State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

Audit Practice Division

Wilkin County
Breckenridge, Minnesota

Annual Financial Report and
Management and Compliance Report

Year Ended December 31, 2024

This document can be made available in alternative formats upon request. Call 651-296-2551 [voice] or 1-800-627-3529 [relay service] for assistance or visit the Office of the State Auditor's website: www.osa.state.mn.us

Wilkin County
Breckenridge, Minnesota

Table of Contents

	Exhibit	Page
Introductory Section		
Organization		1
Financial Section		
Independent Auditor's Report		2
Management's Discussion and Analysis		5
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	1	13
Statement of Activities	2	15
Fund Financial Statements		
Governmental Funds		
Balance Sheet	3	16
Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position—Governmental Activities	4	20
Statement of Revenues, Expenditures, and Changes in Fund Balance	5	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Government-Wide Statement of Activities—Governmental Activities	6	23
Fiduciary Funds		
Statement of Fiduciary Net Position	7	24
Statement of Changes in Fiduciary Net Position	8	25
Notes to the Financial Statements		26
Required Supplementary Information		
Budgetary Comparison Schedules		
General Fund	A-1	65
Road and Bridge Special Revenue Fund	A-2	67
Human Services Special Revenue Fund	A-3	68
Schedule of Changes in Total OPEB Liability and Related Ratios – Other Postemployment Benefits	A-4	69
PERA General Employees Retirement Plan		
Schedule of Proportionate Share of Net Pension Liability	A-5	71
Schedule of Contributions	A-6	72
PERA Public Employees Police and Fire Plan		
Schedule of Proportionate Share of Net Pension Liability	A-7	73
Schedule of Contributions	A-8	74
PERA Public Employees Local Government Correctional Service Retirement Plan		
Schedule of Proportionate Share of Net Pension Liability	A-9	75
Schedule of Contributions	A-10	76
Notes to the Required Supplementary Information		77

Wilkin County
Breckenridge, Minnesota

Table of Contents
(Continued)

	Exhibit	Page
Supplementary Information		
Budgetary Comparison Schedule – Debt Service Fund	B-1	88
Nonmajor Governmental Funds		89
Combining Balance Sheet – Nonmajor Special Revenue Funds	C-1	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Special Revenue Funds	C-2	91
Budgetary Comparison Schedule – Environmental Special Revenue Fund	C-3	92
Fiduciary Funds – Custodial Funds		93
Combining Statement of Fiduciary Net Position	D-1	94
Combining Statement of Changes in Fiduciary Net Position	D-2	95
Schedules		
Schedule of Intergovernmental Revenue	E-1	96
Schedule of Expenditures of Federal Awards	E-2	97
Notes to the Schedule of Expenditures of Federal Awards		100
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*		101
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance		103
Schedule of Findings and Questioned Costs		106
Corrective Action Plan		118
Summary Schedule of Prior Audit Findings		122

Introductory Section

Wilkin County
Breckenridge, Minnesota

Organization

December 31, 2024

Office	Name	Term Expires
Commissioners		
1st District	Eric Klindt[1]	January 2025
2nd District	Jonathan Green	January 2027
3rd District	Jon Braton Sr.	January 2025
4th District	Rick Busko	January 2027
5th District	Dennis Larson	January 2025
Officials		
Elected		
Attorney	Derek Ganzhorn	January 2027
Sheriff	Anthony “Tony” Harris	January 2027
Appointed		
Auditor-Treasurer	Tarah Yaggie	Indefinite
County Administrator	Stephanie Sandbakken	Indefinite
Assessor	Michelle Snobl	December 2024
County Recorder	Bryon Blair	Indefinite
Registrar of Titles	Bryon Blair	Indefinite
Highway Engineer	Brian Noetzelman	December 2024
Medical Examiner	Dr. Kelly Mills, MD	December 2024
Veterans Service Officer	Vacant	
Health and Family Services Director	Becky Tripp	Indefinite
Emergency Management Officer	Breanna Koval	Indefinite

[1]Board Chair

Financial Section

STATE OF MINNESOTA

Julie Blaha
State Auditor

Office of the State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

Independent Auditor's Report

Board of County Commissioners
Wilkin County
Breckenridge, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wilkin County, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wilkin County as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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

Main: (651) 296-2551 • Fax: (651) 296-4755 • TTY: (800) 627-3529 • State.Auditor@osa.state.mn.us • www.osa.state.mn.us
An equal opportunity employer

that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison schedules for the General Fund and each major special revenue fund, Schedule of Changes in Total OPEB Liability and Related Ratios – Other Postemployment Benefits, PERA retirement plan schedules, and Notes to the Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilkin County's basic financial statements. The Budgetary Comparison Schedule – Debt Service Fund, combining nonmajor governmental fund financial statements, Budgetary Comparison Schedule – Environmental Special Revenue Fund, combining fiduciary fund financial statements, 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 Information

Management is responsible for the other information included in the Annual Financial Report. The other information comprises the Introductory Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of Wilkin 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 Wilkin 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 Wilkin County's internal control over financial reporting and compliance.

/s/Julie Blaha

Julie Blaha
State Auditor

/s/Lisa Young

Lisa Young, CPA
Deputy State Auditor

June 15, 2026

Management's Discussion and Analysis

Wilkin County
Breckenridge, Minnesota

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

Wilkin County's Management's Discussion and Analysis (MD&A) provides an overview of County financial activities for the fiscal year ended December 31, 2024. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with Wilkin County's financial statements and the notes to the financial statements. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

The assets and deferred outflows of resources of Wilkin County exceeded its liabilities and deferred inflows of resources by $92,395,124 at the close of 2024. Of this amount, $4,991,100 (unrestricted net position) may be used to meet Wilkin County's ongoing obligations to citizens and creditors.

The County's net position increased by $3,933,182 for the year ended December 31, 2024, from the restated beginning net position.

The net cost of Wilkin County's governmental activities for the year ended December 31, 2024, was ($8,930,337). The net cost was funded by general revenues of $12,863,519.

Wilkin County's fund balances of the governmental funds increased by $3,284,720 in 2024. This net increase consisted of an increase of $1,209,438 in the General Fund, an increase of $1,367,989 in the Road and Bridge Special Revenue Fund, an increase of $1,380,647 in the Human Services Special Revenue Fund, a decrease of $83,261 in the Debt Service Fund, and an increase of $29,733 in nonmajor special revenue funds.

The County's Net Position on January 1, 2024, was restated due to changes in the Governmental Accounting Standards Board reporting standards. The restated Net Position on January 1, 2024, was $88,461,942. Additional details can be found in Note 1.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all assets, deferred inflows of resources, deferred outflows of resources, and liabilities of Wilkin County using the full accrual basis of accounting, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial health of the County is improving or deteriorating. It is important to consider other

nonfinancial factors, such as changes in the County's property tax base and the condition of County roads and other capital assets, to assess the overall health of the County.

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

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

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

Fund Level Statements

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

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

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

Over time, net position serves as a useful indicator of the County's financial position. Wilkin County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $92,395,124 at the close of 2024. The largest portion of the County's net position (64.74 percent) reflects the County's investment in capital assets (land, buildings, equipment, and infrastructure such as roads and bridges). However, it should be noted that these assets are not for future spending or for liquidating any remaining debt.

Statement of Net Position

Governmental Activities	2024	2023
Assets		
Current and other assets	$ 46,048,875	$ 43,193,794
Capital assets, net	59,814,990	59,887,309
Total Assets	$ 105,863,865	$ 103,081,103
Deferred Outflows of Resources		
Deferred pension outflows	$ 1,633,453	$ 2,706,757
Deferred other postemployment benefits outflows	18,296	14,201
Total Deferred Outflows of Resources	$ 1,651,749	$ 2,720,958
Liabilities		
Long-term liabilities	$ 9,039,861	$ 10,140,700
Other liabilities	974,239	1,622,380
Total Liabilities	$ 10,014,100	$ 11,763,080
Deferred Inflows of Resources		
Advance allotments	$ 139,945	$ 521,458
Deferred pension inflows	3,313,615	3,134,692
Deferred other postemployment benefits inflows	89,081	89,793
Prepaid taxes	1,563,749	1,122,119
Total Deferred Inflows of Resources	$ 5,106,390	$ 4,868,062
Net Position		
Investment in capital assets	$ 59,814,990	$ 59,887,309
Restricted	27,589,034	27,996,872
Unrestricted	4,991,100	1,286,738
Total Net Position	$ 92,395,124	$ 89,170,919

The unrestricted net position amount of $4,991,100, 5.40 percent of the net position, as of December 31, 2024, may be used to meet the County's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements.

Governmental Activities

Wilkin County's activities increased net position during 2024 by 3.61 percent. The net position for 2024 was $92,395,124, compared to $89,170,919 in 2023. Key elements in this increase in net position are as follows:

Changes in Net Position

Governmental Activities	2024	2023
Revenues		
Program revenues		
Fees, charges, fines, and other	$ 1,504,250	$ 1,760,824
Operating grants and contributions	9,848,295	8,792,902
Capital grants and contributions	-	1,137,160
General revenues		
Property taxes	9,857,481	8,956,374
Other taxes	11,328	10,998
Grants and contributions not restricted	1,138,295	870,086
Other general revenues	1,856,415	1,047,297
Total Revenues	$ 24,216,064	$ 22,575,641
Expenses		
Program expenses		
General government	$ 3,389,832	$ 3,666,736
Public safety	3,371,505	2,906,870
Highways and streets	6,729,287	6,785,245
Sanitation	476,306	427,731
Human services	3,799,555	3,262,454
Health	671,488	1,151,901
Culture and recreation	77,783	76,662
Conservation of natural resources	333,852	2,388,118
Economic development	1,299,663	3,600,941
Interest	133,611	184,991
Total Expenses	$ 20,282,882	$ 24,451,649
Increase (Decrease) in Net Position	$ 3,933,182	$ (1,876,008)
Net Position – January 1, as previously reported	$ 89,170,919	$ 91,046,927
Restatement – Note 1	(708,977)	-
Net Position – January 1, as restated	$ 88,461,942	$ 91,046,927
Net Position – December 31	$ 92,395,124	$ 89,170,919

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of $24,869,897, an increase of $3,284,720 in comparison with the prior year. Of the ending fund balance, $15,054,643 represents unrestricted (committed, assigned, and unassigned) fund balance, which is available for spending at the County's discretion. The remainder of fund balance is nonspendable or restricted to indicate that it is not available for new spending because it has already been restricted for various reasons either by state law, grant agreements, bond covenants, or is nonspendable.

The General Fund is the main operating fund for the County. At the end of the current fiscal year, it had an unrestricted fund balance of $7,254,634. As a measure of the General Fund's liquidity, it may be useful to compare unrestricted fund balance to total expenditures. The General Fund's unrestricted fund balance represents 87.89 percent of total General Fund expenditures. In 2024, the ending fund balance in the General Fund increased by $1,209,438 due to excess revenues over expenditures.

The Road and Bridge Special Revenue Fund's unrestricted fund balance of $5,513,151 at year-end represents 77.81 percent of expenditures. The ending fund balance increased $1,367,989 due to excess revenues over expenditures of $1,351,836 and an increase in inventory of $16,153.

The Human Services Special Revenue Fund's unrestricted fund balance of $2,039,851 at year-end represents 46.45 percent of the fund's annual expenditures. At the beginning of 2024, The Public Health Nurse Special Revenue Fund combined with the Human Services Special Revenue Fund due to the similar activity of the funds. The ending fund balance increased $1,380,647 during 2024, which includes the combination of funds of $619,826.

The Debt Service Fund has no unrestricted fund balance at year-end. The ending fund balance decreased $83,261 during 2024 due to debt service payments.

Governmental Activities

The County's total revenues were $24,216,064. Table 1 presents the percentage of total County revenues by source for the year ended December 31, 2024.

Table 1
Total County Revenues

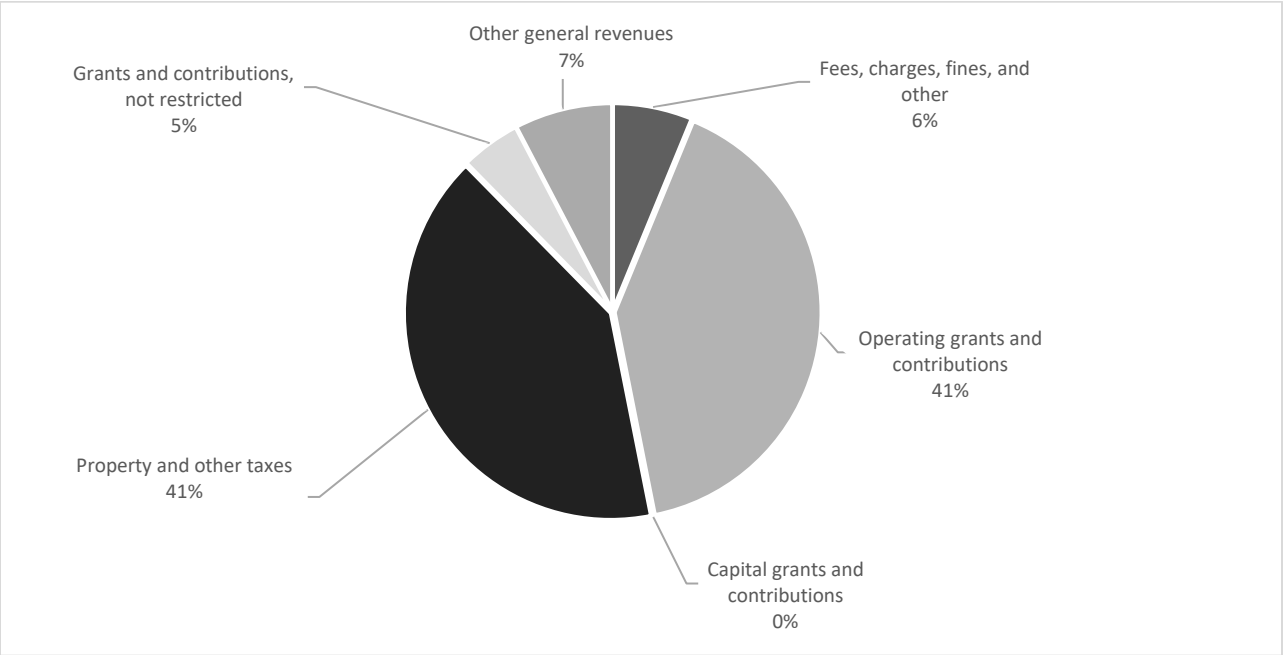
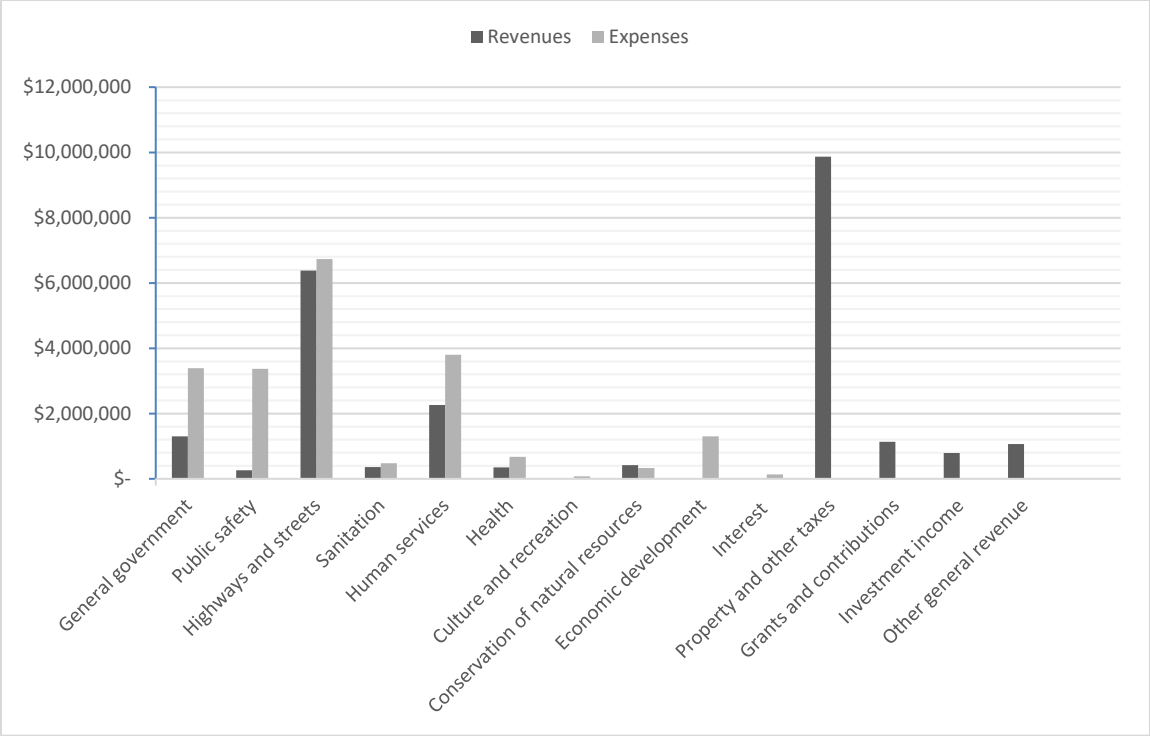


Table 2 presents the cost and revenue of each program, as well as the County's general revenues.

Total program and general revenues for the County were $24,216,064, while total expenses were $20,282,882. This reflects a $3,933,182 increase in net position for the year ended December 31, 2024.

Table 2
General Revenues, Program Revenues, and Expenses



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

Governmental Activities

Functions/Programs	Total Cost of Services	Net Cost of Services
General government	$ 3,389,832	$ 2,087,007
Public safety	3,371,505	3,108,248
Highways and streets	6,729,287	352,841
Sanitation	476,306	114,176
Human services	3,799,555	1,532,554
Health	671,488	316,706
Culture and recreation	77,783	77,783
Conservation of natural resources	333,852	(88,234)
Economic development	1,299,663	1,295,645
Interest	133,611	133,611
Totals	$ 20,282,882	$ 8,930,337

General Fund Budgetary Highlights

The Wilkin County Board of Commissioners, over the course of the year, may amend/revise the County's budget. These budget amendments usually will fall into one of two categories: new information changing original budget estimations and greater than anticipated revenues or costs. During 2024, the County made no budgetary amendments/revisions.

Actual revenues were greater than budgeted revenues by $2,714,990, primarily due to intergovernmental revenues and miscellaneous revenues.

Actual expenditures were greater than budgeted expenditures by $918,960 due to bond proceeds paid to the watershed district and an increase in expenditures related to the flood diversion settlement funds.

Capital Assets and Debt Administration

Capital Assets

Wilkin County's capital assets for its governmental activities at December 31, 2024, totaled $59,814,990 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure. The investment in capital assets decreased $72,319, or 0.12 percent, from the previous year.

Governmental Capital Assets
(Net of Depreciation)

Capital Assets	2024	2023
Land	$ 1,199,173	$ 1,224,023
Infrastructure	50,910,792	50,776,973
Buildings	4,523,055	4,720,246
Improvements other than buildings	23,391	27,050
Machinery, furniture, and equipment	2,884,612	2,867,995
Software	114,671	141,266
Construction in progress	159,296	129,756
Total	$ 59,814,990	$ 59,887,309

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

Long-Term Debt

At the end of the current fiscal year, the County had total outstanding debt of $4,965,000.

Outstanding Debt at Year-End

Long-Term Debt	2024	2023
General obligation drainage bonds	$ 4,965,000	$ 5,185,000

The County's debt related to general obligation bonds decreased by $220,000 during the fiscal year.

Additional information on the County's long-term debt can be found in Note 3 – Detailed Notes to the financial statements.

Economic Factors and Next Year's Budgets

Wilkin County's elected and appointed officials considered many factors when setting the 2025 budget and tax levy. These factors include state-aid levels, increasing input costs, appropriate fund balances, being mindful of the burden on County taxpayers, and a need to provide a certain level of services to Wilkin County residents/ taxpayers.

- The unemployment rate for Wilkin County at the end of 2024 was 2.90 percent, which is an increase of 1.60 percent from the end of 2023.

- The County's expenditures for 2025 are budgeted to increase 4.30 percent ($881,516) over the 2024 original budget. The 2025 anticipated revenues, other than tax levy and special assessments, are budgeted to decrease 7.44 percent ($668,222) over the 2024 original budget.

- The net tax levy (the amount spread to taxpayers) increased 7.05 percent ($755,633) from 2024.

Requests for Information

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

Basic Financial Statements

Government-Wide Financial Statements

Exhibit 1

Wilkin County
Breckenridge, Minnesota

Statement of Net Position
Governmental Activities
December 31, 2024

Assets		
Cash and pooled investments	$	17,707,470
Cash held by others		8,380,171
Taxes receivable – delinquent		67,689
Accounts receivable		115,826
Loans receivable		40,663
Accrued interest receivable		67,447
Due from other governments		19,403,624
Inventories		265,985
Capital assets		
Non-depreciable		1,358,469
Depreciable – net of accumulated depreciation		58,456,521
Total Assets	**$**	**105,863,865**
Deferred Outflows of Resources		
Deferred pension outflows	$	1,633,453
Deferred other postemployment benefits outflows		18,296
Total Deferred Outflows of Resources	**$**	**1,651,749**
Liabilities		
Accounts payable	$	378,820
Salaries payable		231,538
Due to other governments		308,577
Accrued interest payable		54,343
Unearned revenue		961
Long-term liabilities		
Due within one year		598,071
Due in more than one year		5,404,280
Other postemployment benefits liability due within one year		7,893
Other postemployment benefits liability due in more than one year		193,238
Net pension liability		2,836,379
Total Liabilities	**$**	**10,014,100**
Deferred Inflows of Resources		
Advance allotments	$	139,945
Deferred pension inflows		3,313,615
Deferred other postemployment benefits inflows		89,081
Prepaid taxes		1,563,749
Total Deferred Inflows of Resources	**$**	**5,106,390**

Exhibit 1
(Continued)

Wilkin County
Breckenridge, Minnesota

Statement of Net Position
Governmental Activities
December 31, 2024

Net Position

Investment in capital assets	$	59,814,990
Restricted for		
General government		252,787
Public safety		373,819
Highways and streets		2,149,633
Economic development		29,010
Diversion settlement agreement projects		24,780,181
Held in trust for other purposes		3,604
Unrestricted		4,991,100
Total Net Position	**$**	**92,395,124**

Exhibit 2

Wilkin County
Breckenridge, Minnesota

Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues: Fees, Charges, Fines, and Other	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
General government	$ 3,389,832	$ 232,655	$ 1,070,170	$ -	$ (2,087,007)
Public safety	3,371,505	95,079	168,178	-	(3,108,248)
Highways and streets	6,729,287	187,966	6,188,480	-	(352,841)
Sanitation	476,306	178,767	183,363	-	(114,176)
Human services	3,799,555	528,014	1,738,987	-	(1,532,554)
Health	671,488	2,082	352,700	-	(316,706)
Culture and recreation	77,783	-	-	-	(77,783)
Conservation of natural resources	333,852	275,669	146,417	-	88,234
Economic development	1,299,663	4,018	-	-	(1,295,645)
Interest	133,611	-	-	-	(133,611)
Total Governmental Activities	**$ 20,282,882**	**$ 1,504,250**	**$ 9,848,295**	**$ -**	**$ (8,930,337)**

General Revenues	
Property taxes	$ 9,857,481
Taxes – other	11,328
Payments in lieu of tax	56,708
Grants and contributions not restricted to specific programs	1,138,295
Investment income	793,665
Miscellaneous	1,006,042
Total general revenues	**$ 12,863,519**
Change in net position	**$ 3,933,182**
Net Position – January 1, as previously reported	$ 89,170,919
Restatement – Note 1	(708,977)
Net Position – January 1, as restated	**$ 88,461,942**
Net Position – Ending	**$ 92,395,124**

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

Fund Financial Statements

Governmental Funds

Exhibit 3

Wilkin County
Breckenridge, Minnesota

Balance Sheet
Governmental Funds
December 31, 2024

	General	Road and Bridge	Human Services	Debt Service
Assets				
Cash and pooled investments	$ 7,887,041	$ 6,118,096	$ 1,767,743	$ 1,671,178
Petty cash and change funds	600	-	20	-
Cash held by others	8,380,171	-	-	-
Taxes receivable – delinquent	36,659	15,425	14,576	308
Accounts receivable	9,454	5,014	89,226	-
Loans receivable	40,663	-	-	-
Accrued interest receivable	67,447	-	-	-
Due from other funds	830	-	-	-
Due from other governments	16,796,969	2,073,225	504,179	23,300
Inventories	-	265,985	-	-
Total Assets	**$ 33,219,834**	**$ 8,477,745**	**$ 2,375,744**	**$ 1,694,786**
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 226,477	$ 43,160	$ 100,945	$ -
Salaries payable	107,939	43,590	74,980	-
Compensated absences payable	4,495	15,934	4,292	-
Due to other funds	-	33	12,516	-
Due to other governments	147,921	25,673	28,406	85,489
Unearned revenue	-	-	-	-
Total Liabilities	**$ 486,832**	**$ 128,390**	**$ 221,139**	**$ 85,489**
Deferred Inflows of Resources				
Unavailable revenue	$ 16,438,967	$ 1,972,144	$ 114,754	$ 301
Advance allotments	-	139,945	-	-
Prepaid taxes	-	-	-	1,563,749
Total Deferred Inflows of Resources	**$ 16,438,967**	**$ 2,112,089**	**$ 114,754**	**$ 1,564,050**

Nonmajor Special Revenue Funds	Total
$ 257,792	$ 17,701,850
5,000	5,620
-	8,380,171
721	67,689
12,132	115,826
-	40,663
-	67,447
-	830
5,951	19,403,624
-	265,985
$ 281,596	**$ 46,049,705**

$ 8,238	$ 378,820
5,029	231,538
-	24,721
48	12,597
9,321	296,810
961	961
$ 23,597	**$ 945,447**

$ 4,501	$ 18,530,667
-	139,945
-	1,563,749
$ 4,501	**$ 20,234,361**

Exhibit 3
(Continued)

Wilkin County
Breckenridge, Minnesota

Balance Sheet
Governmental Funds
December 31, 2024

	General	Road and Bridge	Human Services	Debt Service
Fund Balances				
Nonspendable				
Inventories	$ -	$ 265,985	$ -	$ -
Missing heirs	3,604	-	-	-
Restricted				
Debt service	-	-	-	45,247
Real estate tax shortfall	31,030	-	-	-
Uncompleted contracts	-	200,000	-	-
Law library	40,402	-	-	-
Recorder's technology equipment	76,231	-	-	-
Enhanced 911	368,819	-	-	-
Flood mitigation development	8,380,181	-	-	-
Recorder's compliance fund	105,124	-	-	-
Economic development	29,010	-	-	-
Gravel pit restoration	-	-	-	-
Investigating and securing evidence	5,000	-	-	-
Future aggregate	-	258,130	-	-
Assigned				
Highways and streets	-	5,513,151	-	-
Human services	-	-	1,421,494	-
Sanitation	-	-	-	-
Public health	112,370	-	618,357	-
Unassigned	7,142,264	-	-	-
Total Fund Balances	**$ 16,294,035**	**$ 6,237,266**	**$ 2,039,851**	**$ 45,247**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 33,219,834**	**$ 8,477,745**	**$ 2,375,744**	**$ 1,694,786**

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

Nonmajor Special Revenue Funds	Total
$ -	$ 265,985
-	3,604
-	45,247
-	31,030
-	200,000
-	40,402
-	76,231
-	368,819
-	8,380,181
-	105,124
-	29,010
6,491	6,491
-	5,000
-	258,130
-	5,513,151
-	1,421,494
247,007	247,007
-	730,727
-	7,142,264
$ 253,498	**$ 24,869,897**
$ 281,596	**$ 46,049,705**

Exhibit 4

Wilkin County
Breckenridge, Minnesota

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position—Governmental Activities
December 31, 2024

Fund balances – total governmental funds (Exhibit 3)	**$ 24,869,897**
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	$ 59,814,990
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.	$ 1,633,453
Deferred outflows of resources resulting from changes in the components of the other postemployment benefits liability are not reported in the governmental funds.	$ 18,296
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	$ 18,530,667
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
General obligation bonds	$ (4,965,000)
Bond premium	(16,115)
Accrued interest payable	(54,343)
Compensated absences	(996,515)
Other postemployment benefits liability	(201,131)
Net pension liability	(2,836,379)
Long-term liabilities not reported in the governmental funds	$ (9,069,483)
Deferred inflows of resources resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.	$ (3,313,615)
Deferred inflows of resources resulting from other postemployment obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.	$ (89,081)
Net Position of Governmental Activities (Exhibit 1)	**$ 92,395,124**

Exhibit 5

Wilkin County
Breckenridge, Minnesota

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2024

	General	Road and Bridge	Human Services	Public Health Nurse
Revenues				
Taxes	$ 5,270,827	$ 2,220,268	$ 2,250,404	$ -
Special assessments	-	-	-	-
Licenses and permits	7,875	-	-	-
Intergovernmental	2,004,521	5,940,324	2,302,030	-
Charges for services	285,747	180,729	477,773	-
Fines and forfeits	2,253	-	-	-
Gifts and contributions	-	-	600	-
Investment earnings	792,825	-	-	-
Miscellaneous	1,099,509	95,993	121,781	-
Total Revenues	**$ 9,463,557**	**$ 8,437,314**	**$ 5,152,588**	**$ -**
Expenditures				
Current				
General government	$ 3,470,013	$ -	$ -	$ -
Public safety	3,074,997	-	-	-
Highways and streets	-	6,558,368	-	-
Sanitation	-	-	-	-
Human services	-	-	3,787,182	-
Health	1,315	-	604,585	-
Culture and recreation	74,004	1,786	-	-
Conservation of natural resources	334,127	-	-	-
Economic development	1,299,663	-	-	-
Intergovernmental				
Highways and streets	-	525,324	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Administrative (fiscal) charges	-	-	-	-
Total Expenditures	**$ 8,254,119**	**$ 7,085,478**	**$ 4,391,767**	**$ -**
Net Change in Fund Balance	**$ 1,209,438**	**$ 1,351,836**	**$ 760,821**	**$ -**
Fund Balance – January 1, as previously reported	15,084,597	4,869,277	659,204	619,826
Change within financial reporting entity				
Combination of major funds	-	-	619,826	(619,826)
Fund Balance – January 1, as adjusted	$ 15,084,597	$ 4,869,277	$ 1,279,030	$ -
Increase (decrease) in inventories	**-**	16,153	-	-
Fund Balance – December 31	**$ 16,294,035**	**$ 6,237,266**	**$ 2,039,851**	**$ -**

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

Debt Service	Nonmajor Special Revenue Funds	Total
$ 2,869	$ 119,120	$ 9,863,488
279,469	-	279,469
-	1,200	9,075
749	195,133	10,442,757
-	97,359	1,041,608
-	-	2,253
-	-	600
-	-	792,825
-	80,210	1,397,493
$ 283,087	**$ 493,022**	**$ 23,829,568**
$ -	$ -	$ 3,470,013
-	-	3,074,997
-	-	6,558,368
-	362,125	362,125
-	-	3,787,182
-	-	605,900
-	-	75,790
-	101,164	435,291
-	-	1,299,663
-	-	525,324
220,000	-	220,000
144,248	-	144,248
2,100	-	2,100
$ 366,348	**$ 463,289**	**$ 20,561,001**
$ (83,261)	**$ 29,733**	**$ 3,268,567**
128,508	223,765	21,585,177
-	-	-
$ 128,508	$ 223,765	$ 21,585,177
-	-	16,153
$ 45,247	**$ 253,498**	**$ 24,869,897**

Exhibit 6

Wilkin County
Breckenridge, Minnesota

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, 2024

Net change in fund balance – total governmental funds (Exhibit 5)	**$ 3,268,567**
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 revenue deferred as unavailable.	
Deferred inflows of resources – unavailable revenue – December 31	$ 18,530,667
Deferred inflows of resources – unavailable revenue – January 1	(18,260,058)
Total adjustment to revenue in the government-wide statements for current and prior year unavailable revenue	$ 270,609
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the statement of activities, the net book value of assets disposed of is expensed, while not reported in the fund statements.	
Expenditures for general capital assets and infrastructure	$ 3,212,338
Net book value of capital assets disposed	(24,850)
Current year depreciation	(3,259,807)
Total adjustment to the government-wide statements for current year capital asset activity	$ (72,319)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
General obligation bonds	$ 220,000
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the statement of activities.	$ 1,217
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	$ 11,520
Change in compensated absences	(52,705)
Change in other postemployment benefits liability	(1,489)
Change in net pension liability	1,519,049
Change in deferred pension outflows of resources	(1,073,304)
Change in deferred pension inflows of resources	(178,923)
Change in deferred other postemployment benefits outflows	4,095
Change in deferred other postemployment benefits inflows	712
Change in inventories	16,153
Total adjustment to the government-wide statements for other activities not reported in governmental funds	$ 245,108
Change in Net Position of Governmental Activities (Exhibit 2)	**$ 3,933,182**

Fiduciary Funds

Exhibit 7

Wilkin County
Breckenridge, Minnesota

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Assets		
Cash and pooled investments	$ 54,824	$ 313,730
Taxes receivable for other governments	-	60,149
Special assessments receivable	-	270,915
Due from other funds	-	11,767
Due from other governments	-	205
Total Assets	**$ 54,824**	**$ 656,766**
Liabilities		
Due to other governments	$ -	$ 201,891
Due to others	4,686	475
Total Liabilities	**$ 4,686**	**$ 202,366**
Deferred Inflows of Resources		
Prepaid taxes	**$ -**	**$ 87,765**
Net Position		
Restricted for individuals, organizations, and other governments	**$ 50,138**	**$ 366,635**

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

Exhibit 8

Wilkin County
Breckenridge, Minnesota

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Additions		
Contributions		
Individuals	$ 600,250	$ 150,664
Property tax collections for other governments	-	7,703,994
Contributions from participants	-	45,039
Licenses and fees collected for the state	-	249,062
Miscellaneous	-	41,812
Total Additions	**$ 600,250**	**$ 8,190,571**
Deductions		
Beneficiary payments to individuals	$ 619,267	$ -
Payments of property tax to other governments	-	7,643,803
Payments to the state	-	399,726
Administrative expense	-	1,000
Distribution to participants	-	46,974
Payments to other entities	-	41,594
Total Deductions	**$ 619,267**	**$ 8,133,097**
Change in net position	**$ (19,017)**	**$ 57,474**
Net Position – January 1, as previously reported	$ 69,155	$ 164,611
Restatement – Note 1	-	144,550
Net Position – January 1, as restated	**$ 69,155**	**$ 309,161**
Net Position – December 31	**$ 50,138**	**$ 366,635**

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

Note 1 – Summary of Significant Accounting Policies

The County's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as of and for the year ended December 31, 2024. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

Financial Reporting Entity

Wilkin County was established March 6, 1868, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year.

Joint Ventures and Jointly-Governed Organizations

The County participates in joint ventures and jointly-governed organizations, which are described in Note 5.

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 County. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

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

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

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 fund is also used to account for providing nursing service care to the elderly and other residents of the County. Financing is provided by health care service grants, County contributions, and user service charges.

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

Additionally, the County reports the following fund types:

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

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

Measurement Focus and Basis of Accounting

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

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

Proceeds of long-term debt are reported as other financing sources.

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

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

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor-Treasurer for the purpose of increasing earnings through investment activities. Investments are reported at their fair value at December 31, 2024. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value (NAV) or fair value per share. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2024 were $792,825.

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

Receivables and Payables

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

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

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

Special Assessments Receivable

Special assessments receivable consists of delinquent special assessments payable in the years 2019 through 2024, and noncurrent special assessments payable in 2025 and after. No allowance for uncollectible special assessments is shown because such amounts are not expected to be material. The receivable includes special assessments on ditches and environmental services.

Inventories and Prepaid Items

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

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (for example, roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than the capitalization threshold and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The County's capitalization threshold for capital assets is as follows:

Capitalization Threshold

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

Additions, improvements, and other capital outlays that significantly extend the useful life or increase capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Estimated Useful Lives of Capital Assets

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

Compensated Absences

The liability for compensated absences is reported in the government-wide financial statements. The leave consists of vacation leave, sick leave, and compensatory time that is attributable to services already rendered, it accumulates, and it is more likely than not to be used or settled through cash or noncash means. 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.

Long-Term Obligations

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

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

Pension Plan

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

Deferred Outflows/Inflows of Resources and Unearned Revenue

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenue associated with revenue received after the period of availability. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. Prepaid property taxes represent the County's share of tax collections received prior to the year for which they were levied. The revenue is deferred and recognized in the period for which the amounts were levied. These amounts arise under both the modified and the full accrual basis of accounting and are reported in the governmental funds balance sheet, the statement of net position, and statement of fiduciary net position. The County reports advance allotments for state aid received by the County not yet appropriated by the State of Minnesota. These amounts arise under both the modified and the full accrual basis of accounting and are reported in both the governmental funds balance sheet and the statement of net

position. The County also reports deferred inflows of resources associated with pension and OPEB benefits. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

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

Classification of Net Position

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

Investment in capital assets – represents capital assets, net of accumulated depreciation.

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

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

Classification of Fund Balances

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

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

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

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

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

Unassigned – the residual classification for the General Fund and includes all spendable amounts not contained in the other fund balance classifications. In other governmental funds, the unassigned classification is used only to

report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted or committed.

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

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

Use of Estimates

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

Change in Accounting Principles

During the year ended December 31, 2024, Wilkin County adopted new accounting guidance by implementing the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections,* which provides clarification on the categories and prescribed accounting for changes in accounting principles, changes in accounting estimates, changes to or within the financial reporting entity, and corrections of errors in previously issued financial statements. Additional disclosures are included for the current year restatements as a result of GASB Statement 100.

The County also adopted new accounting guidance by implementing the provisions of GASB Statement No. 101, *Compensated Absences*, which establishes new criteria for accounting and financial reporting for the compensated absences liability. The implementation of GASB Statement 101 resulted in changing the calculation of the compensated absences liability recorded in the long-term liabilities of the government-wide financial statements. Beginning net position was decreased by $564,427 for the implementation of this standard.

Additionally, as a result of a change in the State of Minnesota's guidance on the reporting of the Property Assessed Clean Energy loans, special assessments starting in the year ended December 31, 2024, are recorded in a custodial fund rather than as receivable and unavailable revenue the General Fund. Beginning net position of governmental activities and custodial funds have been restated to reduce beginning net position in governmental activities and increase beginning net position in the Taxes and Penalties Custodial Fund.

Change in Accounting Principles

Net Position	Governmental Activities	Taxes and Penalties Custodial Fund
Net position, January 1, 2024, as previously reported	$ 89,170,919	$ 121,981
Change in Accounting Principle:		
PACE Loans	(144,550)	144,550
GASB Statement 101	(564,427)	-
Net position, January 1, 2024, as restated	$ 88,461,942	$ 266,531

Restatement of Beginning Fund Balance for Change Within the Financial Reporting Entity

Wilkin County's Human Services Special Revenue Fund and Public Health Nurse Special Revenue Fund were combined and are reported in 2024 as the Human Services Special Revenue Fund. This change is to report similar activity together in one fund. The January 1, 2024, fund balance of the impacted funds are described below:

Change Within the Financial Reporting Entity

Fund Balance	Human Services Special Revenue Fund	Public Health Nurse Special Revenue Fund
Fund balance, January 1, 2024, as previously reported	$ 659,204	$ 619,826
Combination of major funds	619,826	(619,826)
Fund balance, January 1, 2024, as restated	$ 1,279,030	$ -

Note 2 – Stewardship, Compliance, and Accountability

Excess of Expenditures Over Budget

The following nonmajor individual fund and debt service fund had expenditures in excess of budget for the year ended December 31, 2024:

Excess of Expenditures Over Budget

Fund	Expenditures	Budget	Excess
Environmental Special Revenue Fund	$ 463,289	$ 447,891	$ 15,398
Debt Service Fund	366,348	2,950	363,398

Note 3 – Detailed Notes

Assets

Deposits and Investments

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

Reconciliation of the County's Total Cash and Investments to the Basic Financial Statements as of December 31, 2024

Basic Financial Statement Accounts	Governmental Activities	Fiduciary Funds	Total
Cash and pooled investments	$ 26,087,641	$ 368,554	$ 26,456,195

Cash and Investments	Amount
Deposits	$ 7,254,268
Cash held by others	8,380,171
Change funds	5,620
Investments	10,816,136
Total Cash and Investments	$ 26,456,195

Deposits

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

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2024, the County's deposits were not exposed to custodial credit risk.

Investments

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

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

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

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

(4) time deposits fully insured by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or bankers' acceptances of United States banks;

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

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

Interest Rate Risk

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

Interest Rate Risk of Investments as of December 31, 2024

Investment Type	Interest Rate Risk Maturity Date	Carrying (Fair) Value
U.S. government agency securities		
Federal Home Loan Bank bonds	09/30/2026	$ 191,732
Federal Home Loan Bank bonds	11/24/2026	194,750
Total Federal Home Loan Bank bonds		$ 386,482
Negotiable certificates of deposit		
Valley Natl Bk Wayne	07/16/2025	$ 245,970
Stearns Bk NA Saint Cloud	07/18/2025	250,250
Morgan Stanley Bank	10/16/2025	249,685
Neighborhood Nations Bank	12/09/2025	250,273
Merrick Bank	01/19/2026	249,710
United Fidelity	05/29/2026	250,742
JP Morgan	12/16/2026	188,242
Total negotiable certificates of deposit		$ 1,684,872
Investment pools/mutual funds		
MAGIC Fund	N/A	$ 8,744,782
Total Investments		$ 10,816,136

N/A – Not Applicable

Credit Risk

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

Credit Risk of Investments as of December 31, 2024

Investment Type	Credit Rating	Rating Agency	Fair Value
Federal Home Loan Bank bonds	AA+	S&P	$ 386,482
Negotiable certificates of deposit	N/R	N/A	1,684,872
MAGIC Fund	N/R	N/A	8,744,782
Total			$ 10,816,136

S&P – Standard & Poor's
N/R – Not Rated
N/A – Not Applicable

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, 2024, the County's investments were not exposed to custodial credit risk.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. It is the County's policy that U.S. Treasury securities, U.S. agency securities, and obligations backed by U.S. Treasury and/or U.S. agency securities may be held without limit. At December 31, 2024, the County's investments were primarily in an external investment pool and, therefore, not subject to concentration of credit risk disclosure requirements. The County's remaining investments did not represent five percent or more of the County's investments in any one issuer.

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, 2024, the County had the following recurring fair value measurements.

Recurring Fair Value Measurements as of December 31, 2024

Debt Securities Investment by Fair Value Level	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Federal Home Loan Bank bonds	$ 386,482	$ -	$ 386,482	$ -
Negotiable certificates of deposit	1,684,872	-	1,684,872	-
Total investments by fair value level	$ 2,071,354	$ -	$ 2,071,354	$ -
Investments measured at the NAV				
MAGIC Portfolio	8,744,782			
Total Investments	$ 10,816,136			

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

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

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

Receivables

Receivables as of December 31, 2024, for the County's governmental activities are as follows:

Governmental Activities' Receivables as of December 31, 2024

Governmental Activities	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Taxes – delinquent	$ 67,689	$ -
Accounts	115,826	-
Loans	40,663	30,944
Interest	67,447	-
Due from other governments	19,403,624	16,000,000
Total	$ 19,695,249	$ 16,030,944

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

Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

Changes in Capital Assets for the Year Ended December 31, 2024

Capital Assets – Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	$ 1,224,023	$ -	$ (24,850)	$ 1,199,173
Construction in progress	129,756	2,573,329	(2,543,789)	159,296
Total capital assets not depreciated	$ 1,353,779	$ 2,573,329	$ (2,568,639)	$ 1,358,469
Capital assets depreciated				
Improvements other than buildings	$ 174,350	$ -	$ -	$ 174,350
Buildings	8,976,900	27,658	-	9,004,558
Machinery, furniture, and equipment	8,163,462	611,351	(288,419)	8,486,394
Software	333,523	-	-	333,523
Infrastructure	92,796,109	2,543,789	-	95,339,898
Total capital assets depreciated	$ 110,444,344	$ 3,182,798	$ (288,419)	$ 113,338,723
Less: accumulated depreciation for				
Improvements other than buildings	$ 147,300	$ 3,659	$ -	$ 150,959
Buildings	4,256,654	224,849	-	4,481,503
Machinery, furniture, and equipment	5,295,467	594,734	(288,419)	5,601,782
Software	192,257	26,595	-	218,852
Infrastructure	42,019,136	2,409,970	-	44,429,106
Total accumulated depreciation	$ 51,910,814	$ 3,259,807	$ (288,419)	$ 54,882,202
Total capital assets depreciated, net	$ 58,533,530	$ (77,009)	$ -	$ 58,456,521
Governmental Activities Capital Assets, Net	$ 59,887,309	$ 2,496,320	$ (2,568,639)	$ 59,814,990

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

Depreciation Expense Charged to Functions/Programs

Governmental Activities – Depreciation	Amount
General government	$ 63,557
Public safety	254,200
Highways and streets, including depreciation of infrastructure assets	2,907,037
Culture and recreation	1,993
Human services	16,359
Sanitation	16,661
Total Depreciation Expense	$ 3,259,807

Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2024, is as follows:

Due To/From Other Funds

Interfund Balances as of December 31, 2024

Receivable Fund	Payable Fund	Amount
General Fund	Road and Bridge Special Revenue Fund	$ 33
General Fund	Human Services Special Revenue Fund	749
General Fund	Environmental Special Revenue Fund	48
Total due to General Fund		$ 830
Children's Collaborative Custodial Fund	Human Services Special Revenue Fund	$ 11,767
Total Due To/From Other Funds		$ 12,597

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

Liabilities and Deferred Inflows of Resources

Payables

Payables at December 31, 2024, were as follows:

Governmental Activities' Payables as of December 31, 2024

Governmental Activities – Payables	Amount
Accounts	$ 378,820
Salaries	231,538
Due to other governments	308,577
Accrued interest	54,343
Total Payables	$ 973,278

Long-Term Debt

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

Governmental Activities' Bonds Payable as of December 31, 2024

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2024
General obligation bonds					
2018 G.O. Drainage Bonds	2034	$50,000-$70,000	3.2693	$ 865,000	$ 540,000
2019 G.O. Drainage Bonds	2035	$105,000-$145,000	2.5020	1,805,000	1,015,000
2021 G.O. Drainage Bonds	2035	$95,000-$105,000	1.5516	1,495,000	1,400,000
2023 G.O. Drainage Bonds	2040	$105,000-$170,000	3.7714	2,010,000	2,010,000
Total general obligation bonds				$ 6,175,000	$ 4,965,000
Add: unamortized premium					16,115
Total General Obligation Bonds, Net					$ 4,981,115

Debt Service Requirements

Debt service requirements at December 31, 2024, were as follows:

Debt Service Requirements as of December 31, 2024
General Obligation Bonds

Year Ending December 31	Principal	Interest
2025	$ 220,000	$ 128,473
2026	335,000	122,742
2027	335,000	115,178
2028	345,000	107,429
2029	355,000	99,256
2030-2034	1,910,000	357,016
2035-2039	1,295,000	126,979
2040	170,000	3,400
Total	$ 4,965,000	$ 1,060,473

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2024, was as follows:

Changes in Long-Term Liabilities for the Year Ended December 31, 2024

Long-Term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 5,185,000	$ -	$ (220,000)	$ 4,965,000	$ 220,000
Premium on bonds	17,332	-	(1,217)	16,115	-
Total bonds payable	$ 5,202,332	$ -	$ (221,217)	$ 4,981,115	$ 220,000
Compensated absences	947,725**	73,511*	-	1,021,236	378,071
Total Long-Term Liabilities	$ 6,150,057	$ 73,511	$ (221,217)	$ 6,002,351	$ 598,071

*The change in the compensated absences liability is presented as a net change.
**Restated for implementation of GASB Statement 101

Deferred Inflows of Resources – Governmental Funds

Unavailable revenue consists of taxes, special assessments, state and/or federal grants, state and highway users tax allotments, and other receivables not collected soon enough after year-end to pay liabilities of the current period. Prepaid taxes consist of the County's share of property taxes collected in advance. Advance allotments consist of state aid received by the County but not yet appropriated by the State. Deferred inflows of resources at December 31, 2024, are summarized below by fund:

Deferred Inflows of Resources as of December 31, 2024

Governmental Fund	Taxes	Special Assessments	Grants and Allotments	Other	Total
General	$ 26,083	$ -	$ -	$ 16,412,884	$ 16,438,967
Road and Bridge Special Revenue	10,932	-	2,066,581	34,576	2,112,089
Human Services Special Revenue	10,028	-	21,639	83,087	114,754
Debt Service	1,564,050	-	-	-	1,564,050
Nonmajor governmental fund					
Environmental Special Revenue	483	4,018	-	-	4,501
Total	$ 1,611,576	$ 4,018	$ 2,088,220	$ 16,530,547	$ 20,234,361

Other Postemployment Benefits (OPEB)

Plan Description

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

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

As of the January 1, 2024, actuarial valuation, the following employees were covered by the benefit terms:

Employees Covered by the OPEB Benefit Terms as of the January 1, 2024, Actuarial Valuation

Type of Participant Covered by the OPEB Benefit Terms	Number of Participants
Inactive employees or beneficiaries currently receiving benefit payments	1
Active plan participants	102
Total	103

Total OPEB Liability

The County's total OPEB liability of $201,131 was measured as of January 1, 2024, determined by an actuarial valuation as of January 1, 2024.

The total OPEB liability in the fiscal year-end December 31, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

The current inflation rate is 2.50 percent.

The salary increases are graded by service years and contract group.

The health care cost trend rate is 6.50 percent, 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 3.70 percent based on the estimated yield of 20-Year AA-rated municipal bonds.

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

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

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

Changes in the Total OPEB Liability

Changes in the Total OPEB Liability
For the Year Ended December 31, 2024

Total OPEB Changes for the Year	Amount
Balance at January 1, 2024	$ 199,642
Service cost	$ 28,950
Interest	4,470
Assumption changes	(20,921)
Difference between expected and actual economic experience	(750)
Benefit payments	(10,260)
Net change	$ 1,489
Balance at December 31, 2024	$ 201,131

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

OPEB Liability Sensitivity

The following presents the total OPEB liability of the County, calculated using the discount rate previously disclosed, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes
In the Discount Rate as of December 31, 2024

Change in Discount Rate	Discount Rate	Total OPEB Liability
1% Decrease	2.70%	$ 216,100
Current	3.70%	201,131
1% Increase	4.70%	187,264

The following presents the total OPEB liability of the County, calculated using the health care cost trend previously disclosed, as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rate:

Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rates as of December 31, 2024

Change in Health Care Trend Rate	Health Care Trend Rate	Total OPEB Liability
1% Decrease	5.50% Decreasing to 4.00%	$ 179,609
Current	6.50% Decreasing to 5.00%	201,131
1% Increase	7.50% Decreasing to 6.00%	227,116

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

For the year ended December 31, 2024, the County recognized OPEB expense of $11,826. The County reported deferred outflows 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, 2024

Individual Deferred Outflows of Resources and Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 69,278
Changes in assumptions	3,152	19,803
Contributions made subsequent to the measurement date	15,144	-
Total	$ 18,296	$ 89,081

The $15,144 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, 2025.

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

Schedule of Amortization of Deferred Outflows and Inflows of Resources Related to OPEB as of December 31, 2024

Year Ended December 31	OPEB Expense Amount
2025	$ (21,594)
2026	(21,588)
2027	(17,312)
2028	(17,314)
Thereafter	(8,121)

Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2024:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The inflation rate was changed from 2.00 percent to 2.50 percent.
- The discount rate was changed from 2.00 percent to 3.70 percent.

Pension Plans

Defined Benefit Pension Plans

Plan Description

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

The General Employees Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security, while the Basic Plan and Minneapolis Employees Retirement Fund members are not covered. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members in 1978 and merged into the General Employees Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after three years of credited service. No Wilkin County employees belong to either the Basic Plan or the Minneapolis Employees Retirement Fund.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30, 2010, 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.

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

Benefits Provided

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

General Employees Plan benefit recipients will receive a post-retirement increase equal to 50 percent of the cost-of-living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and a maximum of 1.50 percent. The 2024 annual increase was 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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

Correctional Plan benefit recipients will receive a post-retirement increase equal to 100 percent of the cost-of-living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and a maximum of 2.50 percent. The 2024 annual increase was 2.50 percent. If the Correctional Plan's funding status declines to 85 percent or below for two consecutive years, or 80 percent for one year, the maximum will be lowered from 2.50 percent to 1.50 percent. If on January 1, after the year of the 1.50 percent increase, the funding level increases above the applicable 85 percent or 80 percent funding status, the increase returns to 2.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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

Benefits are based on a member's highest average salary for any 60 consecutive months of allowable service, age, and years of credit at termination of service. In the General Employees Plan, two methods are used to compute benefits for Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate

benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.20 percent of average salary for each of the first ten years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Police and Fire Plan members, the annuity accrual rate is 3.00 percent of average salary for each year of service. For Correctional Plan members, the annuity accrual rate is 1.90 percent of average salary for each year of service.

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

Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. Rates did not change from 2023.

Member and Employer Required Contribution Rates

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

Employer Contributions for the Year Ended December 31, 2024

Pension Plan	Contribution
General Employees Plan	$ 387,113
Police and Fire Plan	98,214
Correctional Plan	71,984

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

Pension Costs

General Employees Plan

At December 31, 2024, the County reported a liability of $2,172,656 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2024, the County's proportion was 0.0588 percent. It was 0.0626 percent measured as of June 30, 2023. The County recognized pension expense of $183,281 for its proportionate share of the General Employees Plan's pension expense.

The State of Minnesota contributed $170.1 million to the General Employees Plan in the plan fiscal year ended June 30, 2024. This contribution was a one-time direct state aid that does not meet the definition of a special funding situation. The County recognized $99,962 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Plan.

Legislation requires the State of Minnesota to contribute $16 million to the General Employees Plan annually until September 15, 2031. This contribution meets the definition of a special funding situation. The County recognized an additional $1,506 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, 2024

Total General Employees Plan Net Pension Liability Associated with the County		Amount
The County's proportionate share of the net pension liability	$	2,172,656
State of Minnesota's proportionate share of the net pension liability associated with the County		56,180
Total	$	2,228,836

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, 2024

Individual Deferred Outflows of Resources and Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 208,078	$ -
Changes in actuarial assumptions	10,794	861,457
Difference between projected and actual investment earnings	-	635,449
Changes in proportion	116,218	160,661
Contributions paid to PERA subsequent to the measurement date	198,517	-
Total	$ 533,607	$ 1,657,567

The $198,517 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, 2025. 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, 2024

Year Ended December 31	Pension Expense Amount
2025	$ (700,211)
2026	(131,346)
2027	(324,399)
2028	(166,521)

Police and Fire Plan

At December 31, 2024, the County reported a liability of $565,398 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2024, the County's proportion was 0.0430 percent. It was 0.0417 percent measured as of June 30, 2023. The County recognized pension expense of $95,649 for its proportionate share of the Police and Fire Plan's pension expense.

The State of Minnesota contributed $19.4 million to the Police and Fire Plan in the plan fiscal year ended June 30, 2024. This contribution was a one-time direct state aid that does not meet the definition of a special funding situation. Additionally, the State of Minnesota contributed $9 million of supplemental state aid to the Police and

Fire Plan for the Plan's fiscal year ended June 30, 2024. Legislation requires the State of Minnesota to contribute $9 million to the Police and Fire Plan each year, until the Police and Fire Plan and the State Patrol Plan are 90 percent funded for three consecutive years, or July 1, 2048, whichever is earlier. This contribution also does not meet the definition of a special funding situation. The County recognized $12,204 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Plan.

Legislation also requires the State of Minnesota to pay direct state aid of $9 million on October 1 each year until full funding is reached for three consecutive years, or July 1, 2048, whichever is earlier. This contribution meets the definition of a special funding situation. The County recognized an additional $2,411 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, 2024

Total Police and Fire Plan Net Pension Liability Associated with the County		Amount
The County's proportionate share of the net pension liability	$	565,398
State of Minnesota's proportionate share of the net pension liability associated with the County		21,553
Total	$	586,951

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, 2024

Individual Deferred Outflows of Resources and Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 225,563	$ -
Changes in actuarial assumptions	700,102	808,380
Difference between projected and actual investment earnings	-	185,870
Changes in proportion	18,364	201,191
Contributions paid to PERA subsequent to the measurement date	45,206	-
Total	$ 989,235	$ 1,195,441

The $45,206 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, 2025. 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, 2024

Year Ended December 31	Pension Expense Amount
2025	$ (57,800)
2026	147,057
2027	(104,774)
2028	(252,597)
2029	16,702

Correctional Plan

At December 31, 2024, the County reported a liability of $98,325 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2024, the County's proportion was 0.3226 percent. It was 0.2982 percent measured as of June 30, 2023. The County recognized pension expense of $144,594 for its proportionate share of the Correctional Plan's pension expense.

The State of Minnesota contributed $5.3 million to the Correctional Plan in the plan fiscal year ended June 30, 2024. This contribution was a one-time direct state aid that does not meet the definition of a special funding situation. The County recognized $16,956 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contributions to the Correctional Plan.

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

Correctional Plan
Deferred Outflows of Resources and Deferred Inflows of Resources
As of December 31, 2024

Individual Deferred Outflows of Resources and Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 67,573	$ -
Changes in actuarial assumptions	-	307,491
Difference between projected and actual investment earnings	-	117,438
Changes in proportion	7,356	35,678
Contributions paid to PERA subsequent to the measurement date	35,682	-
Total	$ 110,611	$ 460,607

The $35,682 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Correctional Plan
Schedule of Amortization of Deferred Outflows and Inflows of Resources
As of December 31, 2024

Year Ended December 31	Pension Expense Amount
2025	$ (359,690)
2026	61,738
2027	(50,976)
2028	(36,750)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2024, was $423,524.

Actuarial Assumptions

The total pension liability in the June 30, 2024, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Actuarial Assumptions for the Year Ended June 30, 2024

Actuarial Assumptions	General Employees Plan	Police and Fire Plan	Correctional Plan
Inflation	2.25% per year	2.25% per year	2.25% per year
Active Member Payroll Growth	3.00% per year	3.00% per year	3.00% per year
Investment Rate of Return	7.00%	7.00%	7.00%

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

Actuarial assumptions used in the June 30, 2024, valuations were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 27, 2019. The experience study for the Police and Fire Plan was dated July 14, 2020. The experience study for the Correctional Plan was dated July 10, 2020. For all plans, a review of inflation and investment assumptions dated June 29, 2023, was utilized.

The long-term expected rate of return on pension plan investments is 7.00 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent in 2024, which remains consistent with 2023. 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, the Police and Fire Plan, and the Correctional Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Actuarial Assumptions and Plan Provisions

The following changes in actuarial assumptions occurred in 2024:

General Employees Plan

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates.
- Assumed rates of withdrawal were increased for both males and females.
- Assumed rates of disability were decreased.
- Slight adjustments were made to the use of the Pub-2010 General Mortality table as recommended in the most recent experience study.
- Minor changes to form of payment assumptions were applied for male and female retirees.
- Minor changes to assumptions were made with respect to missing participant data.
- The workers' compensation offset for disability benefits was eliminated.
- The actuarial equivalent factors were updated to reflect changes in assumptions.

Police and Fire Plan

- The state contribution of $9 million per year will continue until the earlier of: (1) both the Public Employees Retirement Association Police and Fire Plan and the State Patrol Retirement Fund attaining 90 percent funded status for three consecutive years (on an actuarial value of assets basis), or (2) July 1, 2048. The contribution was previously due to expire upon attainment of 90 percent funded status for one year.
- The additional $9 million contribution will continue until the Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis or July 1, 2048, if earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048, if earlier).

Correctional Plan

- Employee contribution rates will increase from 5.83 percent of pay to 6.83 percent of pay, effective July 1, 2025.
- Employer contribution rates will increase from 8.75 percent of pay to 10.25 percent of pay, effective July 1, 2025.
- The benefit multiplier was changed from 1.9 percent to 2.2 percent for service earned after June 30, 2025.

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, 2024

Change in Discount Rate	General Employees Plan Discount Rate	General Employees Plan Net Pension Liability	Police and Fire Plan Discount Rate	Police and Fire Plan Net Pension Liability (Asset)	Correctional Plan Discount Rate	Correctional Plan Net Pension Liability (Asset)
1% Decrease	6.00%	$ 4,745,429	6.00%	$ 1,336,145	6.00%	$ 799,007
Current	7.00%	2,172,656	7.00%	565,398	7.00%	98,325
1% Increase	8.00%	56,314	8.00%	(67,547)	8.00%	(459,878)

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

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes five percent of salary, which is matched by the employer. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and 0.25 percent of the assets in each member account annually. For the year ended December 31, 2024, the total employee and employer contributions were each $5,656, which represents five percent of covered payroll.

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. To manage these risks, the County has entered into a joint powers agreement with other Minnesota counties to form

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

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at $500,000 per claim in 2024 and $1,000,000 per claim in 2025. 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.

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, in connection with the normal conduct of its affairs, is involved in various judgements, claims, and litigations; it is expected that the final settlement of these matters will not materially affect the financial statements of the County.

Joint Ventures

Central Minnesota Emergency Services Board

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

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

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

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

The Central Minnesota Emergency Services Board has no long-term debt. Financing is provided by the appropriations from member parties and by state and federal grants. During 2024, Wilkin County did not contribute any funds to the Board.

Complete financial information can be obtained from the Central Minnesota Emergency Services Board, City of Saint Cloud, Office of the Mayor, City Hall, 1201 – 7th Street South, Saint Cloud, Minnesota 56301.

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. CPT is comprised of 24 voting members.

Control is vested in the CPT Board, which consists of one individual appointed by each voting member county's Board of Commissioners. The joint powers agreement provides that initial operating capital contributed by the original members 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 2024, Wilkin County did not provide any contributions to CPT.

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

Lakes to River Drug and Violent Crimes Task Force

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

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

Fiscal agent responsibilities for the Task Force are with the City of Moorhead Police Department. During 2024, Wilkin County did not contribute any funds to the Task Force.

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

Northwest Regional Development Commission

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

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

Financing is provided by appropriations from member parties and by state and federal grants. During 2024, Wilkin County provided $1,315 to this organization.

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

Wilkin County Children's Collaborative

The Wilkin County Children's Collaborative was established in 1997, under the authority of the Joint Powers Act, pursuant to Minn. Stat. §§ 471.59 and 142D.15. The Collaborative includes Wilkin County; Wilkin County Family Service Agency; Wilkin County Public Health Nursing Service; Wilkin County Court Services; Independent School District Nos. 846, 850, and 852; Saint Mary School; Saint Francis Medical Center/Hope Unit; and Clay-Wilkin Opportunity Council/Head Start. The purpose of the Collaborative is to provide coordinated family services and to commit resources to an integrated fund.

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

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

Financing is provided by state grants and appropriations and contributions from its member parties. Wilkin County, in an agent capacity, reports the cash transactions of the Wilkin County Children's Collaborative as a custodial fund on its financial statements. During 2024, Wilkin County did not contribute to the Collaborative.

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

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

The RMCEP is governed by a Board of Directors, which is comprised of representatives from a wide variety of industry sectors, education, and human services. During 2024, Wilkin County did not contribute any funds to this organization.

Lake Agassiz Regional Library

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

In 2024, Wilkin County provided $56,690 in the form of an appropriation.

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

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

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

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

The two probation officers for the five-county area are appointed by three area judges, who also set the probation officer salaries. The Minnesota Department of Corrections reimburses Traverse County for a portion of the probation officer salaries. The remaining expenses are allocated to each participating county based on population. During 2024, Wilkin County contributed $87,400 to the entity.

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

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

Partnership4Health Community Health Board

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

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

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

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

During 2024, Wilkin County did not contribute to Partnership4Health Community Health Board.

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

Partnership4Health Community Health Board will be disbanding in 2026.

Southern Valley Economic Development Authority

Wilkin County participates in the Southern Valley Economic Development Authority (SVEDA) under the authority granted in Minn. Stat. § 471.59. The SVEDA includes Richland County Jobs Development Authority (North Dakota); Wilkin County; and the Cities of Wahpeton, North Dakota, and Breckenridge, Minnesota. The purpose of the SVEDA is to aid, assist, and promote economic development, new wealth creation, and job growth within the SVEDA's geographic area. Each entity is responsible for its proportionate share of the annual budget. Control is vested in a Joint Powers Board consisting of eight members, with two members appointed by each member agency.

In the event of termination of the agreement, the SVEDA may sell and liquidate any and all non-monetary assets prior to distribution that are not otherwise owned by a member. Upon dissolution, the entities will have 120 days to agree upon a division of the assets among themselves, otherwise the proceeds will be distributed in proportion to the members' respective contributions. Any remaining funds and assets shall be divided and distributed to the members in proportion to the percentage of annual contribution. During 2024, Wilkin County contributed $62,181 to the Southern Valley Economic Development Authority.

Property Assessed Clean Energy (MinnPACE) Loan Program

The County has entered into an agreement with the Saint Paul Port Authority to facilitate the implementation and administration of the MinnPACE loan program. Through this program, qualifying commercial building owners within the County can receive loans from the Port Authority for the purpose of financing energy efficiency and conservation building improvement projects. While the County is not liable for the repayment of the loans in any manner, it does have certain responsibilities under the agreement. By participating, the County has agreed to: (1) levy assessments against the related properties in accordance with the loan agreements between the Port Authority and property owners, (2) collect scheduled assessment payments, and (3) transfer all collections to the Port Authority. The County has met those responsibilities for 2024. At December 31, 2024, the outstanding MinnPACE loans to be collected by the County are $162,734.

Jointly-Governed Organizations

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

Buffalo-Red River Watershed District

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

Minnesota Criminal Justice Data Communications Network

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

District IV Transportation Planning

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

Minnesota Red River Basin of the North Joint Powers Board

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

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

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

In the event of termination of the agreement, any unexpended funds and surplus property shall be disposed of equally among the member counties. During 2024, Wilkin County contributed $314 to the Joint Powers Board.

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

Southwest Minnesota Immunization Information Connection

The Southwest Minnesota Immunization Information Connection (SW-MIIC) Joint Powers Board promotes an implementation and maintenance of a regional immunization information system to ensure age-appropriate immunizations through complete and accurate records. Wilkin County did not contribute to the SW-MIIC during 2024.

Richland-Wilkin Joint Powers Authority

Wilkin County, Minnesota, and Richland County, North Dakota, entered into a joint powers agreement for the purpose of protecting the citizens and properties of these two counties and to oppose the planned construction of dams on the Wild Rice and Red Rivers as currently proposed in the Fargo Metropolitan Area Flood and Risk Management Project. Wilkin County participates in this agreement pursuant to the authority granted in Minn. Stat. § 471.59. Control is vested in a Board, which is composed of two members appointed by the Wilkin County Board and two members appointed by the Richland County Board. Wilkin County did not contribute to the Richland-Wilkin Joint Powers Authority during 2024.

Minnesota Rural Counties

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

Bois de Sioux Watershed District

Effective November 19, 1991, and authorized under Minn. Stat. § 103D.335, subds. 2 and 21, Wilkin County and the Bois de Sioux Watershed District entered into a joint powers agreement for the purpose of providing for the repair and maintenance of Wilkin County Ditch Number 8. Ditch Number 8 lies outside the present boundaries of the Bois de Sioux Watershed District. The Board is composed of nine members, one member of which is appointed by Wilkin County.

Required Supplementary Information

Exhibit A-1

Wilkin County
Breckenridge, Minnesota

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 5,378,870	$ 5,378,870	$ 5,270,827	$ (108,043)
Licenses and permits	7,100	7,100	7,875	775
Intergovernmental	961,621	961,621	2,004,521	1,042,900
Charges for services	248,616	248,616	285,747	37,131
Fines and forfeits	-	-	2,253	2,253
Investment earnings	152,000	152,000	792,825	640,825
Miscellaneous	360	360	1,099,509	1,099,149
Total Revenues	**$ 6,748,567**	**$ 6,748,567**	**$ 9,463,557**	**$ 2,714,990**
Expenditures				
Current				
General government				
Commissioners	$ 215,896	$ 215,896	$ 200,162	$ 15,734
Courts	163,465	163,465	42,387	121,078
County auditor-treasurer	540,362	540,362	592,633	(52,271)
County assessor	345,454	345,454	338,629	6,825
Health	-	-	289,806	(289,806)
Human resources	279,277	279,277	281,766	(2,489)
Elections	71,100	71,100	66,516	4,584
Data processing	377,424	377,424	352,835	24,589
Attorney	419,004	419,004	260,950	158,054
Law library	-	-	2,806	(2,806)
Recorder	296,303	296,303	231,368	64,935
Planning and zoning	2,175	2,175	2,286	(111)
Buildings and plant	259,081	259,081	283,648	(24,567)
Veterans service officer	57,955	57,955	63,638	(5,683)
Geographic information systems	25,575	25,575	16,036	9,539
Unallocated	328,486	328,486	444,547	(116,061)
Total general government	**$ 3,381,557**	**$ 3,381,557**	**$ 3,470,013**	**$ (88,456)**
Public safety				
Sheriff	$ 1,538,587	$ 1,538,587	$ 1,351,127	$ 187,460
K-9 unit	7,600	7,600	2,401	5,199
Communications	632,480	632,480	534,870	97,610
Coroner	32,000	32,000	18,415	13,585
E-911 system	158,023	158,023	182,814	(24,791)
County jail	1,005,850	1,005,850	928,898	76,952
Emergency management	50,966	50,966	56,472	(5,506)
Total public safety	**$ 3,425,506**	**$ 3,425,506**	**$ 3,074,997**	**$ 350,509**
Health				
Land of the Dancing Sky	$ 1,323	$ 1,323	$ 1,315	$ 8
Rothsay Partners	1,000	1,000	-	1,000
Total health	**$ 2,323**	**$ 2,323**	**$ 1,315**	**$ 1,008**

Exhibit A-1
(Continued)

Wilkin County
Breckenridge, Minnesota

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Expenditures				
Current (Continued)				
Culture and recreation				
Historical society	$ 10,000	$ 10,000	$ 10,000	$ -
Regional library	59,690	59,690	59,690	-
Memorial celebrations	200	200	100	100
Red River Valley Emerging Leaders	900	900	900	-
Red River Basin Commission	157	157	314	(157)
Senior citizens	3,000	3,000	3,000	-
Total culture and recreation	**$ 73,947**	**$ 73,947**	**$ 74,004**	**$ (57)**
Conservation of natural resources				
County extension	$ 98,183	$ 98,183	$ 72,121	$ 26,062
Soil and water conservation	112,750	112,750	112,750	-
Aquatic invasive species	3,589	3,589	3,589	-
Riparian protection	146,417	146,417	117,417	29,000
Agricultural society/County fair	15,000	15,000	15,000	-
Weed control	13,656	13,656	13,250	406
Total conservation of natural resources	**$ 389,595**	**$ 389,595**	**$ 334,127**	**$ 55,468**
Economic development				
Economic development	$ 59,481	$ 59,481	$ 1,296,913	$ (1,237,432)
Community development	2,750	2,750	2,750	-
Total economic development	**$ 62,231**	**$ 62,231**	**$ 1,299,663**	**$ (1,237,432)**
Total Expenditures	**$ 7,335,159**	**$ 7,335,159**	**$ 8,254,119**	**$ (918,960)**
Net Change in Fund Balance	**$ (586,592)**	**$ (586,592)**	**$ 1,209,438**	**$ 1,796,030**
Fund Balance – January 1	**15,084,597**	**15,084,597**	**15,084,597**	**-**
Fund Balance – December 31	**$ 14,498,005**	**$ 14,498,005**	**$ 16,294,035**	**$ 1,796,030**

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

Exhibit A-2

Wilkin County
Breckenridge, Minnesota

Budgetary Comparison Schedule
Road and Bridge Special Revenue Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 2,270,032	$ 2,270,032	$ 2,220,268	$ (49,764)
Intergovernmental	5,503,399	5,503,399	5,940,324	436,925
Charges for services	156,500	156,500	180,729	24,229
Miscellaneous	40,500	40,500	95,993	55,493
Total Revenues	**$ 7,970,431**	**$ 7,970,431**	**$ 8,437,314**	**$ 466,883**
Expenditures				
Current				
Highways and streets				
Administration	$ 425,460	$ 425,460	$ 433,852	$ (8,392)
Maintenance	2,535,187	2,535,187	2,465,872	69,315
Construction	3,446,745	3,446,745	2,607,315	839,430
Equipment maintenance and shop	988,876	988,876	911,452	77,424
Unallocated – highways and streets	103,525	103,525	139,877	(36,352)
Total highways and streets	**$ 7,499,793**	**$ 7,499,793**	**$ 6,558,368**	**$ 941,425**
Culture and recreation				
Parks	$ 2,050	$ 2,050	$ 1,786	$ 264
Intergovernmental				
Highways and streets	468,588	468,588	525,324	(56,736)
Total Expenditures	**$ 7,970,431**	**$ 7,970,431**	**$ 7,085,478**	**$ 884,953**
Net Change in Fund Balance	**$ -**	**$ -**	**$ 1,351,836**	**$ 1,351,836**
Fund Balance – January 1	**4,869,277**	**4,869,277**	**4,869,277**	**-**
Increase (decrease) in inventories	**-**	**-**	**16,153**	**16,153**
Fund Balance – December 31	**$ 4,869,277**	**$ 4,869,277**	**$ 6,237,266**	**$ 1,367,989**

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

Exhibit A-3

Wilkin County
Breckenridge, Minnesota

Budgetary Comparison Schedule
Human Services Special Revenue Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 2,299,046	$ 2,299,046	$ 2,250,404	$ (48,642)
Intergovernmental	1,725,091	1,725,091	2,302,030	576,939
Charges for services	523,412	523,412	477,773	(45,639)
Gifts and contributions	-	-	600	600
Miscellaneous	22,500	22,500	121,781	99,281
Total Revenues	**$ 4,570,049**	**$ 4,570,049**	**$ 5,152,588**	**$ 582,539**
Expenditures				
Current				
Human services				
Income maintenance	$ 1,205,098	$ 1,205,098	$ 1,090,626	$ 114,472
Social services	2,872,495	2,872,495	2,696,556	175,939
Total human services	**$ 4,077,593**	**$ 4,077,593**	**$ 3,787,182**	**$ 290,411**
Health				
Nursing service	586,022	586,022	604,585	(18,563)
Total Expenditures	**$ 4,663,615**	**$ 4,663,615**	**$ 4,391,767**	**$ 271,848**
Net Change in Fund Balance	**$ (93,566)**	**$ (93,566)**	**$ 760,821**	**$ 854,387**
Fund Balance – January 1, as previously reported	$ 659,204	$ 659,204	$ 659,204	$ -
Change within financial reporting entity				
Combination of major funds	619,826	619,826	619,826	-
Fund Balance – January 1, as restated	**$ 1,279,030**	**$ 1,279,030**	**$ 1,279,030**	**$ -**
Fund Balance – December 31	**$ 1,185,464**	**$ 1,185,464**	**$ 2,039,851**	**$ 854,387**

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

Exhibit A-4

Wilkin County
Breckenridge, Minnesota

Schedule of Changes in Total OPEB Liability and Related Ratios
Other Postemployment Benefits
December 31, 2024

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	$ 28,950	$ 27,160	$ 26,369	$ 24,609
Interest	4,470	3,970	7,990	7,342
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(750)	-	(107,735)	-
Changes of assumption or other inputs	(20,921)	-	5,519	-
Benefit payments	(10,260)	(5,657)	(14,159)	(8,602)
Net change in total OPEB liability	**$ 1,489**	**$ 25,473**	**$ (82,016)**	**$ 23,349**
Total OPEB Liability – Beginning	**199,642**	**174,169**	**256,185**	**232,836**
Total OPEB Liability – Ending	**$ 201,131**	**$ 199,642**	**$ 174,169**	**$ 256,185**
Covered-employee payroll	$ 6,229,589	$ 5,841,404	$ 5,671,266	$ 5,362,588
Total OPEB liability (asset) as a percentage of covered-employee payroll	3.23%	3.42%	3.07%	4.78%

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

2020	2019	2018
$ 23,834	$ 17,597	$ 17,084
8,676	8,108	8,092
(5,258)	-	-
(24,710)	-	-
-	-	-
(17,418)	(12,066)	(38,171)
$ (14,876)	**$ 13,639**	**$ (12,995)**
247,712	**234,073**	**247,068**
$ 232,836	**$ 247,712**	**$ 234,073**
$ 5,193,790	$ 5,205,424	$ 5,053,810
4.48%	4.76%	4.63%

Exhibit A-5

Wilkin County
Breckenridge, Minnesota

Schedule of Proportionate Share of Net Pension Liability
PERA General Employees Retirement Plan
December 31, 2024

Measurement Date	Employer's Proportion of the Net Pension Liability/Asset (%)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Wilkin County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c) (%)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (%)
2024	0.0588	$ 2,172,656	$ 56,180	$ 2,228,836	$ 4,965,779	43.75	89.08
2023	0.0626	3,500,522	96,459	3,596,981	4,976,384	70.34	83.10
2022	0.0598	4,736,180	138,731	4,874,911	4,475,911	105.81	76.67
2021	0.0593	2,532,376	77,320	2,609,696	4,271,044	59.29	87.00
2020	0.0594	3,561,301	109,940	3,671,241	4,237,794	84.04	79.06
2019	0.0581	3,212,219	99,829	3,312,048	4,149,937	77.40	80.23
2018	0.0576	3,195,412	104,834	3,300,246	3,831,770	83.39	79.53
2017	0.0600	3,830,360	48,194	3,878,554	3,770,074	101.60	75.90
2016	0.0599	4,863,583	63,539	4,927,122	3,717,541	130.83	68.91
2015	0.0620	3,213,162	N/A	3,213,162	3,647,074	88.10	78.19

The measurement date for each year is June 30.
N/A – Not Applicable

Exhibit A-6

Wilkin County
Breckenridge, Minnesota

Schedule of Contributions
PERA General Employees Retirement Plan
December 31, 2024

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) (%)
2024	$ 387,113	$ 387,113	$ -	$ 5,161,500	7.50
2023	368,195	368,195	-	4,909,273	7.50
2022	348,284	348,284	-	4,643,781	7.50
2021	323,928	323,928	-	4,319,038	7.50
2020	331,442	331,442	-	4,419,220	7.50
2019	316,370	316,370	-	4,218,269	7.50
2018	293,995	293,995	-	3,919,930	7.50
2017	291,553	291,553	-	3,887,374	7.50
2016	286,140	286,140	-	3,815,203	7.50
2015	273,724	273,724	-	3,649,653	7.50

The County's year-end is December 31.

Exhibit A-7

Wilkin County
Breckenridge, Minnesota

Schedule of Proportionate Share of Net Pension Liability
PERA Public Employees Police and Fire Plan
December 31, 2024

Measurement Date	Employer's Proportion of the Net Pension Liability/Asset (%)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Wilkin County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c) (%)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (%)
2024	0.0430	$ 565,398	$ 21,553	$ 586,951	$ 597,685	94.60	90.17
2023	0.0417	720,105	29,020	749,125	548,204	131.36	86.47
2022	0.0475	2,067,012	90,344	2,157,356	577,380	358.00	70.53
2021	0.0500	389,035	17,501	406,536	595,641	65.31	93.66
2020	0.0550	721,005	16,989	737,994	617,445	116.77	87.19
2019	0.0560	599,370	N/A	599,370	594,204	100.87	89.26
2018	0.0480	513,762	N/A	513,762	508,013	101.13	88.84
2017	0.0500	675,060	N/A	675,060	463,127	145.76	85.43
2016	0.0440	1,765,797	N/A	1,765,797	427,232	413.31	63.88
2015	0.0410	465,856	N/A	465,856	374,631	124.35	86.61

The measurement date for each year is June 30.
N/A – Not Applicable

Exhibit A-8

Wilkin County
Breckenridge, Minnesota

Schedule of Contributions
PERA Public Employees Police and Fire Plan
December 31, 2024

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) (%)
2024	$ 98,214	$ 98,214	$ -	$ 554,883	17.70
2023	99,610	99,610	-	562,769	17.70
2022	99,917	99,917	-	564,500	17.70
2021	96,174	96,174	-	543,359	17.70
2020	115,626	115,626	-	653,257	17.70
2019	103,366	103,366	-	609,828	16.95
2018	87,497	87,497	-	540,105	16.20
2017	84,851	84,851	-	523,770	16.20
2016	77,330	77,330	-	477,342	16.20
2015	62,192	62,192	-	383,901	16.20

The County's year-end is December 31.

Exhibit A-9

Wilkin County
Breckenridge, Minnesota

Schedule of Proportionate Share of Net Pension Liability
PERA Public Employees Local Government Correctional Service Retirement Plan
December 31, 2024

Measurement Date	Employer's Proportion of the Net Pension Liability/ Asset (%)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b) (%)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (%)
2024	0.3226	$ 98,325	$ 820,380	11.99	97.54
2023	0.2982	134,801	699,313	19.28	95.94
2022	0.3304	1,098,250	725,864	151.30	74.58
2021	0.2900	(47,756)	642,753	(7.43)	101.61
2020	0.2700	73,560	589,986	12.47	96.67
2019	0.2600	35,665	549,477	6.49	98.17
2018	0.2500	41,397	514,087	8.05	97.64
2017	0.2600	741,003	497,051	149.08	67.89
2016	0.2600	949,816	486,463	195.25	58.16
2015	0.2500	38,650	374,631	10.32	96.95

The measurement date for each year is June 30.

Exhibit A-10

Wilkin County
Breckenridge, Minnesota

Schedule of Contributions
PERA Public Employees Local Government Correctional Service Retirement Plan
December 31, 2024

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) (%)
2024	$ 71,984	$ 71,984	$ -	$ 822,672	8.75
2023	65,746	65,746	-	751,386	8.75
2022	60,940	60,940	-	696,460	8.75
2021	60,716	60,716	-	693,893	8.75
2020	54,283	54,283	-	620,379	8.75
2019	51,040	51,040	-	583,309	8.75
2018	44,365	44,365	-	507,034	8.75
2017	46,555	46,555	-	532,058	8.75
2016	43,867	43,867	-	501,334	8.75
2015	40,214	40,214	-	459,589	8.75

The County's year-end is December 31.

Wilkin County
Breckenridge, Minnesota

Notes to the Required Supplementary Information
For the Year Ended December 31, 2024

Note 1 – Budgetary Information

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

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

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

Note 2 – Excess of Expenditures Over Budget

The General Fund had expenditures in excess of final budget for the year ended December 31, 2024:

Excess of Expenditures Over Budget for the Year Ended December 31, 2024

Fund	Expenditures	Budget	Excess
General Fund	$ 8,254,119	$ 7,335,159	$ 918,960

Note 3 – Employer Contributions to Other Postemployment Benefits

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

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

The following changes in actuarial assumptions occurred:

2024

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The inflation rate was changed from 2.00 percent to 2.50 percent.
- The discount rate was changed from 2.00 percent to 3.70 percent.

2023

None.

2022

- The health care trend rates, mortality tables, salary increase rates, retirement rates, and withdrawal rates were updated.
- The inflation rate was changed from 2.50 percent to 2.00 percent.
- The discount rate was changed from 2.90 percent to 2.00 percent.

2021

None.

2020

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

2019

None.

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:

General Employees Retirement Plan

2024

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates.
- Assumed rates of withdrawal were increased for both males and females.
- Assumed rates of disability were decreased.
- Slight adjustments were made to the use of the Pub-2010 General Mortality table as recommended in the most recent experience study.

- Minor changes to form of payment assumptions were applied for male and female retirees.
- Minor changes to assumptions were made with respect to missing participant data.
- The workers' compensation offset for disability benefits was eliminated.
- The actuarial equivalent factors were updated to reflect changes in assumptions.

2023

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.
- A one-time direct state aid contribution of $170.1 million occurred on October 1, 2023.
- The vesting period for those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- For Basic Plan members, a one-time, non-compounding benefit increase of 4.00 percent, minus the actual 2024 adjustment, will be payable in a lump sum for calendar year 2024 by March 31, 2024**.**
- For Coordinated Plan members, a one-time, non-compounding benefit increase of 2.50 percent, minus the actual 2024 adjustment, will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022

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

2021

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

2020

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

slightly higher thereafter.

- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality table to the Pub-2010 General/Teacher Disabled Retiree Mortality table, with adjustments.

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

- The assumed spouse age difference was changed from two years older for females to one year older.

- The assumed number of married male new retirees electing the 100 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020, through December 31, 2023, and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

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.

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

2024

- The state contribution of $9 million per year will continue until the earlier of: (1) both the Public Employees Retirement Association Police and Fire Plan and the State Patrol Retirement Fund attaining 90 percent funded status for three consecutive years (on an actuarial value of assets basis), or (2) July 1, 2048. The contribution was previously due to expire upon attainment of 90 percent funded status for one year.

- The additional $9 million contribution will continue until the Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis or July 1, 2048, if earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048, if earlier).

2023

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.
- A one-time direct state aid contribution of $19.4 million occurred on October 1, 2023.
- The vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded ten year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after ten years.
- A one-time, non-compounding benefit increase of 3.00 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- A total and permanent duty disability benefit was added effective July 1, 2023.

2022

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

2021

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

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

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

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

2020

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

2019

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

2018

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

- Post-retirement benefit increases changed to 1.00 percent for all years with no trigger.

- An end date of July 1, 2048, was added to the existing $9.0 million state contribution. Additionally, annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.

- Member contributions were changed effective January 1, 2019, and January 1, 2020, from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019, and January 1, 2020, from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

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

2017

- The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.

- The assumed rates of retirement were changed, resulting in fewer retirements.

- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA load has been changed to 33 percent for vested members and 2.00 percent for non-vested members.

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the

RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality table assumed for healthy retirees.

- The assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of married female members was decreased from 65 percent to 60 percent.
- The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016

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

Public Employees Local Government Correctional Service Retirement Plan

2024

- Employee contribution rates will increase from 5.83 percent of pay to 6.83 percent of pay, effective July 1, 2025.
- Employer contribution rates will increase from 8.75 percent of pay to 10.25 percent of pay, effective July 1, 2025.
- The benefit multiplier was changed from 1.9 percent to 2.2 percent for service earned after June 30, 2025.

2023

- The investment return rate was changed from 6.50 percent to 7.00 percent.

- The single discount rate changed from 5.42 percent to 7.00 percent.
- A one-time direct state aid contribution of $5.3 million occurred on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.50 percent, if the maximum increase is 1.50 percent and the Plan's funding ratio improves to 85 percent for two consecutive years on a market value of assets basis.

2022

- The single discount rate changed from 6.50 percent to 5.42 percent.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The benefit increase assumption was changed from 2.00 percent per annum to 2.00 percent per annum through December 31, 2054, and 1.50 percent per annum thereafter.

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

- Minor changes to form of payment assumptions were applied.

2020

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

2019

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

2018

- The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum.
- The mortality projection scale was changed from Scale MP-2016 to Scale MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Post-retirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level, to 100 percent of the Social Security cost-of-living adjustment, not less than 1.00 percent and not more than 2.50 percent, beginning January 1, 2019. If the funding status declines to 85 percent for two consecutive years, or 80 percent for one year, the maximum increase will be lowered to 1.50 percent.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

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

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

2016

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

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

Supplementary Information

Exhibit B-1

Wilkin County
Breckenridge, Minnesota

Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 2,755	$ 2,755	$ 2,869	$ 114
Special assessments	-	-	279,469	279,469
Intergovernmental	195	195	749	554
Total Revenues	**$ 2,950**	**$ 2,950**	**$ 283,087**	**$ 280,137**
Expenditures				
Debt service				
Principal	$ -	$ -	$ 220,000	$ (220,000)
Interest	-	-	144,248	(144,248)
Administrative (fiscal) fees	2,950	2,950	2,100	850
Total Expenditures	**$ 2,950**	**$ 2,950**	**$ 366,348**	**$ (363,398)**
Net Change in Fund Balance	**$ -**	**$ -**	**$ (83,261)**	**$ (83,261)**
Fund Balance – January 1	**128,508**	**128,508**	**128,508**	**-**
Fund Balance – December 31	**$ 128,508**	**$ 128,508**	**$ 45,247**	**$ (83,261)**

Wilkin County
Breckenridge, Minnesota

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Exhibit C-1

Wilkin County
Breckenridge, Minnesota

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Environmental	Gravel Tax Reserve	Total (Exhibit 3)
Assets			
Cash and pooled investments	$ 252,055	$ 5,737	$ 257,792
Petty cash and change funds	5,000	-	5,000
Taxes receivable – delinquent	721	-	721
Accounts receivable	9,047	3,085	12,132
Due from other governments	5,951	-	5,951
Total Assets	**$ 272,774**	**$ 8,822**	**$ 281,596**
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	$ 8,238	$ -	$ 8,238
Salaries payable	5,029	-	5,029
Due to other funds	48	-	48
Due to other governments	6,990	2,331	9,321
Unearned revenue	961	-	961
Total Liabilities	**$ 21,266**	**$ 2,331**	**$ 23,597**
Deferred Inflows of Resources			
Unavailable revenue	**$ 4,501**	**$ -**	**$ 4,501**
Fund Balances			
Restricted			
Gravel pit restoration	$ -	$ 6,491	$ 6,491
Assigned			
Sanitation	247,007	-	247,007
Total Fund Balances	**$ 247,007**	**$ 6,491**	**$ 253,498**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 272,774**	**$ 8,822**	**$ 281,596**

Exhibit C-2

Wilkin County
Breckenridge, Minnesota

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	Environmental	Gravel Tax Reserve	Total (Exhibit 5)
Revenues			
Taxes	$ 118,246	$ 874	$ 119,120
Licenses and permits	1,200	-	1,200
Intergovernmental	195,133	-	195,133
Charges for services	97,359	-	97,359
Miscellaneous	80,210	-	80,210
Total Revenues	**$ 492,148**	**$ 874**	**$ 493,022**
Expenditures			
Current			
Sanitation	$ 362,125	$ -	$ 362,125
Conservation of natural resources	101,164	-	101,164
Total Expenditures	**$ 463,289**	**$ -**	**$ 463,289**
Net Change in Fund Balance	**$ 28,859**	**$ 874**	**$ 29,733**
Fund Balance – January 1	**218,148**	**5,617**	**223,765**
Fund Balance – December 31	**$ 247,007**	**$ 6,491**	**$ 253,498**

Exhibit C-3

Wilkin County
Breckenridge, Minnesota

Budgetary Comparison Schedule
Environmental Special Revenue Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 121,452	$ 121,452	$ 118,246	$ (3,206)
Licenses and permits	750	750	1,200	450
Intergovernmental	136,289	136,289	195,133	58,844
Charges for services	96,000	96,000	97,359	1,359
Miscellaneous	55,600	55,600	80,210	24,610
Total Revenues	**$ 410,091**	**$ 410,091**	**$ 492,148**	**$ 82,057**
Expenditures				
Current				
Sanitation				
Solid waste	$ 261,061	$ 261,061	$ 216,524	$ 44,537
Recycling	123,220	123,220	144,193	(20,973)
Education	1,500	1,500	1,408	92
Total sanitation	**$ 385,781**	**$ 385,781**	**$ 362,125**	**$ 23,656**
Conservation of natural resources				
Water planning	$ 62,110	$ 62,110	$ 20,794	$ 41,316
Shoreland	-	-	7,186	(7,186)
Wetland conservation	-	-	11,984	(11,984)
Subsurface sewage treatment	-	-	61,200	(61,200)
Total conservation of natural resources	**$ 62,110**	**$ 62,110**	**$ 101,164**	**$ (39,054)**
Total Expenditures	**$ 447,891**	**$ 447,891**	**$ 463,289**	**$ (15,398)**
Net Change in Fund Balance	**$ (37,800)**	**$ (37,800)**	**$ 28,859**	**$ 66,659**
Fund Balance – January 1	**218,148**	**218,148**	**218,148**	**-**
Fund Balance – December 31	**$ 180,348**	**$ 180,348**	**$ 247,007**	**$ 66,659**

Wilkin County
Breckenridge, Minnesota

Fiduciary Funds – Custodial Funds

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

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

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

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

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

Exhibit D-1

Wilkin County
Breckenridge, Minnesota

Combining Statement of Fiduciary Net Position
Fiduciary Funds – Custodial Funds
December 31, 2024

	Children's Collaborative	Jail Inmate	Recoveries	State Revenue	Taxes and Penalties	Total Custodial Funds
Assets						
Cash and pooled investments	$ 23,091	$ 4,726	$ 7,947	$ 29,530	$ 248,436	$ 313,730
Taxes receivable for other governments	-	-	-	724	59,425	60,149
Special assessments receivable	-	-	-	-	270,915	270,915
Due from other funds	11,767	-	-	-	-	11,767
Due from other governments	205	-	-	-	-	205
Total Assets	**$ 35,063**	**$ 4,726**	**$ 7,947**	**$ 30,254**	**$ 578,776**	**$ 656,766**
Liabilities						
Due to other governments	$ -	$ 3,743	$ 7,947	$ 29,530	$ 160,671	$ 201,891
Due to others	-	475	-	-	-	475
Total Liabilities	**$ -**	**$ 4,218**	**$ 7,947**	**$ 29,530**	**$ 160,671**	**$ 202,366**
Deferred Inflows of Resources						
Prepaid taxes	**$ -**	**$ -**	**$ -**	**$ -**	**$ 87,765**	**$ 87,765**
Net Position						
Restricted for individuals, organizations, and other governments	**$ 35,063**	**$ 508**	**$ -**	**$ 724**	**$ 330,340**	**$ 366,635**

Exhibit D-2

Wilkin County
Breckenridge, Minnesota

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds – Custodial Funds
For the Year Ended December 31, 2024

	Children's Collaborative	Jail Inmate	Recoveries	State Revenue	Taxes and Penalties	Total Custodial Funds
Additions						
Contributions						
Individuals	$ -	$ -	$ 150,664	$ -	$ -	$ 150,664
Property tax collections for other governments	-	-	-	420,229	7,283,765	7,703,994
Contributions from participants	45,039	-	-	-	-	45,039
Licenses and fees collected for the state	-	-	-	249,062	-	249,062
Miscellaneous	-	41,812	-	-	-	41,812
Total Additions	**$ 45,039**	**$ 41,812**	**$ 150,664**	**$ 669,291**	**$ 7,283,765**	**$ 8,190,571**
Deductions						
Payments of property tax to other governments	$ -	$ -	$ -	$ 423,847	$ 7,219,956	$ 7,643,803
Payments to the state	-	-	150,664	249,062	-	399,726
Administrative expense	1,000	-	-	-	-	1,000
Distributions to participants	46,974	-	-	-	-	46,974
Payments to other entities	-	41,594	-	-	-	41,594
Total Deductions	**$ 47,974**	**$ 41,594**	**$ 150,664**	**$ 672,909**	**$ 7,219,956**	**$ 8,133,097**
Change in net position	**$ (2,935)**	**$ 218**	**$ -**	**$ (3,618)**	**$ 63,809**	**$ 57,474**
Net Position – January 1, as previously reported	$ 37,998	$ 290	$ -	$ 4,342	$ 121,981	$ 164,611
Restatement – Note 1	-	-	-	-	144,550	144,550
Net Position – January 1, as restated	**$ 37,998**	**$ 290**	**$ -**	**$ 4,342**	**$ 266,531**	**$ 309,161**
Net Position – December 31	**$ 35,063**	**$ 508**	**$ -**	**$ 724**	**$ 330,340**	**$ 366,635**

Schedules

Exhibit E-1

Wilkin County
Breckenridge, Minnesota

Schedule of Intergovernmental Revenue
For the Year Ended December 31, 2024

	Governmental Funds
Appropriations and Shared Revenue	
State	
Highway users tax	$ 5,459,881
County program aid	709,548
Disparity reduction credit	58,532
Pension contribution	17,148
Police aid	83,028
Market value credit	136,963
Disparity reduction aid	10,297
Border cities reimbursement	3,646
Aquatic invasive species aid	3,589
Riparian protection aid	146,417
Statewide local housing aid	84,894
Local homeless prevention aid	14,550
Out of home placement	134
Cannabis aid	2,114
Total appropriations and shared revenue	**$ 6,730,741**
Reimbursement for Services	
State	
Minnesota Department of Human Services	**$ 455,258**
Payments	
Local	
Payments in lieu of taxes	**$ 42,502**
Grants	
State	
Minnesota Department/Board of	
Corrections	$ 4,851
Public Safety	208,254
Health	151,371
Human Services	405,531
Veterans Affairs	7,500
Water and Soil Resources	96,610
Pollution Control Agency	86,753
Peace Officer Standards and Training Board	4,890
Secretary of State	42,462
Total state	**$ 1,008,222**
Federal	
Department of	
Agriculture	$ 181,132
Education	1,050
Election Assistance Commission	3,940
Health and Human Services	926,662
Homeland Security	215,968
Treasury	877,282
Total federal	**$ 2,206,034**
Total state and federal grants	**$ 3,214,256**
Total Intergovernmental Revenue	**$ 10,442,757**

Exhibit E-2

Wilkin County
Breckenridge, Minnesota

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Agriculture			
Passed Through Partnership4Health Community Health Board			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not Provided	$ 35,711
Passed Through Minnesota Department of Human Services			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	242MN101S2514	113,230
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	242MN127Q7503	27,720
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	242MN101S2520	4,471
(Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 $145,421)			
Total U.S. Department of Agriculture			**$ 181,132**
U.S. Department of the Treasury			
Direct			
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		**$ 877,282**
U.S. Department of Education			
Passed Through Partnership4Health Community Health Board			
Special Education – Grants for Infants and Families	84.181	Not Provided	**$ 1,050**
U.S. Department of Election Assistance Commission			
Passed Through Office of the Minnesota Secretary of State			
HAVA Election Security Grants	90.404	197347	**$ 3,940**
U.S. Department of Health and Human Services			
Passed Through Northwest Regional Development Commission			
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	Not Provided	$ 3,750
Aging Cluster			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Not Provided	30,815

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

Wilkin County
Breckenridge, Minnesota

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Health and Human Services (Continued)			
Passed Through Partnership4Health Community Health Board			
Public Health Emergency Preparedness	93.069	Not Provided	9,664
COVID-19 – Immunization Cooperative Agreements	93.268	Not Provided	1,385
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	Not Provided	150
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Not Provided	34,626
COVID-19 – Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Not Provided	5,652
Temporary Assistance for Needy Families	93.558	Not Provided	6,549
(Total Temporary Assistance for Needy Families 93.558 $108,032)			
Maternal and Child Health Services Block Grant to the States	93.994	Not Provided	7,599
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	Not Provided	1,855
Passed Through Minnesota Department of Human Services			
Marylee Allen Promoting Safe and Stable Families Program	93.556	2301MNFPSS	2,259
Temporary Assistance for Needy Families	93.558	2401MNTANF	101,483
(Total Temporary Assistance for Needy Families 93.558 $108,032)			
Child Support Services	93.563	2301MNCSES	187,843
Child Support Services	93.563	2301MNCEST	21,865
(Total Child Support Services 93.563 $209,708)			
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2401MNRCMA	618
CCDF Cluster			
Child Care and Development Block Grant	93.575	2401MNCCDF	2,414
Community-Based Child Abuse Prevention Grants	93.590	2302MNBCAP	5,714
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2301MNCWSS	483
Foster Care Title IV-E	93.658	2401MNFOST	49,692
Social Services Block Grant	93.667	2401MNSOSR	50,326
Child Abuse and Neglect State Grants	93.669	Not Provided	483
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2301MNCILP	1,992
Children's Health Insurance Program	93.767	2305MN5021	185
Medicaid Cluster			
Grants to States for Medicaid	93.778	2405MN5ADM	416,874
Grants to States for Medicaid	93.778	2405MN5MAP	2,319
(Total Grants to States for Medicaid 93.778 $419,193)			
Total U.S. Department of Health and Human Services			**$ 946,595**

Wilkin County
Breckenridge, Minnesota

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Public Safety			
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	4722DRMNP00000001	$ 195,701
Emergency Management Performance Grants	97.042	A-EMPG-2022-WILKINCO-087	20,267
Total U.S. Department of Homeland Security			**$ 215,968**
Total Federal Awards			**$ 2,225,967**

The County did not pass on any federal awards through to subrecipients during the year ended December 31, 2024.

Totals by Cluster	
Total expenditures for SNAP Cluster	$ 145,421
Total expenditures for Aging Cluster	30,815
Total expenditures for CCDF Cluster	2,414
Total expenditures for Medicaid Cluster	419,193

Wilkin County
Breckenridge, Minnesota

Notes to the Schedule of Expenditures of Federal Awards
As of and for the Year Ended December 31, 2024

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 Wilkin County. The County's reporting entity is defined in Note 1 to the financial statements.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Wilkin County under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule of Expenditures of Federal Awards presents only a selected portion of the operations of Wilkin County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Wilkin County.

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

Note 2 – De Minimis Cost Rate

Wilkin County has elected to not use the ten percent de minimis indirect cost rate nor the 15 percent de minimis indirect cost rate, as applicable, allowed under the Uniform Guidance.

Note 3 – Reconciliation to Schedule of Intergovernmental Revenue

Reconciliation to Schedule of Intergovernmental Revenue

Reconciling Items	Amount
Federal grant revenue per Schedule of Intergovernmental Revenue	$ 2,206,034
Grants received more than 60 days after year-end, considered unavailable revenue in 2024	
Marylee Allen Promoting Safe and Stable Families Program (Assistance Listing Number 93.556)	271
Temporary Assistance for Needy Families (Assistance Listing Number 93.558)	16,545
Child Care and Development Block Grant (Assistance Listing Number 93.575)	220
Foster Care Title IV-E (Assistance Listing Number 93.658)	4,120
Child Abuse and Neglect State Grants (Assistance Listing Number 93.669)	483
Unavailable revenue in 2023, recognized as revenue in 2024	
COVID-19 – Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response (Assistance Listing Number 93.354)	(1,247)
Marylee Allen Promoting Safe and Stable Families Program (Assistance Listing Number 93.556)	(230)
Stephanie Tubbs Jones Child Welfare Services Program (Assistance Listing Number 93.645)	(229)
Expenditures per Schedule of Expenditures of Federal Awards	$ 2,225,967

Management and Compliance Section

STATE OF MINNESOTA

Julie Blaha
State Auditor

Office of the State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

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

Independent Auditor's Report

Board of County Commissioners
Wilkin County
Breckenridge, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wilkin County, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 15, 2026.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002 and 2024-005 to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001, 2024-003, and 2024-004 to be significant deficiencies.

Main: (651) 296-2551 • Fax: (651) 296-4755 • TTY: (800) 627-3529 • State.Auditor@osa.state.mn.us • www.osa.state.mn.us
An equal opportunity employer

Report on Compliance and Other Matters

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

Minnesota Legal Compliance

In connection with our audit, we noted that Wilkin County failed to comply with the provisions of the depositories of public funds and public investments, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters, as described in the Schedule of Findings and Questioned Costs as items 2024-010 through 2024-012. Also, in connection with our audit, nothing came to our attention that caused us to believe that Wilkin County failed to comply with the provisions of the contracting – bid laws, conflicts of interest, and public indebtedness 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.

Wilkin County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Wilkin County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs and 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 the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the provisions of the *Minnesota Legal Compliance Audit Guide for Counties* and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

/s/Julie Blaha

Julie Blaha
State Auditor

/s/Lisa Young

Lisa Young, CPA
Deputy State Auditor

June 15, 2026

STATE OF MINNESOTA

Julie Blaha
State Auditor

Office of the State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

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

Independent Auditor's Report

Board of County Commissioners
Wilkin County
Breckenridge, Minnesota

Report on Compliance for Each Major Federal Program

Qualified Opinions

We have audited Wilkin County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Wilkin County's major federal programs for the year ended December 31, 2024. Wilkin County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions section of our report, Wilkin County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 – Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2024.

Qualified Opinion on Medicaid Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions section of our report, Wilkin County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Medicaid Cluster for the year ended December 31, 2024.

Basis for Qualified Opinions

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

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

Main: (651) 296-2551 • Fax: (651) 296-4755 • TTY: (800) 627-3529 • State.Auditor@osa.state.mn.us • www.osa.state.mn.us
An equal opportunity employer

Matter Giving Rise to Qualified Opinion on COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

As described in the accompanying Schedule of Findings and Questioned Costs, Wilkin County did not comply with requirements regarding Assistance Listing No. 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds as described in finding number 2024-009 for Reporting.

Matter Giving Rise to Qualified Opinion on Medicaid Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, Wilkin County did not comply with requirements regarding Assistance Listing No. 93.778 Medicaid Cluster as described in finding numbers 2024-006 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting; and 2024-007 for Eligibility.

Compliance with such requirements is necessary, in our opinion, for Wilkin County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-008. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-006, 2024-007, and 2024-009 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2024-008 to be a significant deficiency.

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

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

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

/s/Julie Blaha

Julie Blaha
State Auditor

/s/Lisa Young

Lisa Young, CPA
Deputy State Auditor

June 15, 2026

Wilkin County
Breckenridge, Minnesota

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section I – Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:
- Material weaknesses identified? **Yes**
- Significant deficiencies identified? **Yes**

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

Federal Awards

Internal control over the major federal programs:
- Material weaknesses identified? **Yes**
- Significant deficiencies identified? **Yes**

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

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

Identification of the major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.778	Medicaid Cluster

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

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

Section II – Financial Statement Findings

2024-001 **Segregation of Duties**
Prior Year Finding Number: 2023-001
Year of Finding Origination: 2023
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 recordkeeping, custody, and authorization functions should be in place. Where management decides segregation of duties may not be cost effective, compensating controls should be in place.

Condition: Several of the County's departments that collect fees lack proper segregation of duties. These departments generally have one staff person who is responsible for billing, collecting, recording, and depositing receipts as well as reconciling bank accounts.

Context: Due to the limited number of office personnel within the County, segregation of accounting functions necessary to ensure adequate internal accounting control is not possible. This is not unusual in operations the size of Wilkin 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 employees, in the normal course of performing their assigned functions, to detect misstatements in a timely period.

Cause: The County informed us it is more efficient to collect fees for services in each department and periodically remit those fees to the Auditor-Treasurer's Office. The staffing available in several of these smaller offices limits the potential for complete segregation of duties.

Recommendation: We recommend the County Board of Commissioners and management be aware of the lack of segregation of the accounting functions and, where possible, implement oversight procedures to ensure that staff implement the internal control policies and procedures to the extent possible.

View of Responsible Official: Concur

2024-002 Transaction Approval and Documentation
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Internal Control Over Financial Reporting
Severity of Deficiency: Material Weakness

Criteria: Per the County's Claims and Disbursements Policy within the Accounting Policies and Procedures Manual, the supervisor or department head reviews the voucher, verifies the claim, and initials each voucher to ensure validity and accuracy. The original invoice(s) must be attached to the voucher.

The County's Journal Entry Policy included in Accounting Policies and Procedures Manual requires that staff ensure all proper documentation supporting each journal entry include: department information, debit/credit entry form, and any other supporting documentation. The supporting documentation is retained for a period of two years. The generated Audit Listing Report is printed and signed by two individuals.

The County Credit Card Policy included in the Personnel Policy Manual requires documentation must be retained as proof of purchase whenever using the credit card. There must be documentation to verify purchases shown on the cardholder's monthly statement. Additionally, the policy states the department head must review all documentation and ensure that all purchases are valid and appropriate prior to approving the claims for payment.

The internal control procedures over a write-off should include a system for tracking the status, documentation supporting the decision, and evidence of approval.

Condition: The following items were identified during internal control and other testing:

- four of 25 disbursements tested lacked documentation of approval,
- six of 20 credit card transactions tested lacked documentation of approval,
- three of 20 credit card transactions tested lacked supporting documentation,
- nine of 20 journal vouchers tested did not include two signatures indicating review or approval,
- ten of 20 journal vouchers tested lacked supporting documentation, and
- a write-off of Public Health receivables lacked documentation of approval and supporting documentation.

Context: Supporting documentation and documentation of review and approval is an important function for ensuring amounts are accurate and proper. The County recorded a total of 78 manual journal entries in 2024. During 2024, the County made $17,947,757 in disbursements, of which $145,885 were purchases using credit cards. The Public Health receivables write-off totaled $134,708.69.

Effect: Without proper review and approval of transactions, there is an increased risk that errors or irregularities may occur and may not be detected in a timely manner. Also, without proper supporting documentation, it is difficult to determine that the transaction was accurately calculated, approved, and recorded in the general ledger.

Cause: The County indicated turnover in key positions in 2024. New staff could not locate the documentation.

Recommendation: We recommend the County review existing policies and procedures or implement new policies and procedures to ensure all transactions are appropriately supported, reviewed, and approved.

View of Responsible Official: Concur

2024-003 Cash Reconciliation
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Internal Control Over Financial Reporting
Severity of Deficiency: Significant Deficiency

Criteria: Reconciliations are control activities designed to provide reasonable assurance that errors will be prevented and detected in a timely manner and involve the comparison of records or balances from different sources. Effective reconciliations properly account for any differences between the records or balances. This includes investigating why the differences exist and resolving them in a timely manner.

Condition: During 2024, cash reconciliations were not completed between the Treasurer's cash system and the general ledger. A review of the County's cash identified the following issues or resulted in the following corrections:

- a correction of $630,250 on the Treasurer's Cash Trial Balance due to an incorrect beginning balance for the main checking account;

- a correction of $36,500 on the Treasurer's Cash Trial Balance due to an input error;
- a sale of investment of $250,000 was not correctly reflected on the Treasurer's Cash Trial Balance;
- interest revenue of $39,793 was not recorded on the Treasurer's Cash Trial Balance or in the general ledger; and
- a remaining immaterial unidentified difference.

Context: The County did not complete a year-end reconciliation of the cash balance and did not identify accounting errors made during the year.

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

Cause: The County indicated significant staff changes, and staff are still learning reconciliation processes.

Recommendation: We recommend the County balance the cash to ensure all activity has been recorded and perform periodic reconciliations of the cash balance between the Treasurer's cash system and the general ledger.

View of Responsible Official: Concur

2024-004 Capital Asset Records
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Internal Control Over Financial Reporting
Severity of Deficiency: Significant Deficiency

Criteria: The County is required by generally accepted accounting principles to account for and depreciate its capital assets over their estimated useful lives. Capital assets acquired or removed from service throughout the year should be included as additions or deletions to the County's capital asset records and properly recorded for financial reporting following generally accepted accounting principles.

Condition: Capital asset additions and deletions for departments, other than the Highway Department, were not recorded in 2024, and annual internal control procedures over capital assets were also not performed.

Context: Capital assets, including infrastructure assets, are reported on the statement of net position, and depreciation expense for those assets is reported on the statement of activities. The County established accounting policies for capital assets, including capitalization thresholds, useful lives, and the designation of specific general ledger accounts to record the purchases and construction costs of capital assets.

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

Cause: The County informed us staff assigned to record capital asset transactions, other than the Highway Department, left the County and the new staff assigned to take over the responsibility were not trained on the system.

Recommendation: The County should implement procedures to record all capital asset additions and deletions. The County should also reconcile the capital assets to the records annually to ensure capital asset records are complete.

View of Responsible Official: Concur

2024-005 Material Audit Adjustments
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Internal Control Over Financial Reporting
Severity of Deficiency: Material Weakness

Criteria: A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Auditing standards define a material weakness as a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Condition: Audit adjustments were identified that resulted in significant changes to the County's financial statements.

Context: The inability to detect misstatements in the financial statements increases the likelihood that the financial statements would not be fairly presented. These adjustments were found in the audit; however, independent external auditors cannot be considered part of the County's internal control.

Effect: The following audit adjustments were reviewed and approved by management and are reflected in the financial statements:

- The Debt Service Fund required adjustments to decrease prepaid special assessments by $84,955 and increase special assessment revenue to recognize the 2024 special assessments.

- The Debt Service Fund required adjustments to reduce special assessments revenue by $85,489 and increase due to other governments to record the 2023 and 2024 settlement due to a local government.

Cause: Staff overlooked the entries when financial statement information was prepared.

Recommendation: We recommend the County review internal controls currently in place and design and implement procedures to improve internal controls over financial reporting which will prevent, or detect and correct, misstatements in the financial statements. The updated controls should include review of the balances and supporting documentation by a qualified individual to ensure the County's financial statements are complete, accurate, and fairly presented in accordance with generally accepted accounting principles in the United States America.

View of Responsible Official: Concur

Section III – Federal Award Findings and Questioned Costs

2024-006 **Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting**
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Internal Control Over Compliance and Compliance
Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services
Program: 93.778 Grants to States for Medicaid
Award Number and Year: 2405MN5ADM; 2024

Pass-Through Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 U.S. *Code of Federal Regulations* §§ 200.403(a) and 200.403(g) require costs to be necessary and reasonable, and be adequately documented.

For federal awards received from the Minnesota Department of Human Services (DHS), internal controls should be established and maintained to provide assurance that program reports submitted to DHS are completed and documented in accordance with DHS reporting instructions. As part of Wilkin County's reporting requirements, the Public Health Department submits the Local Collaborative Time Study (LCTS) Public Health Cost Schedule DHS-3220.3 on a quarterly basis.

Condition: The County did not maintain adequate support for the reported payroll amounts on LCTS Public Health Cost Schedule DHS-3220.3 reports tested. The reports also had no documentation of review.

Questioned Costs: $329,183; known questioned costs were determined based on the payroll costs from each of the four LCTS Public Health Cost Schedule DHS-3220.3 reports.

Context: Minnesota DHS relies on accurate submission of program costs to ensure that resulting grant funds paid to Wilkin County are for applicable federal program activities/costs.

Total expenditures reported on the Schedule of Expenditures of Federal Awards are $416,193. Amounts reported on the DHS-2550, DHS-2556, and LCTS Public Health Cost Schedule DHS-3220.3 reports were $759,694, $1,879,054, and $379,254, respectively. The State of Minnesota determines the reimbursement of reported expenditures. The reporting population consisted of four quarterly DHS-2550, DHS-2556, and LCTS Public Health Cost Schedule DHS-3220.3 reports; and originally a sample of two of each report type was selected for report testing. Additionally, a sample of 40 expenditures were selected for testing, which included five LCTS Public Health Cost Schedule DHS-3220.3 expenditures for testing. Payroll reported expenditure testing relating to the LCTS Public Health Cost Schedule DHS-3220.3 was expanded to cover payroll expenditures of all four quarters.The sample size was based on the guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*, and subsequently expanded.

Effect: Errors in the identification and reporting of costs on the quarterly reports can impair DHS' ability to provide required oversight over federal programs and result in the County receiving either more or less federal funds than justified based on the actual underlying activity.

Cause: The employee who prepared the reports and the supporting documentation left the County in 2025. The supporting documentation could not be located.

Recommendation: We recommend the County implement controls to ensure activities allowed and allowable costs are appropriately identified and accurately reported to DHS in accordance with federal program guidance and DHS instructions, including that reports are reviewed by someone other than the preparer. We also recommend the County correct and resubmit reports submitted with unallowable activities or costs, costs allocated incorrectly, or activity reporting incorrectly.

View of Responsible Official: Concur

2024-007 Eligibility – MAXIS
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Internal Control Over Compliance and Compliance
Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services
Program: 93.778 Grants to States for Medicaid
Award Number and Year: 2405MN5ADM; 2024

Pass-Through Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 42 U.S. *Code of Federal Regulations* §§ 435.911 and 435.945 require the state Medicaid agency to determine and verify eligibility of enrollees in Medicaid. The Minnesota Department of Human Services provides the Minnesota Health Care Programs Eligibility Policy Manual. The manual contains the Minnesota Department of Human Services eligibility policies for the Minnesota Health Care Programs, including the eligibility requirements of Medical Assistance. Specific eligibility requirements are included for participants' citizenship verification and asset verification. Minnesota Statutes, section 256B.05, requires county agencies to administer Medical Assistance.

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by Wilkin County to support the eligibility determination process. In the participant files reviewed for eligibility, not all documentation to support participant eligibility was available, updated, or input correctly. The following exceptions were noted in the sample of 40 participant files tested:

- three participants' citizenship information did not have the birth certificate in the file; and

- one participant's asset information did not match the documentation in the file, and three participant files did not have supporting asset documentation in the file.

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

Context: The State of Minnesota and the County split the eligibility determination process. Pursuant to Minnesota statutes, Wilkin County performs the "intake function" needed for this program, while the State maintains the MAXIS systems, which supports the eligibility determination process. Participants receive benefit payments from the State.

The population consisted of 336 active MAXIS participant cases enrolled in Grants to States for Medicaid in 2024; the sample size was 40 participant files. The sample size was based on the guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The improper input or updating of information into MAXIS and the lack of verification or follow-up of eligibility-determining factors increase the risk that program participants will receive benefits when they are not eligible.

Cause: Program personnel entering case file information into MAXIS did not ensure all required information was input or updated correctly, supported, and retained.

Recommendation: We recommend Wilkin County implement additional procedures to provide reasonable assurance that all documentation needed to support eligibility determinations exists, the program personnel properly input or update the documentation in MAXIS, and the program personnel follow up on issues in a timely manner. In addition, Wilkin County should consider providing further training to program personnel.

View of Responsible Official: Concur

2024-008 Suspension and Debarment
Prior Year Finding Number: 2023-002
Year of Finding Origination: 2023
Type of Finding: Internal Control Over Compliance and Compliance
Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of the Treasury
Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Award Number and Year: SLFRP2411; 2021

Pass-Through Agency: N/A – Direct

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Federal requirements prohibit non-federal entities from contracting with or making subawards under covered transactions to parties that are suspended or debarred. Title 2 U.S. Code of Federal Regulations § 180.300

describes a required verification process. Prior to entering into the transaction, one of the following must be performed: (1) checking SAM.gov exclusions, (2) collecting a certification, or (3) adding a clause or condition to the covered transaction.

Condition: For the two covered transactions tested, the County did not maintain documentation of verification that the vendors were not suspended or debarred prior to entering into the covered transactions.

Questioned Costs: $187,679; known questioned costs were determined based on payments to the two vendors tested.

Context: During the year, the County entered into three covered transactions using COVID-19 – Coronavirus State and Local Fiscal Recovery Funds. The covered transactions totaled $222,953.

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

Effect: Failure to verify vendors are not suspended, debarred, or otherwise excluded prior to entering into a covered transaction may result in the County entering into a transaction with a vendor that is not authorized to provide goods and services under the grant.

Cause: The County indicated significant staff turnover in key positions. The previous staff were not available to locate the documentation.

Recommendation: We recommend the County maintain documentation to demonstrate that vendors were not debarred, suspended, or otherwise excluded from conducting business with the County; the County should complete this documentation prior to entering into a covered transaction.

View of Responsible Official: Concur

2024-009 Reporting
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Internal Control Over Compliance and Compliance
Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of the Treasury
Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Award Number and Year: SLFRP2411; 2021

Pass-Through Agency: N/A – Direct

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The U.S. Department of the Treasury requires recipients of funds to submit Project and Expenditure Reports that include, by project, current period obligations, cumulative obligations, current period expenditures, and

cumulative expenditures. The frequency of reporting is dependent on the size of the entity and amount of funding received.

Condition: The County understated current period expenditures reported, and cumulative expenditures reported on the annual Project and Expenditure Report submitted to the U.S. Department of the Treasury by $182,285. Also, the County did not submit the annual Project and Expenditure Report by the federal deadline of April 30, 2024.

Questioned Costs: None.

Context: The County opted to spend the COVID-19 – Coronavirus State and Local Fiscal Recovery Funds award under the Revenue Replacement category, which allows spending on broader types of government services.

The annual Project and Expenditure Report required to be submitted to the U.S. Department of the Treasury by April 30 of each year for the reporting period ending March 31 was submitted August 14, 2024.

Effect: The County is not in compliance with federal reporting requirements.

Cause: The County indicated difficulty tracking project expenditures due to staff turnover.

Recommendation: We recommend the County review the U.S. Department of the Treasury's guidance and form instructions to ensure accurate reporting of COVID-19 – Coronavirus State and Local Fiscal Recovery Funds activity. We also recommend the County submit future Project and Expenditure Reports by the federal deadline.

View of Responsible Official: Concur

Section IV – Other Findings and Recommendations

2024-010 Broker Certification Statements
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Minnesota Legal Compliance

Criteria: Pursuant to Minn. Stat. § 118A.04, subd. 9, annually, prior to completing an initial investment transaction with each broker, the County needs to provide to that broker a written statement of investment restrictions. In addition, the broker should acknowledge receipt of the investment restrictions by signing the broker certification statement.

Condition: The County did not maintain documentation to show broker certification statements were provided to brokers used during 2024.

Context: Broker certification statements are used to help ensure that investment brokers being used are familiar with deposit and investment legal requirements applicable to the County.

Effect: The County is not in compliance with Minnesota statutes and has an increased risk that its investment brokers will make noncompliant investments.

Cause: Due to staff turnover, the County was unable to locate the broker certification statements.

Recommendation: We recommend the County obtain broker certification statements annually from all brokers in accordance with Minn. Stat. § 118A.04, subd. 9.

View of Responsible Official: Concur

2024-011 Prompt Payment of Invoices
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Minnesota Legal Compliance

Criteria: Pursuant to Minn. Stat. § 471.425, subd. 2, the County is required to make payment on vendor invoices according to the terms of the contract, or within 35 days of the completed delivery of the goods or services or the receipt of the invoice, whichever is later. For bills paid after the time period set by contract or standard payment period, the County must calculate and pay interest as required.

Condition: Seven of the 25 invoices tested for compliance with this statute were not paid within the required 35 days. In addition, the County did not calculate and pay interest on those invoices.

Context: The County policy is to approve claims at the second Board meeting of the month.

Effect: The County is not in compliance with Minn. Stat.§ 471.425, subd. 2.

Cause: The invoices were received but not paid until after being approved at the second Board meeting of the month, creating a delay in payment.

Recommendation: We recommend the County develop a process to ensure payments are made in accordance with Minn. Stat. § 471.425, subd. 2.

View of Responsible Official: Concur

2024-012 Publication of Financial Statements
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Minnesota Legal Compliance

Criteria: The County is required by Minn. Stat. § 375.17 to annually publish its financial statements.

Condition: Wilkin County did not publish the financial statements or a summary of the financial statements in a qualified form prescribed by the Office of the State Auditor for 2023.

Context: The publication of the financial statements should include a statement of assets and liabilities and a summary of receipts, disbursements, and balances of all County funds together with a detailed statement of each fund account and should be in the form and style prescribed by and on file with the Office of the State Auditor.

Effect: The County is not in compliance with Minn. Stat. § 375.17.

Cause: Due to staff turnover, the County was unable to locate the affidavit of publication documenting the financial statements were published.

Recommendation: We recommend the County publish the County's financial statements annually as required by Minn. Stat. § 375.17 and retain documentation of that publishing.

View of Responsible Official: Concur

Tarah Yaggie, County Auditor-Treasurer
Tulsa-Leigh Kugler, Deputy Auditor-Treasurer
Brandi Romereim, Deputy Auditor-Treasurer
Linda Twidwell Hopkins, Deputy Auditor-Treasurer
Matt Walberg, Deputy Auditor-Treasurer
Alex Winrow, Deputy Auditor-Treasurer

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

Representation of Wilkin County
Breckenridge, Minnesota

Corrective Action Plan

For the Year Ended December 31, 2024

Finding Number: 2024-001
Finding Title: Segregation of Duties

Name of Contact Person Responsible for Corrective Action:
Tarah Yaggie

Corrective Action Planned:
We had a lot of turnover in 2024 and we were also short staffed, that is mainly why there was overlap. Going forward we have separated duties out and no one should be overlapping. We have a separate payroll, billing and banking person now.

Anticipated Completion Date:
6/12/2026

Finding Number: 2024-002
Finding Title: Transaction Approval and Documentation

Name of Contact Person Responsible for Corrective Action:
Tarah Yaggie

Corrective Action Planned:
We are making sure that two people are signing off on all bills, with initials and dates. We are maintaining a paper file and email folders for bills that are received.

Anticipated Completion Date:
6/12/2026

Finding Number: 2024-003
Finding Title: Cash Reconciliation

Name of Contact Person Responsible for Corrective Action:
Tarah Yaggie, Linda Hopkins, and Brandi Romeriem

Corrective Action Planned:
We have improved our balancing between the treasurer's cash balance and the general ledger, making sure that they are updated daily instead of missing days in-between.

Tarah Yaggie, County Auditor-Treasurer
Tulsa-Leigh Kugler, Deputy Auditor-Treasurer
Brandi Romereim, Deputy Auditor-Treasurer
Linda Twidwell Hopkins, Deputy Auditor-Treasurer
Matt Walberg, Deputy Auditor-Treasurer
Alex Winrow, Deputy Auditor-Treasurer

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

Anticipated Completion Date:
6/12/2026

Finding Number: 2024-004
Finding Title: Capital Asset Records

Name of Contact Person Responsible for Corrective Action:
Tarah Yaggie and Matthew Walberg

Corrective Action Planned:
We are now updating capital asset records quarterly.

Anticipated Completion Date:
6/12/2026

Finding Number: 2024-005
Finding Title: Material Audit Adjustments

Name of Contact Person Responsible for Corrective Action:
Tarah Yaggie

Corrective Action Planned:
We are reviewing everything as a group and making sure all parties in the AT office are on the same page. Adjustments to financial statements are discussed as a group before being made.

Anticipated Completion Date:
6/12/2026

Finding Number: 2024-006
Finding Title: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting
Program: 93.778 Grants to States for Medicaid

Name of Contact Person Responsible for Corrective Action:
LaRae Kuhfal, Fiscal Officer and Deb Sjostrom, Director.

Corrective Action Planned:
LaRae has taken over the report starting with quarter 4 of 2025 and is keeping all records used for the LCTS report. We plan to make sure that the quarterly reports are reviewed and approved by the director.

Anticipated Completion Date:
Completed as of quarter 4, 2025 and continuing.

Tarah Yaggie, County Auditor-Treasurer
Tulsa-Leigh Kugler, Deputy Auditor-Treasurer
Brandi Romereim, Deputy Auditor-Treasurer
Linda Twidwell Hopkins, Deputy Auditor-Treasurer
Matt Walberg, Deputy Auditor-Treasurer
Alex Winrow, Deputy Auditor-Treasurer

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

Finding Number: 2024-007
Finding Title: Eligibility – MAXIS
Program: 93.778 Grants to States for Medicaid

Name of Contact Person Responsible for Corrective Action:
Cindy Noetzelman

Corrective Action Planned:
Cases have been corrected and there was a discussion with staff on the process and the need for correct entries. We will continue to review at monthly staffing meetings to ensure correct procedures continue to be followed.

Anticipated Completion Date:
Cases have been corrected as of Dec 31, 2025

Finding Number: 2024-008
Finding Title: Suspension and Debarment
Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Name of Contact Person Responsible for Corrective Action:
Tarah Yaggie

Corrective Action Planned:
We understand we need to look at sam.gov and will do so going forward.

Anticipated Completion Date:
6/12/2026

Finding Number: 2024-009
Finding Title: Reporting
Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Name of Contact Person Responsible for Corrective Action:
Tarah Yaggie

Corrective Action Planned:
I was hired on 4/17/2024 and didn't know about Covid 19 recovery funds. I reached out to ABDO for assistance going forward.

Anticipated Completion Date:
6/12/2026

Tarah Yaggie, County Auditor-Treasurer
Tulsa-Leigh Kugler, Deputy Auditor-Treasurer
Brandi Romereim, Deputy Auditor-Treasurer
Linda Twidwell Hopkins, Deputy Auditor-Treasurer
Matt Walberg, Deputy Auditor-Treasurer
Alex Winrow, Deputy Auditor-Treasurer

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

Finding Number: 2024-010
Finding Title: Broker Certification Statements

Name of Contact Person Responsible for Corrective Action:
Tarah Yaggie and Linda Hopkins

Corrective Action Planned:
We are going to be completing the brokers' certificate and sending them over to the financial institution.

Anticipated Completion Date:
6/12/2026

Finding Number: 2024-011
Finding Title: Prompt Payment of Invoices

Name of Contact Person Responsible for Corrective Action:
Brandi Romereim and Tarah Yaggie

Corrective Action Planned:
We are moving to having the board approve twice a month to pay bills in a timely manner.

Anticipated Completion Date:
6/12/2026

Finding Number: 2024-012
Finding Title: Publication of Financial Statements

Name of Contact Person Responsible for Corrective Action:
Tarah Yaggie

Corrective Action Planned:
The financial statements will be published when the audit is complete.

Anticipated Completion Date:
6/12/2026

Tarah Yaggie, County Auditor-Treasurer
Tulsa-Leigh Kugler, Deputy Auditor-Treasurer
Brandi Romereim, Deputy Auditor-Treasurer
Linda Twidwell Hopkins, Deputy Auditor-Treasurer
Matt Walberg, Deputy Auditor-Treasurer
Alex Winrow, Deputy Auditor-Treasurer

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

Representation of Wilkin County
Breckenridge, Minnesota

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2024

Finding Number: 2023-001
Year of Finding Origination: 2023
Finding Title: Segregation of Duties

Summary of Condition: Several of the County's departments that collect fees lack proper segregation of duties. These departments generally have one staff person who is responsible for billing, collecting, recording, and depositing receipts as well as reconciling bank accounts.

Summary of Corrective Action Previously Reported: We will complete quarterly receipts records for the sheriffs and highway department.

Status: Not Corrected. While completing the 2023 audit, we discovered that there was no consistent process. Due to current staff starting mid 2024 the 2023 audit was placed on hold until the end of 2024, the beginning of 2025. Therefore most of the year was already over, and we could not implement this until 2025. Currently any incoming money is brought to the Auditor's Office with the corresponding general ledger coding. The Auditor's Office receipts the funds and returns the duplicate miscellaneous receipt to the proper department. The Highway Accountant inputs bills and the engineer signs off. Once completed the batch is interfaced to the Auditors' Office and reviewed. It originally is assigned to the Auditor (Tarah Yaggie) and then transferred over to the Financial Analyst (Brandi Romereim). After checks are printed the Highway Department collects, reviews, and mails them.

Finding Number: 2023-002
Year of Finding Origination: 2023
Finding Title: Suspension and Debarment

Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Summary of Condition: For both covered transactions tested, the County did not maintain documentation of verification that the vendors were not suspended or debarred prior to entering into the covered transactions.

Summary of Corrective Action Previously Reported: We now have access to sam.gov and we will access the website and search for the vendor to ensure that they are not listed on the suspension list. We will then store the printout in the F-DRIVE and will also keep a paper copy.

Status: Not Corrected. We did not know about this requirement until April/May of 2025, so we did not do anything in 2024. The grant was fully expended at the end of 2024.