962,970
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 358,680	\$ 278,544	\$ 1,191,919	\$ 166,375	\$ 1,995,518

**Grant County
Elbow Lake, Minnesota**

Exhibit B-2

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2022**

	Special Revenue		Courthouse Improvement Debt Service	Trust Payment Permanent	Total
	Ditch	Solid Waste			
Revenues					
Taxes	\$ -	\$ -	\$ 400,876	\$ -	\$ 400,876
Special assessments	52,092	130,012	-	-	182,104
Intergovernmental	-	96,521	75,205	-	171,726
Charges for services	-	533,960	-	-	533,960
Gifts and contributions	-	-	-	48,170	48,170
Investment earnings	978	-	-	-	978
Miscellaneous	-	46,903	-	-	46,903
Total Revenues	\$ 53,070	\$ 807,396	\$ 476,081	\$ 48,170	\$ 1,384,717
Expenditures					
Current					
Sanitation	\$ -	\$ 869,820	\$ -	\$ -	\$ 869,820
Conservation of natural resources	96,433	-	-	-	96,433
Debt service					
Principal	-	-	115,000	-	115,000
Interest	-	-	113,030	-	113,030
Total Expenditures	\$ 96,433	\$ 869,820	\$ 228,030	\$ -	\$ 1,194,283
Net Change in Fund Balance	\$ (43,363)	\$ (62,424)	\$ 248,051	\$ 48,170	\$ 190,434
Fund Balance – January 1	398,766	314,249	941,316	118,205	1,772,536
Fund Balance – December 31	\$ 355,403	\$ 251,825	\$ 1,189,367	\$ 166,375	\$ 1,962,970

**Grant County
Elbow Lake, Minnesota**

Exhibit B-3

**Budgetary Comparison Schedule
Solid Waste Special Revenue Fund
For the Year Ended December 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Special assessments	\$ 131,184	\$ 131,184	\$ 130,012	\$ (1,172)
Intergovernmental	101,066	101,066	96,521	(4,545)
Charges for services	527,578	527,578	533,960	6,382
Miscellaneous	54,240	54,240	46,903	(7,337)
Total Revenues	\$ 814,068	\$ 814,068	\$ 807,396	\$ (6,672)
Expenditures				
Current				
Sanitation				
Waste collection	\$ 481,210	\$ 481,210	\$ 476,857	\$ 4,353
Recycling	312,300	312,300	386,150	(73,850)
Household hazardous waste	12,000	12,000	6,813	5,187
Total Expenditures	\$ 805,510	\$ 805,510	\$ 869,820	\$ (64,310)
Net Change in Fund Balance	\$ 8,558	\$ 8,558	\$ (62,424)	\$ (70,982)
Fund Balance – January 1	314,249	314,249	314,249	-
Fund Balance – December 31	\$ 322,807	\$ 322,807	\$ 251,825	\$ (70,982)

Grant County Elbow Lake, Minnesota

Fiduciary Funds

Custodial Funds

The State Revenue Fund accounts for the collection and payment of money due to the State of Minnesota.

The Taxes and Penalties Fund is used to account for collection of taxes and penalties and their payment to the various taxing districts.

The Assertive Community Treatment Fund accounts for the collection and payment of money related to assertive community treatment services provided by the Region 4 South Adult Mental Health Consortium. The fund was transferred to Western Prairie Human Services on January 1, 2022, who is now the fiscal agent.

The Adult Mental Health Initiative Fund accounts for the collection and payment of money related to adult mental health initiative services provided by the Region 4 South Adult Mental Health Consortium. The fund was transferred to Western Prairie Human Services on January 1, 2022, who is now the fiscal agent.

**Grant County
Elbow Lake, Minnesota**

Exhibit C-1

**Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2022**

	<u>State Revenue</u>	<u>Taxes and Penalties</u>	<u>Assertive Community Treatment</u>	<u>Adult Mental Health Initiative</u>	<u>Total Custodial Funds</u>
<u>Assets</u>					
Cash and pooled investments	\$ 1,620	\$ 174,666	\$ -	\$ -	\$ 176,286
Taxes receivable for other governments	-	152,173	-	-	152,173
Total Assets	<u>\$ 1,620</u>	<u>\$ 326,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,459</u>
<u>Liabilities</u>					
Due to other governments	<u>\$ 1,620</u>	<u>\$ 174,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,286</u>
<u>Net Position</u>					
Restricted for individuals, organizations, and other governments	<u>\$ -</u>	<u>\$ 152,173</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,173</u>

**Grant County
Elbow Lake, Minnesota**

Exhibit C-2

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2022**

	<u>State Revenue</u>	<u>Taxes and Penalties</u>	<u>Assertive Community Treatment</u>	<u>Adult Mental Health Initiative</u>	<u>Total Custodial Funds</u>
<u>Additions</u>					
Property tax collections for other governments	\$ -	\$ 6,338,422	\$ -	\$ -	\$ 6,338,422
Licenses and fees collected for state	24,791	-	-	-	24,791
Total Additions	\$ 24,791	\$ 6,338,422	\$ -	\$ -	\$ 6,363,213
<u>Deductions</u>					
Payments of property tax to other governments	\$ -	\$ 6,343,129	\$ -	\$ -	\$ 6,343,129
Payments to state	24,791	-	-	-	24,791
Total Deductions	\$ 24,791	\$ 6,343,129	\$ -	\$ -	\$ 6,367,920
<u>Special Item</u>					
Transfer of human services operation to Western Prairie Human Services	\$ -	\$ -	\$ (901,288)	\$ 223,464	\$ (677,824)
Change in Net Position	\$ -	\$ (4,707)	\$ (901,288)	\$ 223,464	\$ (682,531)
Net Position – January 1	-	156,880	901,288	(223,464)	834,704
Net Position – December 31	\$ -	\$ 152,173	\$ -	\$ -	\$ 152,173

Other Schedules

**Grant County
Elbow Lake, Minnesota**

**Balance Sheet – By Ditch
Ditch Special Revenue Fund
December 31, 2022**

	Assets		
	Cash	Special Assessments Receivable	Accrued Interest Receivable
		Delinquent	
County Ditches			
#1	\$ 18,420	\$ -	\$ 4
#3	16,693	9	4
#5	9,430	-	3
#6	4,164	-	1
#8	66,881	-	15
#9	47,085	-	11
#11	(8,653)	-	(2)
#13	2,126	-	-
#15	14,597	-	3
#21	18,361	-	4
#22	5,533	-	2
#23	7,207	-	2
#29	23,366	-	5
#30	9,507	-	2
#31	3,373	-	1
#32	8,995	-	2
#33	15,691	-	4
Consolidated			
#2	35,034	-	8
Judicial Ditches			
#1	6,014	-	1
#2	54,528	-	-
Admin Fees	249	-	-
Total	\$ 358,601	\$ 9	\$ 70

Exhibit D-1

			Deferred Inflows of Resources	Fund Balances	Total Liabilities, Deferred Inflows of Resources, and Fund Balances
	Liabilities Accounts Payable	Unavailable Revenue	Restricted (Unassigned)		
<u>Total</u>					
\$ 18,424	\$ 1,018	\$ -	\$ 17,406	\$ 18,424	
16,706	-	9	16,697	16,706	
9,433	-	-	9,433	9,433	
4,165	-	-	4,165	4,165	
66,896	-	-	66,896	66,896	
47,096	-	-	47,096	47,096	
(8,655)	-	-	(8,655)	(8,655)	
2,126	-	-	2,126	2,126	
14,600	-	-	14,600	14,600	
18,365	688	-	17,677	18,365	
5,535	-	-	5,535	5,535	
7,209	-	-	7,209	7,209	
23,371	1,562	-	21,809	23,371	
9,509	-	-	9,509	9,509	
3,374	-	-	3,374	3,374	
8,997	-	-	8,997	8,997	
15,695	-	-	15,695	15,695	
35,042	-	-	35,042	35,042	
6,015	-	-	6,015	6,015	
54,528	-	-	54,528	54,528	
249	-	-	249	249	
<u>\$ 358,680</u>	<u>\$ 3,268</u>	<u>\$ 9</u>	<u>\$ 355,403</u>	<u>\$ 358,680</u>	

**Grant County
Elbow Lake, Minnesota**

Exhibit D-2

**Schedule of Intergovernmental Revenue
For the Year Ended December 31, 2022**

Appropriations and Shared Revenue

State

Highway users tax	\$ 4,536,215
County program aid	460,166
Market value credit	215,961
PERA	17,764
Disparity reduction aid	6,099
Aquatic invasive species aid	52,684
Police aid	100,164
Riparian protection aid	99,204
E-911	139,845
SCORE	72,440

Total appropriations and shared revenue	\$ 5,700,542

Payments

Local

Payments in lieu of taxes	\$ 76,102
Local contributions	53,160
Qualified energy conservation payments	35,117

Total payments	\$ 164,379

Grants

State

Minnesota Department/Board of	
Agriculture	\$ 133,973
Corrections	9,309
Public Safety	46,082
Transportation	969,857
Natural Resources	48,862
Human Services	8,218
Veterans Affairs	7,500
Water and Soil Resources	83,418
Peace Officers Standards and Training Board	11,163
Pollution Control Agency	42,681

Total state	\$ 1,361,063

**Grant County
Elbow Lake, Minnesota**

Exhibit D-2
(Continued)

**Schedule of Intergovernmental Revenue
For the Year Ended December 31, 2022**

Grants

Federal

Department of	
Agriculture	\$ 10,871
Transportation	2,036,885
Treasury	294,785
Election Assistance Commission	21,336
Health and Human Services	37,977
Homeland Security	102,903
Total federal	\$ 2,504,757
Total state and federal grants	\$ 3,865,820
Total Intergovernmental Revenue	\$ 9,730,741

**Grant County
Elbow Lake, Minnesota**

Exhibit D-3

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Western Prairie Human Services SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	222MN101S2514	\$ 10,871	\$ -
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	2622039	\$ 1,958,769	\$ -
Highway Planning and Construction	20.205	8822044	52,435	-
(Total Highway Planning and Construction 20.205 \$2,011,204)				
Passed Through Minnesota Department of Public Safety Highway Safety Cluster				
State and Community Highway Safety	20.600	A-ENFRC2-2022-GRANTS-026	6,601	900
National Priority Safety Programs	20.616	A-ENFRC2-2022-GRANTS-026	4,324	57
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC2-2022-GRANTS-026	4,604	141
Passed Through City of St. Cloud, Minnesota				
E-911 Grant Program	20.615	A-DECN-NGGIS-2019-CMESB-1	4,152	-
E-911 Grant Program	20.615	A-DECN-CPE-2019-CMESB-4	6,000	-
(Total E-911 Grant Program 20.615 \$10,152)				
Total U.S. Department of Transportation			\$ 2,036,885	\$ 1,098
U.S. Department of Treasury				
Direct				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 294,785	\$ 194,133
U.S. Election Assistance Commission				
Passed Through Minnesota Secretary of State				
2018 HAVA Election Security Grants	90.404	Not provided	\$ 21,336	\$ -
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Human Services				
Refugee and Entrant Assistance – State Administered Programs	93.566	2201MNRCA	\$ 6	\$ -
(Total Refugee and Entrant Assistance – State Administered Programs 93.566 \$24)				
Foster Care – Title IV-E	93.658	2201MNFOST	952	-
(Total Foster Care – Title IV-E 93.658 \$1,818)				
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2201MNCILP	1,000	-
Children's Health Insurance Program	93.767	2205MN5021	62	-
(Total Children's Health Insurance Program 93.767 \$128)				

**Grant County
Elbow Lake, Minnesota**

Exhibit D-3
(Continued)

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Human Services (Continued)				
Medicaid Cluster				
Medical Assistance Program	93.778	2205MN5ADM	3,357	-
(Total Medical Assistance Program 93.778 \$13,487)				
Passed Through Western Prairie Human Services				
Temporary Assistance for Needy Families	93.558	2201MNTANF	664	-
Child Support Enforcement	93.563	2201MNCSES	6,630	-
Refugee and Entrant Assistance – State Administered Programs	93.566	2201MNRCSMA	18	-
(Total Refugee and Entrant Assistance – State Administered Programs 93.566 \$24)				
Foster Care – Title IV-E	93.658	2201MNFOST	308	-
(Total Foster Care – Title IV-E 93.658 \$1,818)				
Children's Health Insurance Program	93.767	2205MN5021	66	-
(Total Children's Health Insurance Program 93.767 \$128)				
Medicaid Cluster				
Medical Assistance Program	93.778	2205MN5ADM	7,612	-
(Total Medical Assistance Program 93.778 \$13,487)				
Passed Through Pope County, Minnesota				
Foster Care – Title IV-E	93.658	2201MNFOST	558	-
(Total Foster Care – Title IV-E 93.658 \$1,818)				
Medicaid Cluster				
Medical Assistance Program	93.778	2205MN5ADM	2,518	-
(Total Medical Assistance Program 93.778 \$13,487)				
Total U.S. Department of Health and Human Services			\$ 23,751	\$ -
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Public Safety				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	4442-DR	\$ 83,510	\$ -
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	4666-DR	19,641	-
(Total Disaster Grants – Public Assistance (Presidentially Declared Disasters) 97.036 \$103,151)				
Total U.S. Department of Homeland Security			\$ 103,151	\$ -
Total Federal Awards			\$ 2,490,779	\$ 195,231
Totals by Cluster				
Total expenditures for SNAP Cluster			\$ 10,871	
Total expenditures for Highway Planning and Construction Cluster			2,011,204	
Total expenditures for Highway Safety Cluster			10,925	
Total expenditures for Medicaid Cluster			13,487	

Grant County Elbow Lake, Minnesota

Notes to the Schedule of Expenditures of Federal Awards As of and for the Year Ended December 31, 2022

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Grant County. The County's reporting entity is defined in Note 1 to the financial statements. The schedule does not include \$263,672 in federal awards expended by the Housing and Redevelopment Authority of Grant County component unit. The component unit is legally separate from the primary government and expended less than \$750,000 of federal awards for the year ended December 31, 2022, and therefore, was not subject to 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).

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Grant County under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of Grant County, it is not intended to and does not present the financial position or changes in net position of Grant County.

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

Note 2 – De Minimis Cost Rate

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

Note 3 – Reconciliation to Schedule of Intergovernmental Revenue

<u>Reconciliation to Schedule of Intergovernmental Revenue</u>	
Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 2,504,757
Grants received more than 60 days after year-end, considered unavailable revenue in 2022	
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (AL No. 97.036)	133,195
Unavailable revenue in 2021, recognized as revenue in 2022	
Promoting Safe and Stable Families (AL No. 93.556)	(249)
Temporary Assistance for Needy Families (AL No. 93.558)	(11,637)
Community-Based Child Abuse Prevention Grants (AL No. 93.590)	(709)
Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645)	(1,229)
Children's Health Insurance Program (AL No. 93.767)	(402)
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (AL No. 97.036)	(132,947)
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 2,490,779</u>

Management and Compliance Section



**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Independent Auditor's Report

Board of County Commissioners
Grant County
Elbow Lake, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Grant County, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 9, 2023. Our report includes a reference to other auditors who audited the financial statements of the Housing and Redevelopment Authority of Grant County 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.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grant 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 Grant County failed to comply with the provisions of the miscellaneous provisions 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 item 2022-003. Also, in connection with our audit, nothing came to our attention that caused us to believe that Grant County failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, and claims and disbursements 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.

Grant County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Grant County's response to the internal control and legal compliance findings identified in our audit and described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

November 9, 2023

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor



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

Independent Auditor's Report

Board of County Commissioners
Grant County
Elbow Lake, Minnesota

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Grant County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Grant County's major federal program for the year ended December 31, 2022. Grant County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Grant County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

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

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

Other Matter – Federal Expenditures Not Included in the Compliance Audit

Grant County's basic financial statements include the operations of the Housing and Redevelopment Authority (HRA) of Grant County component unit, which expended \$263,672 in federal awards which are not included in Grant County's Schedule of Expenditures of Federal Awards during the year ended December 31, 2022. Our compliance audit, described in the Opinion on the Major Federal Program section, does not include the operations of the HRA of Grant County component unit because the component unit is legally separate from the primary government, and

because it expended less than \$750,000 of federal awards for the year ended December 31, 2022, it was not subject to Uniform Guidance audit requirements.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Grant County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Grant County's compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Grant County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances; and
- obtain an understanding of Grant County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Grant County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

/s/Julie Blaha

/s/Chad Struss

Julie Blaha
State Auditor

Chad Struss, CPA
Deputy State Auditor

November 9, 2023

Grant County Elbow Lake, Minnesota

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2022

Section I – Summary of Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

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

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

Federal Awards

Internal control over the major federal program:

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

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

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

Identification of the major federal program:

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

The threshold used to distinguish between Type A and B programs was \$750,000.

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

Section II – Financial Statement Findings

2022-001 Departmental Internal Accounting Controls

Prior Year Finding Number: 2021-001

Repeat Finding Since: 1996

Type of Finding: Internal Control Over Financial Reporting

Severity of Deficiency: Significant Deficiency

Criteria: Management is responsible for establishing and maintaining internal control. Adequate segregation of duties is a key internal control in preventing and detecting errors or irregularities. To protect County assets, proper segregation of the record-keeping, custody, and authorization functions should be in place, and where management decides segregation of duties may not be cost effective, compensating controls should be in place.

Grant County Elbow Lake, Minnesota

Condition: The limited number of personnel within several Grant County offices results in a lack of segregation of accounting duties necessary to ensure adequate internal accounting control. The smaller offices that collect fees generally have one staff person who is responsible for billing, collecting, recording, and depositing receipts as well as reconciling bank accounts. Also, staff who authorize the payment of bills have access to add new vendors.

Context: This is not unusual in operations the size of Grant County; however, the County's management should constantly be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from an internal control point of view.

Effect: Inadequate segregation of duties could adversely affect the ability of the County's employees, in the normal course of performing their assigned functions, to detect misstatements in a timely period.

Cause: Due to limited economic resources, the County has informed us that it is impractical for it to hire enough staff to achieve a desirable level of segregation of duties in every department.

Recommendation: We recommend Grant County's elected officials and management be mindful that limited staffing increases the risks in safeguarding the County's assets and the proper recording of its financial activity and, where possible, implement oversight procedures to ensure that internal control policies and procedures are being followed by staff.

View of Responsible Official: Acknowledge

2022-002 Documenting and Monitoring Internal Controls

Prior Year Finding Number: 2021-002

Repeat Finding Since: 2012

Type of Finding: Internal Control Over Financial Reporting

Severity of Deficiency: Significant Deficiency

Criteria: County management is responsible for the County's internal control over financial reporting. This responsibility requires performing an assessment of existing controls over significant functions used to produce financial information for the Board, management, and for external financial reporting. The risk assessment is intended to determine if the internal controls that have been established by County management are still effective or if changes are needed to maintain a sound internal control structure. Changes may be necessary due to such things as organizational restructuring, updates to information systems, or changes to services being provided.

Condition: Grant County maintains narratives to document the controls in place over its significant transaction cycles. However, there is no formal risk assessment process in place to determine if the internal controls that have been established by County management are still effective or if changes are needed to maintain a sound internal control structure.

Context: Local governments tend to establish controls but fail to periodically review those controls to ensure they are appropriate for all of the changes that take place over time.

Effect: The internal control environment is constantly changing with changes in staffing, information systems, processes, and the services provided. Changes may have taken place that reduce or negate the effectiveness of internal controls, which may go unnoticed without a formal and timely risk assessment process in place.

Grant County Elbow Lake, Minnesota

Cause: The County has informed us that it lacks resources dedicated to establishing a formal process for assessing risks, documenting the internal controls established to reduce those risks, and monitoring of those controls.

Recommendation: We recommend Grant County management document the significant internal controls in its accounting system, including an assessment of risk and the processes used to minimize the risks. A formal plan should be developed that calls for monitoring the internal control structure on a regular basis, no less than annually. The monitoring activity should also be documented to show the results of the review, any changes required, and who performed the work.

View of Responsible Official: Acknowledge

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Other Findings and Recommendations

2022-003 Publication of Board Minutes

Prior Year Finding Number: 2021-004

Repeat Finding Since: 2020

Type of Finding: Minnesota Legal Compliance

Criteria: Pursuant to Minn. Stat. § 375.12, within 30 days of each meeting, the County Board must have the official proceedings of its sessions, or a summary published in a qualified newspaper of general circulation in the County.

Condition: Based on a review of the affidavits of publication related to the publishing of a summary of Board minutes for 2022, not all of the summaries were published in the County's official newspaper within the 30-day requirement.

Context: Of the 29 published summaries reviewed, five were not published within the 30-day requirement.

Effect: Noncompliance with Minn. Stat. § 375.12.

Cause: The summary of Board minutes was not submitted for publishing to the newspaper within the time frame required.

Recommendation: We recommend the County publish its summaries of the County Board minutes in compliance with Minn. Stat. § 375.12.

View of Responsible Official: Concur

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Chad Van Santen
Auditor

Representation of Grant County Elbow Lake, Minnesota

Corrective Action Plan
For the Year Ended December 31, 2022

Finding Number: 2022-001

Finding Title: Departmental Internal Accounting Controls

Name of Contact Person Responsible for Corrective Action:

Chad Van Santen, Grant County Auditor

Corrective Action Planned:

Grant County will continue to monitor departmental internal accounting controls with the limited number of staff in certain offices. Management will work on drafting and implementing formal policies and procedures.

Anticipated Completion Date

December 31, 2023

Finding Number: 2022-002

Finding Title: Documenting and Monitoring Internal Controls

Name of Contact Person Responsible for Corrective Action:

Chad Van Santen, Grant County Auditor

Corrective Action Planned:

Grant County will attempt to establish a formal plan of monitoring internal controls; until such time, management will continue to maintain narratives to document the controls in place.

Anticipated Completion Date:

December 31, 2023

Finding Number: 2022-003

Finding Title: Publication of Board Minutes

Name of Contact Person Responsible for Corrective Action:

Chad Van Santen, Grant County Auditor

Corrective Action Planned:

The Grant County Auditor work will develop a process to ensure that approved board minutes are published within the required 30 days and work with the publishing vendor to review they are published in compliance with MN Statute 375.12.

Anticipated Completion Date:

December 31, 2023

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Chad Van Santen
Auditor

Representation of Grant County Elbow Lake, Minnesota

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2022

Finding Number: 2021-001

Year of Finding Origination: 1996

Finding Title: Departmental Internal Accounting Controls

Summary of Condition: The limited number of personnel within several Grant County offices results in a lack of segregation of accounting duties necessary to ensure adequate internal accounting control. The smaller offices that collect fees generally have one staff person who is responsible for billing, collecting, recording, and depositing receipts as well as reconciling bank accounts. Also, staff who authorize the payment of bills have access to add new vendors.

Summary of Corrective Action Previously Reported: Grant County will continue to monitor departmental internal accounting controls with the limited number of staff in certain offices. Management will work on drafting and implementing formal policies and procedures.

Status: Not Corrected. Grant County management is aware of the risks associated with the absence of an adopted procedure policy over departmental internal accounting controls but was unable to correct due to the limited resources and personnel. Management will continue to monitor the condition and work on drafting formal policies and procedures. Revenues collected by departments are brought to the Auditors office for receipt processing and then directed to the Treasurer's office for deposit. Monthly reports are available to department heads on a monthly basis or as requested for review and accuracy.

Corrective action taken was not significantly different than the action previously reported.

Finding Number: 2021-002

Year of Finding Origination: 2012

Finding Title: Documenting and Monitoring Internal Controls

Summary of Condition: Grant County maintains narratives to document the controls in place over its significant transaction cycles. However, there is no formal risk assessment process in place to determine if the internal controls that have been established by County management are still effective or if changes are needed to maintain a sound internal control structure.

Summary of Corrective Action Previously Reported: Grant County will attempt to establish a formal plan of monitoring internal controls; until such time, management will continue to maintain narratives to document the controls in place.

Status: Not Corrected. Grant County management is aware of the need to establish a formal plan for monitoring internal controls and will continue to work on development of such in the future but was unable to correct due to the limited resources and personnel. Until such time that a plan is formalized, management will continue to maintain narratives to document controls currently in place.

Corrective action taken was not significantly different than the action previously reported.

Finding Number: 2021-003

Year of Finding Origination: 2021

Finding Title: Eligibility

Program: Medical Assistance Program (Assistance Listing #93.778)

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by the County to support the eligibility determination process. The following exceptions were noted in our sample of 40 case files tested:

- Two case files had asset information in MAXIS that did have supporting documentation in the case file or did not agree with supporting documentation,
- One case file included assets over the asset limit allowed by the program and there were no case notes included to explain why the recipient was eligible, and
- One transferred case file did not include an application.

Summary of Corrective Action Previously Reported: Grant County has entered into a Joint Powers Agreement with Pope County as of 01/01/2022 to form a separate entity, Western Prairie Human Services. The Medical Assistance Program is under the direction of the newly formed entity and will no longer be under Grant County.

Status: Fully Corrected. Corrective action was taken.

Corrective action taken was not significantly different than the action previously reported.

Finding Number: 2021-004

Year of Finding Origination: 2020

Finding Title: Publication of Board Minutes

Summary of Condition: Based on a review of the affidavits of publication related to the publishing of a summary of Board minutes for 2021, not all of the summaries were published in the County's official newspaper within the 30-day requirement.

Summary of Corrective Action Previously Reported: The Grant County Auditor work will develop a process to ensure that approved board minutes are published within the required 30 days and work with the publishing vendor to review they are published in compliance with MN Statute 375.12.

Status: Not Corrected. The Grant County Auditor work will develop a process to ensure that approved board minutes are published within the required 30 days and work with the publishing vendor to review they are published in compliance with MN Statute 375.12.

Corrective action taken was not significantly different than the action previously reported.

Finding Number: 2017-002

Year of Finding Origination: 2017

Finding Title: Procurement, Suspension, and Debarment

Program: Medical Assistance Program (AL No. 93.778)

Summary of Condition: One procurement transaction selected for testing did not have sufficient documentation to detail the history of the procurement, nor that there was full and open competition. In addition, there was no documentation that verification procedures were performed to determine that the vendor was not suspended or debarred, or that other exclusions applied.

Summary Corrective Action Previously Reported: Grant County has entered into a Joint Powers Agreement with Pope County as of 01/01/2022 to form a separate entity, Western Prairie Human Services which should resolve the medical assistance program procurement finding in 2022.

Status: Fully Corrected.

Corrective action taken was not significantly different than the action previously reported.