

Stevens County

Financial Statements and
Supplementary Information

December 31, 2021

Stevens County

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Introductory Section

Stevens County

Organization
December 31, 2021

<u>Elected</u>			<u>Term Expires</u>
Commissioners			
Chair	Bob Kopitzke	District 1	January 2025
Board Member	Jeanne Ennen	District 2	January 2023
Board Member	Ron Staples	District 3	January 2025
Board Member	Donny Wohlers	District 4	January 2025
Board Member	Neil Wiese	District 5	January 2023
Attorney	Aaron Jordan		January 2023
Auditor/Treasurer	Stephanie Buss		January 2023
County Recorder	Nichole Mahoney		January 2023
Registrar of Titles	Nichole Mahoney		January 2023
County Sheriff	Jason Dingman		January 2023
 <u>Appointed</u>			
Assessor	Craig Swanson		December 2024
Administrator	Rebecca Young		Indefinite
Coroner	John F. Stock, M.D.		Indefinite
Highway Engineer	Todd Larson		May 2023
Human Services Director	Liberty Sleiter		Indefinite
Veterans Service Officer	Hugh Reimers		Indefinite

Financial Section

Independent Auditors' Report

To the Board of Commissioners of
Stevens County

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the 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 Stevens County, Minnesota, as of December 31, 2021 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAAS and GAS, 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.
- 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 required supplementary information, as listed in the table of contents 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 the County's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 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 financial statements. The other information comprises the introductory section included in the financial statements but does not include the basic financial statements and our auditors' 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 September 22, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Minneapolis, Minnesota
September 22, 2022

Management's Discussion and Analysis

Stevens County

Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2021

The Management's Discussion and Analysis (MD&A) provides an overview and analysis of the County's financial activities for the fiscal year ended December 31, 2021. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the County's basic financial statements that follow this section.

Financial Highlights

Governmental activities' total net position is \$46,084,259, of which \$37,662,134 is the net investment in capital assets, and \$5,436,088 is restricted for specific purposes. The \$2,986,037 remaining may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position decreased by \$318,662 for the year ended December 31, 2021. The net cost of governmental activities for the current fiscal year was \$9,117,367. The net cost was funded by general revenues totaling \$8,798,705.

Fund balances of the governmental funds decreased by \$2,471,152. The Road and Bridge Special Revenue Fund had a fund balance decrease of \$1,930,400, related to the construction of a new highway department facility. The Ditch Fund had a fund balance decrease of \$1,044,921 primarily from construction costs for ditch improvements and pre-payment of ditch assessments.

For the year ended December 31, 2021, the unassigned fund balance of the General Fund was \$4,824,016, or 70 percent, of the total General Fund expenditures for the year.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the basic financial statements. The basic financial statements consist of three parts: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other required supplementary information.

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 outflows of resources, liabilities, and deferred inflows of resources of the County using the full accrual basis of accounting, with the difference (assets plus deferred outflows of resources, less liabilities and deferred inflows of resources) being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator 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 the County's governmental activities. Most of the basic services are reported here, including general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development. Property taxes and state and federal grants finance most of these activities. The County has no business-type activities for which the County is legally accountable.

The government-wide financial statements are included on pages 13 and 14 of this report.

Stevens County

Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2021

Fund Financial 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 year-end that are available for spending. These funds are reported using modified accrual accounting. 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 County'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.

The County adopts an annual appropriated budget for its General Fund, Road and Bridge Special Revenue Fund, Human Services Special Revenue Fund, Solid Waste Special Revenue Fund, and Debt Service Fund. Budgetary comparison schedules have been provided as either required or other supplementary information for each of these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements are included on pages 15 through 18 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 reflected in the government-wide statements because the resources of these 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 separate statements shown on pages 19 and 20.

Notes to the Financial Statements

Notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 21 through 58 of this report.

Other Information

Other information is provided as supplementary information regarding Stevens County's intergovernmental revenue and federal award programs.

Stevens County

Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2021

Government-Wide Financial Analysis

Over time, net position serves as a useful indicator of the County's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$46,084,259 at the close of 2021. The largest portion of the net position (81.7 percent) reflects the net investment in capital assets (for example: land, buildings, equipment, and infrastructure such as roads and bridges), less any related outstanding debt used to acquire those assets. However, it should be noted that these assets are not available for future spending or for liquidating any remaining debt. Comparative data for 2020 is presented.

Net Position

	Governmental Activities	
	2021	2020
Assets:		
Current and other assets	\$ 20,601,950	\$ 18,433,050
Restricted assets (unspent debt proceeds)	2,060,359	5,535,014
Capital assets	43,819,288	41,359,090
Total assets	66,481,597	65,327,154
Deferred Outflows of Resources:		
Deferred pension outflows	2,760,161	729,556
Liabilities:		
Long-term liabilities	17,071,488	17,964,974
Other liabilities	2,521,500	1,042,220
Total liabilities	19,592,988	19,007,194
Deferred Inflows of Resources:		
Deferred pension inflows	3,564,511	646,595
Net Position:		
Net investment in capital assets	37,662,134	36,654,493
Restricted	5,436,088	5,568,166
Unrestricted	2,986,037	4,180,262
Total net position	\$ 46,084,259	\$ 46,402,921

Unrestricted net position--the part of net position that 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--was 6.4 percent of net position.

Governmental Activities

The County's activities decreased net position by 0.7 percent (\$46,084,259 for 2021 compared to \$46,402,921 for 2020). Key elements in this decrease in net position are as follows for 2021, with comparative data for 2020:

Stevens County

Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2021

Changes in Net Position

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 2,643,420	\$ 2,460,084
Operating grants and contributions	6,594,709	6,479,948
Capital grants and contributions	106,808	106,658
General revenues:		
Property taxes	7,845,829	7,834,490
Other	952,876	2,909,665
Total revenues	<u>18,143,642</u>	<u>19,790,845</u>
Expenses:		
General government	3,883,089	4,693,290
Public safety	1,874,587	1,916,207
Highways and streets	4,993,566	5,088,642
Sanitation	974,880	361,742
Health and human services	3,287,891	3,361,108
Culture, recreation and education	217,003	246,753
Conservation and development	2,919,169	2,276,742
Economic development	63,667	63,667
Interest and fiscal charges	248,452	277,160
Total expenses	<u>18,462,304</u>	<u>18,285,311</u>
Change in net position	(318,662)	1,505,534
Net position, January 1	<u>46,402,921</u>	<u>44,897,387</u>
Net position, December 31	<u>\$ 46,084,259</u>	<u>\$ 46,402,921</u>

Financial Analysis of the Government's Funds

Governmental Funds

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

At the end of the current fiscal year, governmental funds reported combined ending fund balances of \$18,211,920, a decrease of \$2,471,152 as a result of spending down bond proceeds. Of the combined ending fund balances, \$13,678,341 represents unrestricted fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been restricted for various reasons either by state law, grant agreements, or bond covenants, or is non-spendable.

Stevens County

Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2021

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 \$4,864,016. 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 70.8 percent of total General Fund expenditures. During 2021, the ending fund balance increased by \$235,204.

The Road and Bridge Special Revenue Fund had an assigned fund balance of \$3,797,358 at fiscal year-end, representing 48.6 percent of its annual expenditures. The ending fund balance decreased by \$1,930,400 during 2021. The decrease is related to the construction of a new highway facility.

The Human Services Special Revenue Fund had an assigned fund balance of \$5,016,967 at fiscal year-end, representing 149.9 percent of its annual expenditures. The ending fund balance increased by \$672,527 during 2021.

The Solid Waste Special Revenue Fund had a restricted fund balance of \$253,218 at fiscal year-end, representing 32.1 percent of its annual expenditures, and the fund also transferred \$119,921 to the SCORE Department in the General Fund for SCORE use. The ending fund balance decreased by \$403,010 during 2021.

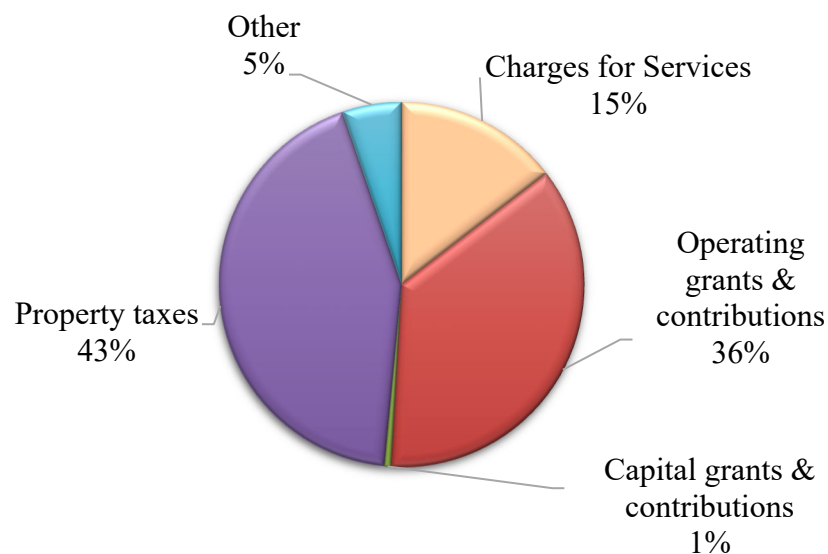
The Ditch Special Revenue Fund had a restricted fund balance of \$2,527,063 at fiscal year-end. The ending fund balance decreased by \$1,044,921 during 2021 as the result of the combination of construction costs for improvements and pre-payment of ditch assessments.

The Debt Service Fund had a restricted fund balance of \$85,022 at fiscal year-end, representing 16.2 percent of its annual expenditures. The ending fund balance in the Debt Service Fund decreased by \$552 during 2021.

Governmental Activities

The County's total revenues were \$18,143,642. Table 1 presents the percent of total County revenues by source for the year ended December 31, 2021.

Table 1
Total County Revenues

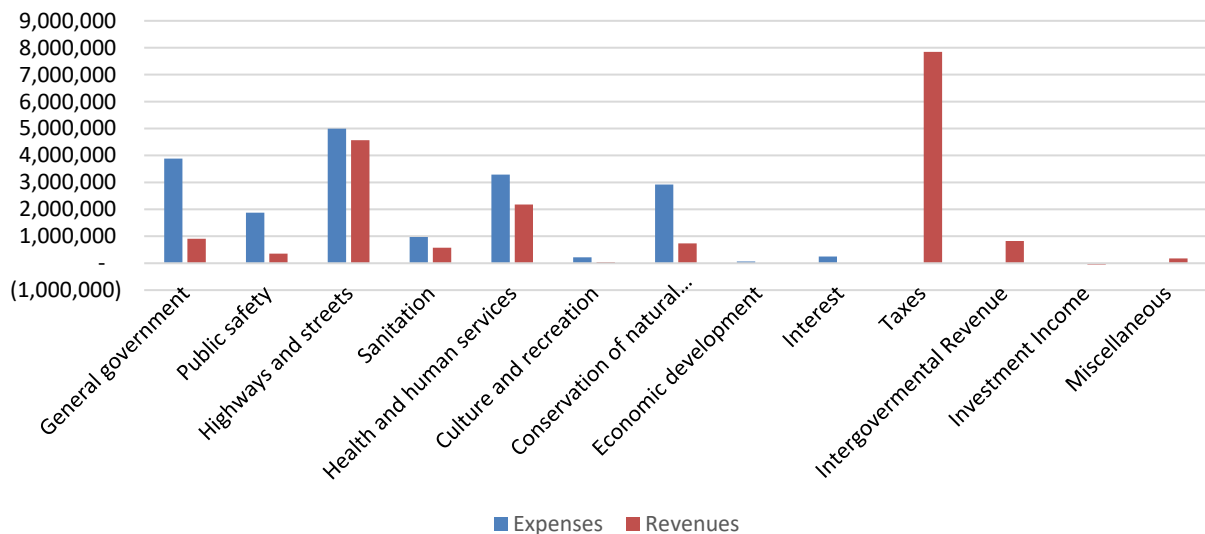


Stevens County

Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2021

Table 2 presents the cost and revenue of each program, as well as the County's general revenues. Total program revenues and general revenues for the County were \$18,143,162, while total expenses were \$18,462,304. This reflects a \$318,662 decrease in net position for the year ended December 31, 2021.

Table 2
Program Revenues, General Revenues, and Expenses



The cost of all governmental activities this year was \$18,462,304. However, as shown on the Statement of Activities on page 14, the amount that our taxpayers ultimately financed for these activities through County taxes was \$9,117,367 because some of the cost was paid by those who directly benefited from the programs (\$2,643,420) or by other governments and organizations that subsidized certain programs with grants and contributions (\$6,701,517). The County paid for the remaining "public benefit" portion of governmental activities with general revenues, primarily taxes (some of which could be used only for certain programs) and other revenues, such as grants and contributions not restricted to specific programs, and investment income.

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

Table 3
Governmental Activities

	Total Cost of Services 2021	Net Cost (Revenue) of Services 2021
Highways and streets	\$ 4,993,566	\$ 428,601
General government	3,883,089	2,978,477
Health and human services	3,287,891	1,110,443
Public safety	1,874,587	1,520,170
Conservation and development	2,919,169	2,187,298
All others	1,504,002	892,378
Total	\$ 18,462,304	\$ 9,117,367

Stevens County

Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2021

Budgetary Highlights

General Fund

Actual revenues were \$550,271 greater than budgeted mainly due to an increase in intergovernmental revenues related to unanticipated COVID Small Business Relief Funds. Actual expenditures were \$310,921 more than budgeted. The main reason for the increased expenditures were related to the same as the revenue variance in that incremental costs connected with responding to the COVID-19 pandemic were not anticipated. A significant portion of this increased expenditure related to grants that were provided to local businesses.

Road & Bridge

Actual revenues were \$761,040 greater than budgeted, which approximates a 15 percent variance. Actual expenditures were \$2,888,353 more than budgeted. The main reason for the increased expenditures were construction costs for the new highway facility.

Health and Human Services

Actual revenues were \$90,397 greater than budgeted mainly due to an increase in charges for services. Actual expenditures were \$599,113 less than budgeted mainly from lower than expected social services costs.

Capital Assets and Debt Administration

Capital Assets

The County's capital assets for its governmental activities at December 31, 2021, totaled \$43,819,288 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, equipment, and improvements other than buildings. The investment in capital assets increased 2,460,198, or 5.9 percent, from the previous year.

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

	<u>2021</u>	<u>2020</u>
Land	\$ 250,018	\$ 250,018
Right-of-way	1,214,940	1,214,940
Infrastructure	30,118,755	29,369,980
Building improvements	133,424	29,376
Buildings	7,862,358	8,154,350
Improvements other than buildings	38,396	46,486
Machinery, furniture and equipment	2,020,806	2,164,558
Construction in progress	<u>2,180,591</u>	<u>129,382</u>
Total	<u>\$ 43,819,288</u>	<u>\$ 41,359,090</u>

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

Stevens County

Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2021

Long-Term Debt

At the end of the current fiscal year, the County had total net outstanding debt of \$12,975,904, which was backed by the full faith and credit of the government.

Table 5
Outstanding Debt

	<u>2021</u>	<u>2020</u>
General obligation bonds, including unamortized premium	\$ 12,959,483	\$ 12,530,548
Loans payable	<u>16,421</u>	<u>19,197</u>
Total outstanding debt	<u>\$ 12,975,904</u>	<u>\$ 12,549,745</u>

Minnesota statutes limit the amount of debt a county may levy to three percent of its total market value. At the end of 2021, the County's outstanding debt was 18.9 percent of its total debt limit.

Additional information on the County's long-term debt can be found in Note 3 to the financial statements of this report.

Economic Factors and Next Year's Budgets

The County's elected and appointed officials considered many factors when setting the 2022 budget, tax rates, and fees that will be charged for the year.

The unemployment rate for Stevens County at the end of 2021 was 2.4 percent, which is 1.0 percent lower than it was in December 2020. The state unemployment rate was 2.6 percent. Per the 2020 census, the County's population was 9,671, which is a decrease of 55, or 0.6 percent, from the April 1, 2010 census of 9,726.

At the end of 2021, Stevens County set its 2022 revenue and expenditure budgets with a 2.82 percent property tax levy increase, as compared to a 0 percent tax levy increase from the 2021 budget, which was caused primarily by contract agreements with unions for cost of living adjustment wage increases.

Requests for Information

This financial report is designed to provide a general overview of Stevens County's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Stevens County Auditor/Treasurer, Stevens County Courthouse, 400 Colorado Avenue, Suite 303, Morris, Minnesota 56267.

Basic Financial Statements

Stevens CountyStatement of Net Position
December 31, 2021

	Governmental Activities
Assets	
Cash and investments	\$ 17,662,256
Taxes receivable	30,199
Special assessments receivable	509,748
Interest receivable	27,726
Other receivables	32,863
Due from other governments	1,989,860
Inventory and prepaid items	349,298
Restricted cash and investments	2,060,359
Capital assets:	
Construction in progress	2,180,591
Land	1,464,958
Other capital assets, net of depreciation	40,173,739
	<hr/>
Total assets	66,481,597
	<hr/>
Deferred Outflows of Resources	
Pension related amounts	2,760,161
	<hr/>
Total deferred outflows of resources	2,760,161
	<hr/>
Liabilities	
Accounts payable	1,186,741
Accrued liabilities	142,131
Interest payable	27,041
Due to other governments	117,207
Unearned revenues	1,048,380
Noncurrent liabilities:	
Due within one year	1,147,737
Due in more than one year	15,923,751
	<hr/>
Total liabilities	19,592,988
	<hr/>
Deferred Inflows of Resources	
Pension related amounts	3,564,511
	<hr/>
Total deferred inflows of resources	3,564,511
	<hr/>
Net Position	
Net investment in capital assets	37,662,134
Restricted for:	
Public safety	311,355
Highways and streets	1,335,149
Sanitation	264,053
Human services	17,552
Conservation of natural resources	3,302,352
Debt service	80,454
Other purposes	125,173
Unrestricted	2,986,037
	<hr/>
Total net position	\$ 46,084,259
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See notes to financial statements

Stevens County

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Governmental Activities					
General government	\$ 3,883,089	\$ 357,876	\$ 546,736	\$ -	\$ (2,978,477)
Public safety	1,874,587	85,299	269,118	-	(1,520,170)
Highways and streets	4,993,566	563,858	4,001,107	-	(428,601)
Sanitation	974,880	479,039	92,973	-	(402,868)
Health and human services	3,287,891	551,672	1,625,776	-	(1,110,443)
Culture, recreation, and education	217,003	-	39,612	-	(177,391)
Conservation and development	2,919,169	605,676	19,387	106,808	(2,187,298)
Economic development	63,667	-	-	-	(63,667)
Interest and fiscal charges	248,452	-	-	-	(248,452)
Total governmental activities	<u>\$ 18,462,304</u>	<u>\$ 2,643,420</u>	<u>\$ 6,594,709</u>	<u>\$ 106,808</u>	<u>(9,117,367)</u>
General Revenues					
Taxes:					
Property taxes, levied for general purposes					7,706,523
Other taxes					11,322
Payments in lieu of taxes					127,984
Intergovernmental revenues not restricted to specific programs					824,984
Investment income					(48,389)
Miscellaneous					176,281
Total general revenues					<u>8,798,705</u>
Change in net position					(318,662)
Net Position, Beginning					<u>46,402,921</u>
Net Position, Ending					<u>\$ 46,084,259</u>

See notes to financial statements

Stevens County

Balance Sheet - Governmental Funds
December 31, 2021

	General Fund	Special Revenue				Debt Service	Total Governmental Funds
		Road and Bridge	Human Services	Solid Waste	Ditch		
Assets							
Cash and investments	\$ 6,911,554	\$ 4,329,646	\$ 4,929,309	\$ 289,195	\$ 1,116,730	\$ 85,822	\$ 17,662,256
Receivables:							
Taxes	16,910	4,185	7,087	-	-	2,017	30,199
Special assessments	-	-	-	10,835	498,913	-	509,748
Interest	27,726	-	-	-	-	-	27,726
Accounts	1,903	436	21,486	9,038	-	-	32,863
Due from other governments	99,144	1,591,160	267,991	4,602	26,963	-	1,989,860
Due from other funds	2,494	1,657	-	-	-	-	4,151
Inventory and prepaid items	-	349,298	-	-	-	-	349,298
Restricted cash from debt proceeds for capital projects	-	488,979	-	-	1,571,380	-	2,060,359
Total assets	\$ 7,059,731	\$ 6,765,361	\$ 5,225,873	\$ 313,670	\$ 3,213,986	\$ 87,839	\$ 22,666,460
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 251,119	\$ 631,832	\$ 69,609	\$ 46,795	\$ 186,586	\$ 800	\$ 1,186,741
Accrued liabilities	81,637	25,487	34,886	121	-	-	142,131
Due to other governments	67,967	11	46,528	2,701	-	-	117,207
Unearned revenues	917,496	127,654	3,230	-	-	-	1,048,380
Due to other funds	233	-	2,494	-	1,424	-	4,151
Total liabilities	1,318,452	784,984	156,747	49,617	188,010	800	2,498,610
Deferred Inflows of Resources							
Unavailable revenues	47,264	1,344,742	52,159	10,835	498,913	2,017	1,955,930
Total deferred inflows of resources	47,264	1,344,742	52,159	10,835	498,913	2,017	1,955,930
Fund Balances							
Nonspendable:							
Inventory and prepaid items	-	349,298	-	-	-	-	349,298
Trust Fund Conservation, U.S. Fish and Wildlife	84,496	-	-	-	-	-	84,496
Restricted for:							
Tax forfeitures	8,041	-	-	-	-	-	8,041
Law library	3,088	-	-	-	-	-	3,088
Election equipment	28,555	-	-	-	-	-	28,555
Recorder's technology equipment	12,693	-	-	-	-	-	12,693
E-911	259,668	-	-	-	-	-	259,668
Recorder's compliance	24,101	-	-	-	-	-	24,101
DARE	9,351	-	-	-	-	-	9,351
Gun permit fees	28,554	-	-	-	-	-	28,554
Attorney forfeitures	11,611	-	-	-	-	-	11,611
Social services youth	9,650	-	-	-	-	-	9,650
Veterans van	35,108	-	-	-	-	-	35,108
Sheriff's forfeitures	5,561	-	-	-	-	-	5,561
Sheriff's contingency	7,434	-	-	-	-	-	7,434
Extension publication	1,976	-	-	-	-	-	1,976
SAFE	7,901	-	-	-	-	-	7,901
Uniform allowance	787	-	-	-	-	-	787
Buffer strips for county ditches	291,424	-	-	-	-	-	291,424
Solid waste	-	-	-	253,218	-	-	253,218
Ditch maintenance, repair, and other	-	-	-	-	2,527,063	-	2,527,063
Debt service	-	-	-	-	-	85,022	85,022
Highway facility project	-	488,979	-	-	-	-	488,979
Assigned for:							
Employee flexible benefits	40,000	-	-	-	-	-	40,000
Highways and streets	-	3,797,358	-	-	-	-	3,797,358
Human services	-	-	5,016,967	-	-	-	5,016,967
Unassigned	4,824,016	-	-	-	-	-	4,824,016
Total fund balances	5,694,015	4,635,635	5,016,967	253,218	2,527,063	85,022	18,211,920
Total liabilities, deferred inflows of resources and fund balances	\$ 7,059,731	\$ 6,765,361	\$ 5,225,873	\$ 313,670	\$ 3,213,986	\$ 87,839	\$ 22,666,460

See notes to financial statements

Stevens County

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position December 31, 2021

Total Fund Balance, Governmental Funds		\$ 18,211,920
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. Capital assets at year end consist of:		
Capital assets	\$ 81,696,309	
Accumulated depreciation	<u>(37,877,021)</u>	43,819,288
Certain receivables that are not considered available are reported as unavailable revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements.		
These types of unavailable revenues at year end consist of:		
Taxes receivable	30,199	
Special assessments receivable	509,748	
Due from other governments	<u>1,415,983</u>	1,955,930
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the fund statements.		2,760,161
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the fund statements.		(3,564,511)
Long-term liabilities, including bond and notes payable, are not due in the current period and, therefore, are not reported in the fund statements.		
Long-term liabilities at year end consist of:		
General obligation bonds	(12,520,000)	
Unamortized bond premium	(439,483)	
Capital lease payable	(112,989)	
Loans payable	(16,421)	
Accrued interest payable	(27,041)	
Grants payable	(46,100)	
Net pension liability	(3,233,764)	
Compensated absences	<u>(702,731)</u>	(17,098,529)
Total Net Position, Governmental Activities		<u>\$ 46,084,259</u>

See notes to financial statements

Stevens County

 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 Year Ended December 31, 2021

	General Fund	Special Revenue				Debt Service	Total Governmental Funds
		Road and Bridge	Human Services	Solid Waste	Ditch		
Revenues							
Taxes	\$ 4,375,068	\$ 1,055,113	\$ 1,787,034	\$ -	\$ -	\$ 508,397	\$ 7,725,612
Special assessments	-	-	-	375,729	717,961	-	1,093,690
Intergovernmental	1,988,233	4,092,098	1,760,068	21,907	-	15,018	7,877,324
Licenses and permits	15,410	-	-	-	-	-	15,410
Charges for services	310,445	410,743	397,570	14,500	947	-	1,134,205
Investment income (including unrealized losses)	(13,554)	(20,379)	(13,017)	(1,305)	489	(622)	(48,388)
Miscellaneous	343,171	142,600	73,907	87,601	26,962	-	674,241
Total revenues	7,018,773	5,680,175	4,005,562	498,432	746,359	522,793	18,472,094
Expenditures							
Current:							
General government	3,561,504	-	-	-	-	-	3,561,504
Public safety	2,066,006	-	-	-	-	-	2,066,006
Highways and streets	-	7,694,262	-	-	-	-	7,694,262
Sanitation	193,284	-	-	784,133	-	-	977,417
Health and human services	71,587	-	3,346,052	-	-	-	3,417,639
Culture, recreation, and education	174,355	-	-	-	-	-	174,355
Conservation of natural resources	403,241	-	-	-	2,554,714	-	2,957,955
Economic development	63,667	-	-	-	-	-	63,667
Intergovernmental	335,305	-	-	-	-	-	335,305
Debt service:							
Principal	-	34,811	-	2,776	290,000	435,000	762,587
Interest and fiscal charges	-	78,415	-	399	116,566	88,967	284,347
Total expenditures	6,868,949	7,807,488	3,346,052	787,308	2,961,280	523,967	22,295,044
Excess (deficiency) of revenues over expenditures	149,824	(2,127,313)	659,510	(288,876)	(2,214,921)	(1,174)	(3,822,950)
Other Financing Sources (Uses)							
Long-term debt issued	-	-	-	-	1,170,000	-	1,170,000
Transfers in	119,921	20,379	13,017	5,787	-	622	159,726
Transfers out	(39,805)	-	-	(119,921)	-	-	(159,726)
Proceeds from sale of capital assets	5,264	-	-	-	-	-	5,264
Total other financing sources (uses)	85,380	20,379	13,017	(114,134)	1,170,000	622	1,175,264
Net change in fund balances	235,204	(2,106,934)	672,527	(403,010)	(1,044,921)	(552)	(2,647,686)
Fund Balances, Beginning	5,458,811	6,566,035	4,344,440	656,228	3,571,984	85,574	20,683,072
Change in reserve for inventory	-	176,534	-	-	-	-	176,534
Fund Balances, Ending	\$ 5,694,015	\$ 4,635,635	\$ 5,016,967	\$ 253,218	\$ 2,527,063	\$ 85,022	\$ 18,211,920

See notes to financial statements

Stevens County

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2021

Net Change in Fund Balances, Total Governmental Funds	\$ (2,647,686)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The following differ in their presentation in the two statements:	
Certain expenditures charged to the functional areas were capitalized	4,998,991
Depreciation is reported in the government-wide statements	(2,537,473)
In the statement of activities, only the gain or loss on the disposal of capital assets is reported.	(1,320)
Delinquent taxes, special assessments and certain other receivables are reported as unavailable revenue in the fund financial statements, but are recognized as revenue when earned in the government-wide financial statements. This is the amount recognized as revenue on the fund statements that was recognized in the government-wide statements in prior years.	
Taxes receivable	(7,767)
Special assessments receivable	(101,405)
Due from other governments	(224,542)
Debt issued provides current financial resources in the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(1,170,000)
Principal repaid	727,776
Bond premiums are reported as revenue in the fund financial statements, but are capitalized in the government-wide statements and amortized over the life of the related debt.	
	16,065
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the fund financial statements. The following did not require the use of current financial resources:	
Change in capital lease payable	34,810
Change in accrued interest payable	19,831
Change in compensated absences	(20,701)
Change in grants payable	(46,100)
Net pension liability (and pension related deferred outflows/inflows of resources)	464,325
The change in inventory value is reported as a change in fund balance in the fund financial statements, but is a change in expense in the government-wide statements.	
	<u>176,534</u>
Change in Net Position of Governmental Activities	<u>\$ (318,662)</u>

See notes to financial statements

Stevens County

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2021

	Custodial Funds
Assets	
Cash	\$ 425,181
Taxes receivable	52,827
Due from other governments	41,340
	<hr/>
Total assets	519,348
	<hr/>
Liabilities	
Accounts payable	100
Accrued liabilities	8,711
Due to other taxing units	299,166
	<hr/>
Total liabilities	307,977
	<hr/>
Net Position	
Restricted	227,328
Unrestricted (deficit)	(15,957)
	<hr/>
Total net position	\$ 211,371
	<hr/> <hr/>

See notes to financial statements

Stevens County

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2021

	Custodial Funds
Additions	
Property taxes collected for other governments	\$ 28,011,469
Licenses and permits	110,930
Investment income	11
Miscellaneous	659,904
	<hr/>
Total additions	28,782,314
	<hr/>
Deductions	
Property taxes distributed to other governments	28,304,732
Intergovernmental	445,726
Miscellaneous	78,567
	<hr/>
Total deductions	28,829,025
	<hr/>
Change in net position	(46,711)
	<hr/>
Net Position, Beginning	258,082
	<hr/>
Net Position, Ending	<u><u>\$ 211,371</u></u>

Stevens County

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December 31, 2021

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Stevens County

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

The accounting policies of Stevens County, Minnesota (the County) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

The County was established February 20, 1862, and is an organized county having the powers, duties and privileges granted counties by Minn. Statute. 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.

The report includes all of the funds of the County. The reporting entity for the County consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financials statements to be misleading. The County has not identified any organizations that meet this criteria.

Joint Ventures and Jointly-Governed Organizations

The County participates in several joint ventures described in Note 4. The County also participates in jointly-governed organizations described in Note 4.

Government-Wide and Fund Financial Statements

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the government-wide financial statements. This standard was implemented January 1, 2021.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. All of the County's activities are considered governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to functions in the statement of activities. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental fund statements. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures of that individual governmental fund are at least 10% of the corresponding total for all governmental funds.
- b. In addition, any other governmental fund that the County believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

General Fund - accounts for the County's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.

Road and Bridge Special Revenue Fund - accounts for and reports resources restricted for, committed to or assigned to supporting expenditures for construction and maintenance of roads, bridges and other projects affecting County roadways.

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

Solid Waste Special Revenue Fund - accounts for restricted special assessment revenues, miscellaneous revenues, revenue resources from the state, and through an appropriation from the General Fund for the costs relating to disposal of the County's solid waste.

Ditch Special Revenue Fund - accounts for special assessment revenues levied against benefitted property to finance the cost of constructing and maintaining an agricultural drainage ditch system.

Debt Service Fund - accounts for the accumulation of restricted resources used for, and the payment of principal, interest and related costs.

In addition, the County reports the following fund types:

Fiduciary Funds - used to account for and report assets controlled by the County and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Stevens County

Notes to Financial Statements
December 31, 2021

Adult Mental Health Drop-In Fund - accounts for the collection and disbursement of funds used for the adult mental health drop-in center.

Housing and Redevelopment Authority Fund - accounts for the payroll-related collections and disbursements of the Housing and Redevelopment Authority.

School Districts Fund - accounts for the collection and payment of funds due to school districts.

Social Welfare Fund - accounts for the collection and disbursement of funds held on the behalf of individuals in the Social Welfare program.

State Revenue Fund - accounts for the state's share of collections and the payment of those collections to the state.

Stevens County Family Services Collaborative Fund - accounts for the collection and disbursement of funds used for prevention and early intervention services primarily provided by the schools and Public Health.

Taxes and Penalties Fund - accounts for the collection and payment of taxes and penalties due to other taxing districts.

Towns and Cities Fund - accounts for the collection and payment of funds due to towns and cities and special taxing districts.

Watershed Fund - accounts for the collection and payments of funds due to the watershed districts.

West Central Special Weapons and Tactics Team Fund - accounts for the collection and payment of funds due to the West Central S.W.A.T. team.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded as receivables in the year levied. They are recognized as revenues when collected in the current year and in the first 60 days of the succeeding year.

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled to the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

All Financial Statements

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

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

Deposits and Investments

Minnesota statutes authorize the County Board to designate a depository for public funds and to invest in certificates of deposit. Minnesota statutes require that all deposits be covered by insurance, surety bond or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Stevens County

Notes to Financial Statements
December 31, 2021

Investments are limited to:

- Bonds, notes, bills, mortgages and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities or organizations created by Congress.
- State and local securities that meet specified bond ratings by a national rating service.
- Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less.
- Mutual fund through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments.
- Banker's acceptances of United States banks.

The County has adopted an investment policy. This policy follows the state statutes for allowable investments.

Custodial Credit Risk

The County will obtain collateral or bond for all uninsured amounts on deposit and will obtain necessary documentation to show compliance with state law and a perfected security interest under federal law. For investments, the County's policy is to permit brokers that obtained investments for the County to hold them only to the extent Securities Investor Protection Corporation (SIPC) coverage and excess SIPC coverage are available. Securities purchased that exceed available SIPC coverage shall be transferred to the County's custodian.

Credit Risk

The County will only invest in securities that meet the ratings requirements set by state statute.

Concentration of Credit Risk

The County will diversify the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The County will not create a greater than 33% holding in any one issuer. Typically, the County invests in U.S. Treasury securities, U.S. agency securities and obligations backed by the U.S. Treasury and/or U.S. agency securities which may be held without limit.

Interest Rate Risk

The County will: (1) structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market prior to maturity and (2) invest operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds or similar investment pools and limit the average maturity in accordance with the County's cash requirements.

Stevens County

Notes to Financial Statements
December 31, 2021

Investments are generally stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments is allocated based on average balances except for those investments that are restricted in accordance with generally accepted accounting principles and a portion of the ditch funds.

See Note 3 for further information.

Receivables

The County levies and collects property taxes and special assessments for all governmental units within the County. Property tax collections and payments to other governmental units are accounted for in fiduciary funds.

The County is required to distribute the collections to the various governmental units three times each year on a schedule prescribed in Minn. Statute 276.

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 second half payment due October 15. Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

No allowance for uncollectible delinquent taxes has been provided because of the County's demonstrated ability to recover any losses through the sale of the applicable property.

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

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

It is the County's policy to record unavailable revenue for the net amount of the notes receivable balances. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

Inventories and Prepaid Items

Inventory is valued at cost based on first-in, first-out and consists of supplies held for consumption. Reported inventories are offset by nonspendable fund balance in the fund financial statements to indicate they are not available, spendable resources.

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

Stevens County

Notes to Financial Statements
December 31, 2021

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant, equipment and infrastructure assets (such as 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 estimated useful life in excess of two years and an initial cost of \$5,000 or more. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocation expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Improvements other than buildings	5 - 40
Buildings and building improvements	5 - 40
Machinery, equipment and vehicles	3 - 20
Infrastructure	20 - 80

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Under terms of employment, employees are granted vacation, sick leave and comp time balances in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation, sick leave and comp time pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements and are payable with expendable available resources.

Payments for vacation, sick leave and comp time will be made at rates in effect when the benefits are used. Accumulated vacation, sick leave and comp time liabilities at December 31, 2021 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable, loans payable, grants payable, accrued compensated absences and net pension liability.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures.

For the government-wide statements, bond premium and discounts are amortized over the life of the issue using the straight-line method. The balance at year-end is shown as an increase or a decrease in the liability section of the statement of net position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by: (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund equity is classified as fund balance and displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

Stevens County

Notes to Financial Statements
December 31, 2021

- b. **Restricted** - Consists of fund balances with constraints placed on their use either by: (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the County Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County Board that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: (1) The County Board or the County Auditor/Treasurer, who has been delegated that authority by Board resolution, can assign amounts for a specific purpose or (2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The County considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The County has adopted a minimum fund balance policy for the General Fund. The General Fund 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 Board has determined that the General Fund should maintain a minimum unrestricted fund balance (committed, assigned and unassigned) of no less than \$1,500,000.

Pension

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. Investments are reported at fair value.

Stevens County

Notes to Financial Statements
December 31, 2021

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the general fund, certain special revenue funds and the debt service fund.
A budget has not been formally adopted for the ditch special revenue fund.

Excess Expenditures Over Appropriations

The following individual funds had 2021 expenditures in excess of appropriations:

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures</u>
General fund	\$ 6,558,028	\$ 6,868,949	\$ 310,921
Road and bridge	4,919,135	7,807,488	2,888,353
Solid waste	272,289	787,308	515,019
Debt service	523,500	523,967	467

The County controls expenditures at the fund level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the County's year-end budget to actual report.

3. Detailed Notes on All Funds

Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion in this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the County's funds.

The County's cash and investments at year-end were comprised of the following:

	<u>Carry Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 2,882,567	\$ 2,746,426	Custodial credit
Money market	5,274,604	5,274,604	Custodial credit
U.S. agencies, explicitly guaranteed	9,932	10,224	Custodial credit, interest rate
U.S. agencies, implicitly guaranteed	3,601,603	3,601,603	Custodial credit, interest rate, credit, concentrations of credit
State and local bonds	1,263,122	1,263,122	Custodial credit, interest rate, credit, concentrations of credit
Negotiable certificates of deposit	7,110,168	7,110,168	Custodial credit, interest rate, credit, concentrations of credit
Petty cash	5,800	-	N/A
Total cash and investments	<u>\$ 20,147,796</u>	<u>\$ 20,006,147</u>	

Reconciliation to financial statements:

Per statement of net position, cash and investments	\$ 17,662,256
Per statement of net position, restricted cash and investments	2,060,359
Per statement of fiduciary net position	425,181
	<u>\$ 20,147,796</u>

Stevens County

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Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$250,000 may be in cash. Additionally, through Lloyds of London, accounts have additional securities coverage up to a firm aggregate limit of \$1 billion, including up to \$1.9 million for cash per customer.

The County maintains collateral agreements with its banks. At December 31, 2021, the banks had pledged U.S. government agency securities in the amount of \$15,874,323 to secure the County's deposits.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- U.S. Agencies - explicitly and implicitly guaranteed and negotiable certificates of deposit: Matrix pricing based on the securities' relationship to benchmark quoted prices.
- State and local bonds: Market approach using quoted prices for similar assets in active markets.

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. agencies, explicitly guaranteed	\$ -	\$ 10,224	\$ -	\$ 10,224
U.S. agencies, implicitly guaranteed	-	3,601,603	-	3,601,603
State and local bonds	-	1,263,122	-	1,263,122
Negotiable certificates of deposit	-	7,110,168	-	7,110,168
Total	<u>\$ -</u>	<u>\$ 11,985,117</u>	<u>\$ -</u>	<u>\$ 11,985,117</u>

Custodial Credit Risk

Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to the County. The County does not have any deposits exposed to custodial credit risk.

Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have any investments exposed to custodial credit risk.

Stevens County

Notes to Financial Statements
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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2021, the County's investments were rated as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Federal Farm Credit Bureau	AA+	S & P
Federal National Mortgage Association	AA+	S & P
Federal Home Loan Bank	AA+	S & P
Sulfolk, Virginia Bonds	AAA	S & P
Alabama Federal Aid Highway Bonds	AAA	S & P
Burnsville, Minnesota School Bonds	AAA	S & P
Savannah, Georgia Economic Development Authority Bonds	AA-	S & P
State of South Carolina State Revenue Bonds	A	S & P
State of Wisconsin Bonds	AA-	S & P

In addition, the County has various investments in explicitly guaranteed U.S. agency investments and negotiable certificates of deposit that are not rated.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer.

At December 31, 2021, the investment portfolio had no significant concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

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Notes to Financial Statements
December 31, 2021

As of December 31, 2021, information related to the County's potential investment risks were as follows:

Investment Type	Fair Value	Maturity		
		Less Than 1 Year	1 - 5 Years	5+ Years
U.S. agencies - explicitly guaranteed	\$ 10,224	\$ -	\$ 10,224	\$ -
U.S. agencies - implicitly guaranteed	3,601,603	-	3,008,082	593,521
State and local bonds	1,263,122	451,290	562,685	249,147
Negotiable certificates of deposit	7,110,168	2,950,436	3,939,216	220,516
Total	\$ 11,985,117	\$ 3,401,726	\$ 7,520,207	\$ 1,063,184

See Note 1 for further information on deposit and investment policies.

Receivables

Receivables as of December 31, 2021, for the County's individual major funds are as follows:

Fund	Receivables and Due From Other Governments	Amounts Not Expected to be Collected Within One Year
General fund	\$ 145,683	\$ -
Road and bridge	1,595,781	-
Human services	296,564	-
Solid waste	24,475	9,333
Ditch	525,876	435,714
Debt service	2,017	-
Total governmental funds	\$ 2,590,396	\$ 445,047

Governmental funds report unearned or unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned and unavailable revenue reported in the governmental funds were as follows:

	Unearned	Unavailable
Taxes receivable	\$ -	\$ 30,199
Due from other governments	-	1,415,983
Special assessments receivable	-	509,748
Grants received but not earned	1,048,380	-
Total unearned/unavailable revenue for governmental funds	\$ 1,048,380	\$ 1,955,930

Stevens County

Notes to Financial Statements
December 31, 2021

Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 250,018	\$ -	\$ -	\$ 250,018
Right of way	1,214,940	-	-	1,214,940
Construction in progress	129,382	2,061,526	10,317	2,180,591
Total capital assets not being depreciated	<u>1,594,340</u>	<u>2,061,526</u>	<u>10,317</u>	<u>3,645,549</u>
Capital assets being depreciated:				
Improvements other than buildings	159,604	-	-	159,604
Building improvements	99,795	120,340	9,006	211,129
Buildings	13,151,657	-	-	13,151,657
Machinery, furniture and equipment	7,394,247	332,811	318,068	7,408,990
Infrastructure	54,624,749	2,494,631	-	57,119,380
Total capital assets being depreciated	<u>75,430,052</u>	<u>2,947,782</u>	<u>327,074</u>	<u>78,050,760</u>
Less accumulated depreciation for:				
Improvements other than buildings	113,118	8,090	-	121,208
Building improvements	70,419	16,292	9,006	77,705
Buildings	4,997,307	291,992	-	5,289,299
Machinery, furniture and equipment	5,229,689	475,243	316,748	5,388,184
Infrastructure	25,254,769	1,745,856	-	27,000,625
Total accumulated depreciation	<u>35,665,302</u>	<u>2,537,473</u>	<u>325,754</u>	<u>37,877,021</u>
Total capital assets being depreciated, net	<u>39,764,750</u>	<u>410,309</u>	<u>1,320</u>	<u>40,173,739</u>
Total governmental activities, capital assets, net of depreciation	<u>\$ 41,359,090</u>	<u>\$ 2,471,835</u>	<u>\$ 11,637</u>	<u>\$ 43,819,288</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 382,107
Public safety	43,607
Highways and streets, including depreciation of infrastructure assets	2,102,661
Sanitation	251
Health and human services	2,200
Conservation of natural resources	6,647
Total governmental activities depreciation expense	<u>\$ 2,537,473</u>

Stevens County

Notes to Financial Statements
December 31, 2021

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General fund	Human Services	\$ 2,494
Road and bridge	General fund	233
Road and bridge	Ditch	<u>1,424</u>
Subtotal, fund financial statements		4,151
Less fund eliminations		<u>(4,151)</u>
Total, government-wide statement of net position		<u><u>\$ -</u></u>

All amounts are expected to be repaid within one year.

These interfunds resulted 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.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Road and bridge	General fund	\$ 20,379	Transfer interest earned
Human services	General fund	13,017	Transfer interest earned
Solid waste	General fund	1,305	Transfer interest earned
Debt service	General fund	622	Transfer interest earned
Solid waste	General fund	4,482	Reimbursement of wages
General fund	Solid waste	<u>119,921</u>	Provide funding for recycling activities
	Subtotal, fund financial statements	159,726	
	Less fund eliminations	<u>(159,726)</u>	
	Total government-wide statement of activities	<u><u>\$ -</u></u>	

Generally, transfers are used to: (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Stevens County

Notes to Financial Statements
December 31, 2021

Long-Term Obligations

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds payable:					
General obligation bonds	\$ 12,075,000	\$ -	\$ 725,000	\$ 11,350,000	\$ 855,000
General obligation bonds from direct borrowings and direct placements	-	1,170,000	-	1,170,000	109,000
Plus unamortized bond premium	455,548	-	16,065	439,483	-
Subtotal	12,530,548	1,170,000	741,065	12,959,483	964,000
Other liabilities:					
Loans payable from direct borrowings and direct placements	19,197	-	2,776	16,421	2,831
Capital lease	147,799	-	34,810	112,989	36,240
Grants payable	-	46,100	-	46,100	4,610
Net pension liability	4,585,400	2,504,981	3,856,617	3,233,764	-
Compensated absences	682,030	494,794	474,093	702,731	140,056
Total long-term liabilities	<u>\$ 17,964,974</u>	<u>\$ 4,215,875</u>	<u>\$ 5,109,361</u>	<u>\$ 17,071,488</u>	<u>\$ 1,147,737</u>

General Obligation Bonds

All general obligation bonds payable are backed by the full faith and credit of the County. General obligation bonds will be retired by future property tax levies accumulated by the debt service fund and by future ditch special assessments accumulated by the ditch special revenue fund.

In accordance with Minnesota Statutes, net indebtedness of the County may not exceed 3% of the market value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2021, was \$66,170,424. General obligation debt outstanding at year-end subject to the debt limit was \$12,520,000.

General obligation debt payable for the County at December 31, 2021, consists of the following:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance December 31, 2021
Drainage bonds	2014	2028	2.0 - 3.5 %	\$ 1,980,000	\$ 520,000
Capital improvement plan bonds	2016	2030	1.6 - 2.1	6,190,000	4,135,000
Drainage bonds	2020	2040	1.0 - 2.0	4,350,000	4,180,000
Capital improvement plan bonds	2020	2041	2.0 - 4.0	2,515,000	2,515,000
Drainage bonds **	2021	2031	0.75 - 1.5	1,170,000	1,170,000
Total					<u>\$ 12,520,000</u>

** The debt noted is directly placed with a third party.

Stevens County

Notes to Financial Statements
December 31, 2021

Debt service requirements to maturity are as follows:

	General Obligation Bonds		General Obligation Bonds From Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
Years ending December 31:				
2022	\$ 855,000	\$ 220,580	\$ 109,000	\$ 16,613
2023	870,000	201,305	114,000	12,472
2024	895,000	181,355	114,000	11,618
2025	925,000	160,743	115,000	10,762
2026	805,000	143,095	116,000	9,900
2027 - 2031	3,465,000	460,090	602,000	27,345
2032 - 2036	1,815,000	242,665	-	-
2037 - 2041	1,720,000	86,215	-	-
Total	\$ 11,350,000	\$ 1,696,048	\$ 1,170,000	\$ 88,710

Loans Payable

The County has entered into loan agreements with the Minnesota Pollution Control Agency for the financing of clean water projects. The loans are secured by special assessments placed on the individual parcels requesting funding of a project. Loan payments will be reported in the solid waste special revenue fund. These loans are directly placed with a third party.

Loans payable for the County at December 31, 2021, consists of the following:

Loans Payable	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance December 31, 2021
Pomme de Terre River Watershed	2014	2027	2.0 %	\$ 27,200*	16,421

* Loan is authorized for up to \$100,000. The County has drawn \$27,200 as of December 31, 2021.

Debt service requirements to maturity are as follows:

	Principal	Interest
Years ending December 31:		
2022	\$ 2,831	\$ 343
2023	2,888	286
2024	2,946	228
2025	3,006	169
2026	3,066	109
2027	1,684	47
Total	\$ 16,421	\$ 1,182

Other Debt Information

Estimated payments of compensated absences, grants payable and net pension liability are not included in the debt service requirement schedules. These liabilities will be liquidated by the general fund, road and bridge fund and human services fund.

Stevens County

Notes to Financial Statements
December 31, 2021

There are a number of limitations and restrictions contained in the general obligation bond agreements. The County believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

The County's outstanding loans payable from direct borrowings and/or direct placements with a balance of \$16,421, contain a provision that in the event of default, the lender may demand for the full payment of all amounts due and the County shall pay costs and damages, including reasonable attorney's fees and interest, incurred to recover repayments.

Lease Disclosures

Lessee – Capital lease

In 2020, the County acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital lease is \$188,419, which is included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on the minimum lease payments as of December 31, 2021 are as follows:

	<u>Principal</u>	<u>Interest</u>
Years ending December 31:		
2022	\$ 36,240	\$ 4,380
2023	37,645	2,975
2024	<u>39,104</u>	<u>1,516</u>
Total	<u>\$ 112,989</u>	<u>\$ 8,871</u>

Net Position

Net position reported on the government-wide statement of net position at December 31, 2021 includes the following:

Net investment in capital assets:	
Construction in progress	\$ 2,180,591
Land	1,464,958
Other capital assets, net of accumulated depreciation	40,173,739
Less capital related long-term debt outstanding (plus premium less unspent proceeds)	<u>(6,157,154)</u>
Total	<u>\$ 37,662,134</u>

4. Other Information

Employees' Retirement System

Public Employees Retirement Association (PERA)

Plan Description. The County participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

All full-time and certain part-time employees of the County are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

Benefits. PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For 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.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. 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.

Contributions. *Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2021 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2021 were \$364,527. The County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2021 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2021, were \$95,254. The County's contributions were equal to the required contributions as set by state statute.

Stevens County

Notes to Financial Statements
December 31, 2021

Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2021, the County reported a liability of \$2,882,552 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$88,076.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was .0675% at the end of the measurement period, which was an increase of .001% from its proportionate share measured at the beginning of the period.

County's proportionate share of the net pension liability	\$	2,882,552
State of Minnesota's proportionate share of the net pension liability associated with the County		<u>88,076</u>
Total	\$	<u>2,970,628</u>

For the year ended December 31, 2021, the County recognized pension expense of \$46,781 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$7,106 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2021, the County reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 17,158	\$ 88,063
Changes of actuarial assumptions	1,760,027	62,490
Net collective difference between projected and actual investment earnings	-	2,497,775
Changes in proportion	86,470	-
Contributions paid to PERA subsequent to the measurement date	<u>202,578</u>	<u>-</u>
Total	<u>\$ 2,066,233</u>	<u>\$ 2,648,328</u>

Stevens County

Notes to Financial Statements
December 31, 2021

The \$202,578 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending December 31:

2022	\$	(80,522)
2023		(14,333)
2024		(8,915)
2025		(680,903)

2. Police and Fire Fund Pension Costs

At December 31, 2021, the County reported a liability of \$351,212 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was .0455% at the end of the measurement period, which was an increase of .0001% from its proportionate share measured at the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2021, the County recognized pension expense of \$(21,992) for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$4,095 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

Stevens County

Notes to Financial Statements
December 31, 2021

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County recognized \$2,879 for the year ended December 31, 2021 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

County's proportionate share of the net pension liability	\$	351,212
State of Minnesota's proportionate share of the net pension liability associated with the County		<u>15,808</u>
Total	\$	<u>367,020</u>

At December 31, 2021, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 68,289	\$ -
Changes of actuarial assumptions	516,189	199,945
Net collective difference between projected and actual investment earnings	-	672,892
Changes in proportion	56,036	43,346
Contributions paid to PERA subsequent to the measurement date	<u>53,414</u>	<u>-</u>
Total	<u>\$ 693,928</u>	<u>\$ 916,183</u>

The \$53,414 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending December 31:	
2022	\$ (211,850)
2023	(45,108)
2024	(51,911)
2025	(80,021)
2026	113,221

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2021, was \$24,789.

Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100%	

Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020. The assumption changes were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- 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 MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There were no changes in the plan provision since the previous valuation.

Stevens County

Notes to Financial Statements
December 31, 2021

Discount Rate. The discount rate used to measure the total pension liability in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. 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.

Pension Liability Sensitivity. The following presents the County's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, 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:

	1% Decrease to Discount Rate (5.50%)	Current Discount Rate (6.50%)	1% Increase in Discount Rate (7.50%)
County's proportionate share of the General Employees Fund net pension liability	\$ 5,878,935	\$ 2,882,552	\$ 423,837
County's proportionate share of the Police and Fire Fund net pension liability (asset)	1,115,038	351,212	(274,936)

Pension Plan Fiduciary Net Position. Detailed information about each 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.

Public Employees Defined Contribution Plan

Five County Commissioners are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution 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. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer and for salaried employees' contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee 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 twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Stevens County

Notes to Financial Statements
December 31, 2021

Total contributions made by the County during fiscal year 2021 were:

	<u>Employee</u>	<u>Employer</u>
Contribution amount	\$ 4,509	\$ 4,509
Percentage of covered payroll	5 %	5 %
Required rate	5 %	5 %

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and 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 risks, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2021. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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.

Commitments and Contingencies

From time to time, the County is party to various other pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred.

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Stevens County

Notes to Financial Statements
December 31, 2021

Joint Ventures

Land of the Dancing Sky Area Agency on Aging

The Land of the Dancing Sky Area Agency on Aging provides services to a 21-county service area. This is a partnership between the Northwest Regional Development Commission, the 5-county service area of Region 2 and the West Central Area Agency on Aging. 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.

The Land of the Dancing Sky umbrella 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 of the two area agencies on aging continue to meet monthly to make decisions affecting their local counties.

During 2021, the County did not contribute any funds to the agency.

Complete financial statements for the Land of the Dancing Sky Area Agency on Aging can be obtained from: Dancing Sky Area Agency on Aging, 109 South Minnesota Street, Warren, Minnesota 56762.

Horizon Public Health

Horizon Public Health was formed pursuant to Minn. Stat. § 471.59 by Douglas, Grant, Pope, Stevens and Traverse Counties. Horizon Public Health began official operation on January 1, 2015, as a five-county public health organization. The primary functions of the health service are to prevent illness and to promote efficiency and economy in the delivery of community health services.

Control is vested in the Community Health Board, which is responsible for all duties as set forth in Minn. Stat. ch. 145A. The Board consists of 13 members composed of 11 County Commissioners and 2 community representatives.

Financing is provided by federal and state grants and appropriations from member counties. The County's contribution for 2021 was \$68,082.

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

Rainbow Rider Transit Board

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

Stevens County

Notes to Financial Statements
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The Board consists of two members appointed by each member county from its County Board for terms of one year each. Rainbow Rider is a joint venture with no county having control over the Board. Each county has an ongoing responsibility to provide funding for the operating costs of the Board allocated in accordance with the actual expenses incurred by representatives of the respective counties on the Board.

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

During 2021, the County contributed \$24,496 to Rainbow Rider.

Complete financial information can be obtained from: Rainbow Rider, P.O. Box 136, Lowry, Minnesota 56349.

PrimeWest Rural Minnesota Health Care Access Initiative

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

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

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

Douglas County acts as fiscal agent for the PrimeWest Rural Minnesota Health Care Access Initiative and reports the cash transactions as an investment trust fund on its financial statements. Financing is provided by Medical Assistance and General Assistance Medical Care payments from the Minnesota Department of Human Services. During 2021, the County did not contribute any funds to the Joint Powers Board.

Complete financial information can be obtained from its administrative office at: PrimeWest Rural Minnesota Health Care Access Initiative, 2209 Jefferson Street, Suite 101, Alexandria, Minnesota 56308.

Stevens County

Notes to Financial Statements
December 31, 2021

Regional Fitness Center

The County, along with the University of Minnesota, the City of Morris and Independent School District 769, entered into a joint powers agreement under the authority of Minn. Stat. § 471.59 to establish and construct a Regional Fitness Center.

Control of the Regional Fitness Center is vested in a Joint Powers Board, composed of one member of the County Board of Commissioners, four members from the University of Minnesota, one member of the Morris City Council, one member of the School Board and one member from the community at large.

In the event of termination of the joint powers agreement, any surplus monies generated by the operation of the Regional Fitness Center and any movable equipment shall be returned to the parties in proportion to their original contribution. The building, property and all nonmovable equipment and fixtures shall belong to the University of Minnesota.

Financing is provided by the 1998 Minnesota legislative appropriation of \$2,500,000 to the University of Minnesota and contributions in the amount of \$2,500,000 from the other parties to this agreement. The County's share, \$200,000, was paid over a period of five years. Operational and maintenance expenses will be covered by membership fees and other income generated by the Regional Fitness Center. During 2021, the County did not contribute any funds to the Regional Fitness Center.

Complete financial information can be obtained from: Morris Area Schools, 201 South Columbia Avenue, Morris, Minnesota 56267.

Pomme de Terre River Association

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

Control is vested in a Joint Powers Board, comprising of one representative of each of the county Boards of Commissioners and one representative from each soil and water conservation district board of supervisors included within the agreement. During 2021, the County contributed \$17,228 to the Joint Powers Board.

Complete financial information can be obtained from: Pomme de Terre River Association Joint Powers Board, 900 Robert Street, Suite 104, Alexandria, Minnesota 56308.

Stevens County

Notes to Financial Statements
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Supporting Hands Nurse Family Partnership Board

The Supporting Hands Nurse Family Partnership Board was established pursuant to Minn. Stat. §§ 145A.17 and 471.59 and a joint powers agreement, effective May 31, 2007. The Board is composed of one representative from each county to the agreement. The counties in the agreement are Big Stone, Chippewa, Douglas, Grant, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Pipestone, Pope, Redwood, Renville, Rock, Stevens, Swift, Traverse and Yellow Medicine. Southwest Health and Human Services represents Lincoln, Lyon, Murray, Pipestone, Redwood and Rock Counties in this agreement. Horizon Public Health represents Douglas, Grant, Pope, Stevens and Traverse Counties in this agreement. Countryside Public Health represents Big Stone, Chippewa, Lac qui Parle, Swift and Yellow Medicine Counties in this agreement. The purpose of this agreement is to organize, govern, plan and administer a multi-county-based nurse family partnership program specifically within the jurisdictional boundaries of the counties involved.

The governing board is composed of one board member from each of the participating counties. Each participating county will contribute to the budget of the Supporting Hands Nurse Family Partnership. During 2021, Stevens County did not contribute any funds to the Partnership.

McLeod County acts as fiscal agent for the Supporting Hands Nurse Family Partnership Board. A complete financial report of the Supporting Hands Nurse Family Partnership Board can be obtained from McLeod County at: Supporting Hands Nurse Family Partnership Board, McLeod County, 830 - 11th Street East, Glencoe, Minnesota 55336.

Central Minnesota Emergency Services Board

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

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

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

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

The Central Minnesota Emergency Services Board has no long-term debt. Financing is provided by the appropriations from member parties and by state and federal grants. During 2021, the County contributed \$10,300 to the Board.

Stevens County

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

Stevens County Family Services Collaborative

The Stevens County Family Services Collaborative was established in 1997 under the authority of Minn. Stat. § 124D.23. The Collaborative includes Stevens County, Independent School District 771, Horizon Public Health, the Stevens Community Medical Center and Rural Minnesota CEP, Inc. The purpose of the Collaborative is to provide coordinated family services and to commit resources to an integrated fund.

Control of the Stevens County Family Services Collaborative is vested in a Board of Directors, which is composed of one member appointed by each member party. The persons so appointed shall appoint two consumer representatives by the majority vote of the Board.

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

Financing is provided by state and federal grants and contributions from its member parties. The County, in a fiduciary capacity, reports the cash transactions of the Stevens County Family Services Collaborative as a fiduciary fund on its financial statements. During 2021, the County did not contribute any funds to the Collaborative.

Separate financial information can be obtained from: Stevens County Courthouse, 400 Colorado Avenue, Morris, Minnesota 56267.

Region 4 South Adult Mental Health Consortium

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

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

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

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

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During 2021, the County did not contribute any funds to the Consortium.

Financing is predominantly provided by state grants. Grant County, in a fiscal host capacity, reports the cash transactions of the Consortium as a fiduciary fund on its financial statements.

Viking Library System

The County, along with ten cities and five other counties, participates in the Viking Library System in order to establish, continue, strengthen and improve library services in the participating cities and counties. The Viking Library System was created as a public library service in 1975 by the Counties of Douglas, Grant, Otter Tail and Stevens, along with the Cities of Alexandria, Elbow Lake, Fergus Falls, Hancock and Morris. Additions to the library system included the Cities of Browns Valley, Glenwood, New York Mills, Perham and Wheaton in 1976, Pope County in 1981, Traverse County in 1983, and the City of Pelican Rapids in 1988. In 1992, the City of Alexandria library became the Douglas County library. The Viking Library System is governed by a Governing Board, which consists of 19 members. Each participating county's Board of Commissioners appoints a resident of the county; each participating city's Library Board appoints a representative; and any library with a service area population over 15,000 has an additional representative. Currently, the City of Fergus Falls and Douglas County have additional representatives. During 2021, the County provided \$65,424 to the Viking Library System.

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

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

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

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

The two probation officers for the five-county area are appointed by three area judges, who also set the probation officer salaries. The Minnesota Department of Corrections reimburses Traverse County for a portion of the probation officer salaries. The remaining expenses are allocated to each participating county based on population. During 2021, the County contributed \$94,654 to the entity.

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

Chippewa River Watershed Project

The Chippewa River Watershed Project Board (CRWP) was established pursuant to Minn. Stat. § 471.59 and a joint powers agreement, effective October 10, 2012, and includes Chippewa, Douglas, Grant, Kandiyohi, Pope, Stevens and Swift counties. The agreement was established to develop and implement plans to promote the orderly water quality improvement and management of the Chippewa River Watershed through information sharing, fund seeking, education, coordination and related support to the members with regard to the protection of property from damage of flooding, controlling erosion of land, protection of property, streams and lakes from sedimentation and pollution and maintaining and improving the quality of water in the streams, lakes and ground water and improving recreation and wildlife.

Stevens County

Notes to Financial Statements
December 31, 2021

Control is vested in a Joint Powers Board. The Board is comprised of one representative of each County Board of Commissioners included in the agreement. A reserve account of \$25,800 will be established by the member counties based on the percent of the watershed that is in each member county. The CRWP will operate on grants obtained to carry out its purpose. The annual budget will be dependent on work plans and budgets tied directly to grant agreements. Members have the right to withdraw from the agreement on December 31 with at least a 6-month notice. The CRWP shall continue indefinitely in full force and effect until all grant funds are exhausted or until all member parties, or all remaining member parties, mutually agree to terminate the agreement by joint resolution passed by the member parties respective boards. In the event of a termination of the agreement, all property, real and personal, held by the CRWP shall be distributed by resolution to the member counties by the percent of the watershed that is located in each member county.

During 2021, the County contributed \$1,200 to the entity.

Complete financial information can be obtained from: Chippewa River Watershed Project, 629 North 11th Street, Suite 17, Montevideo, Minnesota 56265.

Mid-State Computer Collaborative

In 2019, 29 counties created a joint powers organization named Mid-State Computer Collaborative (MSCC) for the purpose of providing an organization through which the counties may jointly provide for the sharing of costs of computer software, hardware and other information technology; jointly negotiate contracts with vendors of products and services; create an entity capable of owning technology and software licenses on behalf of all the parties.

During 2021, the County made no contributions to the entity.

Financial information can be obtained from: Mid-State Computer Collaborative, 325 North Sibley Avenue, Litchfield, Minnesota 55355.

Jointly-Governed Organizations

Western Area City/County Co-Op

The County and 24 other cities and counties entered into a joint powers agreement to establish the Western Area City/County Co-Op (WACCO) Joint Powers Board, effective September 5, 1995, and empowered under Minn. Stat. § 471.59. The purpose of WACCO is to establish a resource network that identifies common needs of the individual governmental units and reduces the financial burden on each of its members through the cooperative sharing of existing resources. The management and control of WACCO is vested in a Board of Directors composed of a representative appointed by each member city and county. During 2021, the County contributed \$2,289 to WACCO.

District IV Transportation Planning

The 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-model transportation plan for the geographical jurisdiction of the member cities and counties. The Board is composed of 14 members, with one member appointed by each member city and county.

Region Four - West Central Minnesota Homeland Security Emergency Management Organization

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

Minnesota Criminal Justice Data Communications Network

The Minnesota Criminal Justice Data Communications Network Joint Powers Agreement exists to create access for the County Sheriff and County Attorney to systems and tools available from the State of Minnesota, Department of Public Safety and the Bureau of Criminal Apprehension to carry out criminal justice. During 2021, the County paid \$2,040 to the joint powers.

Minnesota Red River Basin of the North Joint Powers Agreement

The Minnesota Red River Basin of the North Joint Powers Board was established on November 29, 1999, by an agreement between the 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 composed of one Commissioner from each member county. Each member of the Board is appointed by the County Commissioners of the county represented.

In the event of termination of the agreement, any unexpended funds and surplus property shall be disposed of equally among the member counties. During 2021, the County contributed \$50 to the Joint Powers Board.

Complete financial statements can be obtained from: International Coalition for Land - Water, Stewardship in the Red River Basin, 119 - 5th Street South, Moorhead, Minnesota 56561.

Minnesota Rural Counties Caucus

The Minnesota Rural Counties Caucus was established in 1997 and includes Aitkin, Becker, Big Stone, Clay, Cottonwood, Douglas, Grant, Kittson, Koochiching, Lake of the Woods, Mahnomon, Marshall, McLeod, Meeker, Mille Lacs, Norman, Pennington, Polk, Pope, Red Lake, Redwood, Roseau, Sibley, Stevens, Todd, Traverse, Wadena, Watonwan, Wilkin and Wright Counties. Control of the Caucus is vested in the Minnesota Rural Counties Caucus Executive Committee, which is composed of twelve appointees, each with an alternate, who are appointed annually by each respective County Board. A county's responsibility does not extend beyond making this appointment. The County contributed \$2,200 to the Minnesota Rural Counties Caucus in 2021.

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. The County did not contribute to the SW-MIIC during 2021.

Stevens County

Notes to Financial Statements
December 31, 2021

West Central S.W.A.T. Team

The West Central S.W.A.T. Team is comprised of five county Sheriff's Offices and nine police departments including Lac Qui Parle, Pope, Stevens, Swift and Traverse Counties, along with the Appleton, Benson, Glenwood, Hancock, Montevideo, Morris, Starbuck, University of Minnesota Morris and Wheaton Police Departments. The purpose of the Team is to create a feasible economical way, by sharing the costs, to protect the citizens of the cities and counties involved. During 2021, the County contributed \$1,750 to the Team.

The County is the fiscal host and reports West Central S.W.A.T. Team as a fiduciary fund in the financial statements.

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. Stevens County and 22 other counties are members of CPT. Each member county provided an initial contribution to start up CPT and provide funds for the purchase of CPUI. CPT purchased CPUI in September 2018 for a purchase price of \$3,600,000.

Control is vested in the CPT Board, which consists of one individual appointed by each member county's Board of Commissioners. The joint powers agreement provides that initial operating capital contributed by each member is to be repaid from any excess in fund balance at the end of the fiscal year, in proportion to the initial contribution. Once the initial contribution is repaid, there is no remaining equity interest for the member counties.

Financing is primarily from county member contributions. During 2021, there were no contributions from the County to CPT.

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

Subsequent Events

In 2022, the County entered into multiple contracts totaling approximately \$2,350,000 for highway construction and maintenance projects.

In February 2022, the County entered into a contract for approximately \$2,470,000 for county ditch improvement projects.

In May 2022, the County approved the issuance of \$3,320,000 of general obligation bonds to finance ditch improvement projects. The bonds have a variable interest rate between 3.00% and 3.50% and payable in 2023 through 2042.

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may restate portions of these financial statements.

Required Supplementary Information

Stevens CountyBudgetary Comparison Schedule - General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 4,491,248	\$ 4,491,248	\$ 4,375,068	\$ (116,180)
Intergovernmental	1,392,191	1,392,191	1,988,233	596,042
Licenses and permits	16,000	16,000	15,410	(590)
Charges for services	271,428	271,428	310,445	39,017
Investment income (including unrealized losses)	121,132	121,132	(13,554)	(134,686)
Miscellaneous	176,874	176,503	343,171	166,668
Total revenues	<u>6,468,873</u>	<u>6,468,502</u>	<u>7,018,773</u>	<u>550,271</u>
Expenditures				
Current:				
General government	3,326,060	3,326,278	3,561,504	(235,226)
Public safety	2,068,423	2,068,423	2,066,006	2,417
Sanitation	198,995	198,995	193,284	5,711
Health and human services	68,082	68,082	71,587	(3,505)
Culture, recreation and education	134,744	134,744	174,355	(39,611)
Conservation of natural resources	333,439	347,839	403,241	(55,402)
Economic development	63,667	63,667	63,667	-
Intergovernmental	350,000	350,000	335,305	14,695
Total expenditures	<u>6,543,410</u>	<u>6,558,028</u>	<u>6,868,949</u>	<u>(310,921)</u>
Excess (deficiency) of revenues over expenditures	<u>(74,537)</u>	<u>(89,526)</u>	<u>149,824</u>	<u>239,350</u>
Other Financing Sources (Uses)				
Transfers in	112,053	112,053	119,921	7,868
Transfers out	-	-	(39,805)	(39,805)
Proceeds from sale of capital assets	-	-	5,264	5,264
Total other financing sources (uses)	<u>112,053</u>	<u>112,053</u>	<u>85,380</u>	<u>(26,673)</u>
Net change in fund balances	37,516	22,527	235,204	212,677
Fund Balances, Beginning	<u>5,458,811</u>	<u>5,458,811</u>	<u>5,458,811</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 5,496,327</u>	<u>\$ 5,481,338</u>	<u>\$ 5,694,015</u>	<u>\$ 212,677</u>

See notes to required supplementary information

Stevens CountyBudgetary Comparison Schedule - Road and Bridge
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,086,551	\$ 1,086,551	\$ 1,055,113	\$ (31,438)
Intergovernmental	3,421,059	3,421,059	4,092,098	671,039
Charges for services	305,000	305,000	410,743	105,743
Investment income (including unrealized losses)	-	-	(20,379)	(20,379)
Miscellaneous	106,525	106,525	142,600	36,075
Total revenues	4,919,135	4,919,135	5,680,175	761,040
Expenditures				
Current:				
Highways and streets:				
Administration	297,865	301,858	274,657	27,201
Construction	2,257,300	2,257,300	2,888,191	(630,891)
Maintenance	1,545,470	1,545,470	1,533,221	12,249
Equipment maintenance and shop	726,600	722,607	2,884,479	(2,161,872)
Material and services for sale	91,900	91,900	113,714	(21,814)
Debt service:				
Principal	-	-	34,811	(34,811)
Interest and fiscal charges	-	-	78,415	(78,415)
Total expenditures	4,919,135	4,919,135	7,807,488	(2,888,353)
Excess (deficiency) of revenues over expenditures	-	-	(2,127,313)	(2,127,313)
Other Financing Sources				
Transfers in	-	-	20,379	20,379
Total other financing sources	-	-	20,379	20,379
Net change in fund balances	-	-	(2,106,934)	(2,106,934)
Fund Balances, Beginning	6,566,035	6,566,035	6,566,035	-
Change in reserve for inventory	-	-	176,534	176,534
Fund Balances, Ending	\$ 6,566,035	\$ 6,566,035	\$ 4,635,635	\$ (1,930,400)

See notes to required supplementary information

Stevens CountyBudgetary Comparison Schedule - Human Services
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,840,246	\$ 1,840,246	\$ 1,787,034	\$ (53,212)
Intergovernmental	1,773,169	1,773,169	1,760,068	(13,101)
Charges for services	261,750	261,750	397,570	135,820
Investment income (including unrealized losses)	-	-	(13,017)	(13,017)
Miscellaneous	40,000	40,000	73,907	33,907
Total revenues	3,915,165	3,915,165	4,005,562	90,397
Expenditures				
Current:				
Health and human services:				
Income maintenance	777,315	777,315	688,240	89,075
Transitional housing	-	-	2,858	(2,858)
Social services	3,167,850	3,167,850	2,654,954	512,896
Total expenditures	3,945,165	3,945,165	3,346,052	599,113
Excess (deficiency) of revenues over expenditures	(30,000)	(30,000)	659,510	689,510
Other Financing Sources				
Transfers in	-	-	13,017	13,017
Total other financing sources	-	-	13,017	13,017
Net change in fund balances	(30,000)	(30,000)	672,527	702,527
Fund Balances, Beginning	4,344,440	4,344,440	4,344,440	-
Fund Balances, Ending	\$ 4,314,440	\$ 4,314,440	\$ 5,016,967	\$ 702,527

See notes to required supplementary information

Stevens CountyBudgetary Comparison Schedule - Solid Waste
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Special assessments	\$ 358,400	\$ 358,400	\$ 375,729	\$ 17,329
Intergovernmental	-	-	21,907	21,907
Charges for services	12,000	12,000	14,500	2,500
Investment income (including unrealized losses)	-	-	(1,305)	(1,305)
Miscellaneous	79,980	79,980	87,601	7,621
Total revenues	<u>450,380</u>	<u>450,380</u>	<u>498,432</u>	<u>48,052</u>
Expenditures				
Current:				
Sanitation:				
Solid waste	272,289	272,289	784,133	(511,844)
Debt service:				
Principal	-	-	2,776	(2,776)
Interest and fiscal charges	-	-	399	(399)
Total expenditures	<u>272,289</u>	<u>272,289</u>	<u>787,308</u>	<u>(515,019)</u>
Excess (deficiency) of revenues over expenditures	<u>178,091</u>	<u>178,091</u>	<u>(288,876)</u>	<u>(466,967)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	5,787	5,787
Transfers out	<u>(127,053)</u>	<u>(127,053)</u>	<u>(119,921)</u>	<u>7,132</u>
Total other financing sources (uses)	<u>(127,053)</u>	<u>(127,053)</u>	<u>(114,134)</u>	<u>12,919</u>
Net change in fund balances	51,038	51,038	(403,010)	(454,048)
Fund Balances, Beginning	<u>656,228</u>	<u>656,228</u>	<u>656,228</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 707,266</u>	<u>\$ 707,266</u>	<u>\$ 253,218</u>	<u>\$ (454,048)</u>

See notes to required supplementary information

Stevens County

Schedule of Employer's Proportionate Share of the Net Pension Liability -
PERA General Employees Retirement Fund
Year Ended December 31, 2021

County Fiscal Year End Date	PERA Fiscal Year End Date (Measurement Date)	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability associated with County (b)	County and State's Proportionate Share of the Net Pension Liability associated with County (a+b)	Covered Payroll (c)	County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2021	June 30, 2021	0.0675%	\$ 2,882,552	\$ 88,076	\$ 2,970,628	\$ 4,860,355	59.31%	87.00%
December 31, 2020	June 30, 2020	0.0665%	3,986,979	123,033	4,110,012	4,743,788	84.05%	79.10%
December 31, 2019	June 30, 2019	0.0654%	3,615,820	112,328	3,728,148	4,625,413	78.17%	80.20%
December 31, 2018	June 30, 2018	0.0646%	3,583,743	117,520	3,701,263	4,340,952	82.56%	79.50%
December 31, 2017	June 30, 2017	0.0656%	4,187,861	52,691	4,240,552	4,063,951	103.05%	75.90%
December 31, 2016	June 30, 2016	0.0655%	5,318,275	69,401	5,387,676	4,010,149	132.62%	68.90%
December 31, 2015	June 30, 2015	0.0706%	3,658,858	N/A	3,658,858	4,302,861	85.03%	78.20%

Stevens County

Schedule of Employer Contributions -
PERA General Employees Retirement Fund
Year Ended December 31, 2021

County Fiscal Year End Date	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2021	\$ 387,421	\$ 387,421	\$ -	\$ 5,165,615	7.50%
December 31, 2020	360,080	360,080	-	4,801,048	7.50%
December 31, 2019	352,144	352,144	-	4,695,237	7.50%
December 31, 2018	309,928	309,928	-	4,132,373	7.50%
December 31, 2017	306,303	306,303	-	4,084,044	7.50%
December 31, 2016	317,091	317,091	-	4,227,874	7.50%
December 31, 2015	303,381	303,381	-	4,045,070	7.50%

See notes to required supplementary information

Stevens County

Schedule of Employer's Proportionate Share of the Net Pension Liability -
PERA Public Employees Police and Fire Fund
Year Ended December 31, 2021

County Fiscal Year End Date	PERA Fiscal Year End Date (Measurement Date)	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated With County (b)	County's and State's Proportionate Share of the Net Pension Liability Associated With County (a+b)	County's Covered Payroll (c)	County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2021	June 30, 2021	0.0455%	\$ 351,212	\$ 15,808	\$ 367,020	\$ 538,158	65.26%	93.70%
December 31, 2020	June 30, 2020	0.0454%	598,421	14,107	612,528	512,949	116.66%	87.20%
December 31, 2019	June 30, 2019	0.0515%	548,270	N/A	548,270	543,051	100.96%	89.30%
December 31, 2018	June 30, 2018	0.0500%	532,949	N/A	532,949	526,897	101.15%	88.80%
December 31, 2017	June 30, 2017	0.0470%	634,556	N/A	634,556	445,777	142.35%	85.40%
December 31, 2016	June 30, 2016	0.0420%	1,685,533	N/A	1,685,533	405,840	415.32%	63.88%
December 31, 2015	June 30, 2015	0.0430%	488,581	N/A	488,581	397,076	123.04%	86.61%

Stevens County

Schedule of Employer Contributions -
PERA Public Employees Police and Fire Fund
Year Ended December 31, 2021

County Fiscal Year End Date	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2021	\$ 101,693	\$ 101,693	\$ -	\$ 574,539	17.70%
December 31, 2020	91,424	91,424	-	516,518	17.70%
December 31, 2019	90,527	90,527	-	534,085	16.95%
December 31, 2018	80,092	80,092	-	494,392	16.20%
December 31, 2017	80,444	80,444	-	496,567	16.20%
December 31, 2016	69,019	69,019	-	426,044	16.20%

Stevens County

Notes to Required Supplementary Information
December 31, 2021

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

The budgeted amounts presented include any amendments made. Changes to the overall budget must be approved by board action. Appropriations lapse at year-end unless specifically carried over. The general fund budget is adopted at the department level of expenditure. The remaining fund budgets are adopted at the fund level of expenditure.

See Note 2 for information on funds with excess expenditures over appropriations.

Public Employees Retirement Association (PERA)

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The County is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented. For purposes of these schedules, covered payroll is defined as "pensionable wages."

Changes in Benefit Terms. There were no changes of benefit terms for any participating employer in the PERA.

Changes in Assumptions and Plan Provisions

General Employees Fund

2021 Changes

Changes in Actuarial Assumptions:

The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.

The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020

Changes in Plan Provisions:

There were no changes in plan provision since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions:

The price inflation assumption was decreased from 2.50% to 2.25%.

The payroll growth assumption was decreased from 3.25% to 3.00%.

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% less than previous rates.

Stevens County

Notes to Required Supplementary Information
December 31, 2021

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 2-5 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 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 annuitant 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% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

The mortality projection scale was changed from MP-2015 to MP-2017.

The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Stevens County

Notes to Required Supplementary Information
December 31, 2021

Changes in Plan Provisions:

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 4.0% to 3.0%, beginning July 1, 2018.

Deferred augmentation was changed to 0.0%, 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 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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 Rule of 90 retirees, disability benefit recipients or survivors.

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

2017 Changes

Changes in Actuarial Assumptions:

The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for nonvested deferred member liability.

The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions:

The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.

The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions:

The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all years.

The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 7.5%.

Stevens County

Notes to Required Supplementary Information
December 31, 2021

Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions:

There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions:

On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

Public Employees Police and Fire Fund

2021 Changes

Changes in Actuarial Assumptions:

The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.

The inflation assumption was changed from 2.50% to 2.25%.

The payroll growth assumption was changed from 3.25% to 3.00%.

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 MP-2019 to MN-2020.

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

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

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

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

Stevens County

Notes to Required Supplementary Information
December 31, 2021

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% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

Post-retirement benefit increases were changed to 1.0% for all years, with no trigger.

An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.

New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.

Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019 and 11.8% of pay, effective January 1, 2020.

Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.7% of pay, effective January 1, 2020.

Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.

Stevens County

Notes to Required Supplementary Information
December 31, 2021

Deferred augmentation was changed to 0.0%, 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 Changes

Changes in Actuarial Assumptions:

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

Assumed rates of retirement were changed, resulting in fewer retirements.

The Combined Service Annuity (CSA) load was 30.0% for vested and nonvested deferred members. The CSA has been changed to 33.0% for vested members and 2.0% for nonvested 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 tables assumed for healthy retirees.

Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

Assumed percentage of married female members was decreased from 65.0% to 60.0%.

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 1.0% for all years to 1.0% per year through 2064 and 2.5% thereafter.

The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions:

There have been no changes since the prior valuation.

Stevens County

Notes to Required Supplementary Information
December 31, 2021

2016 Changes

Changes in Actuarial Assumptions:

The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.

The assumed investment return was changed from 7.9% to 7.5%.

The single discount rate changed from 7.9% to 5.6%.

The assumed future salary increases, payroll growth and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions:

There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

Changes in Plan Provisions:

The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed from inflation up to 2.5%, to a fixed rate of 2.5%.

Supplementary Information

Stevens County

Detailed Budgetary Comparison Schedule - General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 4,491,248	\$ 4,491,248	\$ 4,375,068	\$ (116,180)
Intergovernmental	1,392,191	1,392,191	1,988,233	596,042
Licenses and permits	16,000	16,000	15,410	(590)
Charges for services	271,428	271,428	310,445	39,017
Investment income (including unrealized losses)	121,132	121,132	(13,554)	(134,686)
Miscellaneous	176,874	176,503	343,171	166,668
Total revenues	6,468,873	6,468,502	7,018,773	550,271
Expenditures				
General government:				
Commissioners	294,210	294,210	242,877	51,333
Law library	8,000	8,000	11,536	(3,536)
County coordinator	182,939	182,939	180,727	2,212
Human resources	140,641	140,641	137,357	3,284
Auditor-Treasurer	386,830	386,830	387,332	(502)
Accounting and auditing	46,000	46,000	36,865	9,135
Tax forfeiture	1,575	1,575	10,189	(8,614)
Information technology	365,686	366,275	363,903	2,372
GIS	72,602	72,602	69,424	3,178
Elections	3,600	3,600	5,052	(1,452)
Attorney	356,721	356,721	346,401	10,320
Recorder	250,973	250,973	251,770	(797)
Planning and zoning	96,539	96,539	64,113	32,426
Assessor	348,604	348,604	329,583	19,021
Fleet	11,026	11,026	3,209	7,817
Courthouse operations	429,701	429,701	498,687	(68,986)
Crime victim services	90,213	89,842	77,407	12,435
Safety coordinator	9,750	9,750	4,679	5,071
Veterans service officer	62,050	62,050	52,467	9,583
Other general government	168,400	168,400	487,926	(319,526)
Total general government	3,326,060	3,326,278	3,561,504	(235,226)
Public safety:				
Sheriff	1,707,495	1,707,495	1,716,768	(9,273)
Coroner	18,000	18,000	10,712	7,288
Probation	93,290	93,290	96,389	(3,099)
Emergency management	125,638	125,638	115,160	10,478
E-911 system	124,000	124,000	126,977	(2,977)
Total public safety	2,068,423	2,068,423	2,066,006	2,417
Sanitation:				
Environmental services	198,995	198,995	193,284	5,711
Health and human services:				
Social service youth activity	-	-	3,505	(3,505)
Nursing services	68,082	68,082	68,082	-
Total health and human services	68,082	68,082	71,587	(3,505)

Stevens County

Detailed Budgetary Comparison Schedule, General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Culture, recreation and education:				
Historical society	\$ 69,320	\$ 69,320	\$ 69,320	\$ -
Regional library	65,424	65,424	65,424	-
Snowmobile trails	-	-	39,611	(39,611)
Total culture, recreation and education	<u>134,744</u>	<u>134,744</u>	<u>174,355</u>	<u>(39,611)</u>
Conservation of natural resources:				
Aquatic invasive species	19,387	19,387	19,387	-
Extension	161,852	161,852	159,814	2,038
Agricultural society/county fair	36,000	36,000	36,000	-
Predator control	1,200	1,200	867	333
Buffer strips	5,000	19,400	77,173	(57,773)
Soil and water conservation	110,000	110,000	110,000	-
Total conservation of natural resources	<u>333,439</u>	<u>347,839</u>	<u>403,241</u>	<u>(55,402)</u>
Economic development:				
Economic development	<u>63,667</u>	<u>63,667</u>	<u>63,667</u>	<u>-</u>
Intergovernmental:				
Highways and streets	<u>350,000</u>	<u>350,000</u>	<u>335,305</u>	<u>14,695</u>
Total expenditures	<u>6,543,410</u>	<u>6,558,028</u>	<u>6,868,949</u>	<u>(310,921)</u>
Excess (deficiency) of revenues over expenditures	<u>(74,537)</u>	<u>(89,526)</u>	<u>149,824</u>	<u>239,350</u>
Other Financing Sources (Uses)				
Transfers in	112,053	112,053	119,921	7,868
Transfers out	-	-	(39,805)	(39,805)
Proceeds from sale of capital assets	-	-	5,264	5,264
Total other financing sources (uses)	<u>112,053</u>	<u>112,053</u>	<u>85,380</u>	<u>(26,673)</u>
Net change in fund balances	37,516	22,527	235,204	212,677
Fund Balances, Beginning	<u>5,458,811</u>	<u>5,458,811</u>	<u>5,458,811</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 5,496,327</u>	<u>\$ 5,481,338</u>	<u>\$ 5,694,015</u>	<u>\$ 212,677</u>

Stevens CountyBudgetary Comparison Schedule - Debt Service
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 523,500	\$ 523,500	\$ 508,397	\$ (15,103)
Intergovernmental	-	-	15,018	15,018
Investment income	-	-	(622)	(622)
Total revenues	<u>523,500</u>	<u>523,500</u>	<u>522,793</u>	<u>(707)</u>
Expenditures				
Debt service:				
Principal retirement	435,000	435,000	435,000	-
Interest and fiscal charges	88,500	88,500	88,967	(467)
Total expenditures	<u>523,500</u>	<u>523,500</u>	<u>523,967</u>	<u>(467)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(1,174)</u>	<u>(1,174)</u>
Other Financing Sources				
Transfers in	-	-	622	622
Total other financing sources	<u>-</u>	<u>-</u>	<u>622</u>	<u>622</u>
Net change in fund balances	-	-	(552)	(552)
Fund Balances, Beginning	<u>85,574</u>	<u>85,574</u>	<u>85,574</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 85,574</u>	<u>\$ 85,574</u>	<u>\$ 85,022</u>	<u>\$ (552)</u>

Stevens County

Combining Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2021

	Custodial Funds										
	Adult Mental Health Drop-In	Housing and Redevelopment Authority	School Districts	Social Welfare	State Revenue	Stevens County Family Services Collaborative	Taxes and Penalties	Towns and Cities	Watershed	West Central Special Weapons and Tactics Team	Total
Assets											
Cash	\$ 4,789	\$ (44,805)	\$ -	\$ 316	\$ 98,868	\$ 104,313	\$ 256,651	\$ -	\$ -	\$ 5,049	\$ 425,181
Taxes receivable	-	-	-	-	-	-	52,827	-	-	-	52,827
Due from other governments	-	41,340	-	-	-	-	-	-	-	-	41,340
Total assets	<u>4,789</u>	<u>(3,465)</u>	<u>-</u>	<u>316</u>	<u>98,868</u>	<u>104,313</u>	<u>309,478</u>	<u>-</u>	<u>-</u>	<u>5,049</u>	<u>519,348</u>
Liabilities											
Accounts payable	-	-	-	-	-	-	-	-	-	100	100
Accrued liabilities	-	8,711	-	-	-	-	-	-	-	-	8,711
Due to other taxing units	-	-	1,836	-	92,941	-	202,444	1,945	-	-	299,166
Total liabilities	<u>-</u>	<u>8,711</u>	<u>1,836</u>	<u>-</u>	<u>92,941</u>	<u>-</u>	<u>202,444</u>	<u>1,945</u>	<u>-</u>	<u>100</u>	<u>307,977</u>
Net Position											
Restricted	4,789	-	-	316	5,927	104,313	107,034	-	-	4,949	227,328
Unrestricted (deficit)	-	(12,176)	(1,836)	-	-	-	-	(1,945)	-	-	(15,957)
Total net position	<u>\$ 4,789</u>	<u>\$ (12,176)</u>	<u>\$ (1,836)</u>	<u>\$ 316</u>	<u>\$ 5,927</u>	<u>\$ 104,313</u>	<u>\$ 107,034</u>	<u>\$ (1,945)</u>	<u>\$ -</u>	<u>\$ 4,949</u>	<u>\$ 211,371</u>

Stevens County

Combining Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended December 31, 2021

	Custodial Funds										
	Adult Mental Health Drop-In	Housing and Redevelopment Authority	School Districts	Social Welfare	State Revenue	Stevens County Family Services Collaborative	Taxes and Penalties	Towns and Cities	Watershed	West Central Special Weapons and Tactics Team	Total
Additions											
Property taxes collected for other governments	\$ -	\$ 288,421	\$ 4,498,133	\$ -	\$ 1,224,861	\$ -	\$ 18,275,716	\$ 3,569,400	\$ 154,938	\$ -	\$ 28,011,469
Licenses and permits	-	6,829	42,051	-	43,967	-	-	18,083	-	-	110,930
Investment income	-	-	-	-	-	11	-	-	-	-	11
Miscellaneous	15,373	552,299	-	21,562	-	35,773	-	-	-	34,897	659,904
Total additions	15,373	847,549	4,540,184	21,562	1,268,828	35,784	18,275,716	3,587,483	154,938	34,897	28,782,314
Deductions											
Property taxes distributed to other governments	-	558,600	4,497,338	-	1,241,904	-	18,283,355	3,568,597	154,938	-	28,304,732
Intergovernmental	-	295,250	43,640	-	35,565	-	-	19,690	-	51,581	445,726
Miscellaneous	15,694	-	-	22,994	-	39,879	-	-	-	-	78,567
Total deductions	15,694	853,850	4,540,978	22,994	1,277,469	39,879	18,283,355	3,588,287	154,938	51,581	28,829,025
Change in net position	(321)	(6,301)	(794)	(1,432)	(8,641)	(4,095)	(7,639)	(804)	-	(16,684)	(46,711)
Net Position, Beginning	5,110	(5,875)	(1,042)	1,748	14,568	108,408	114,673	(1,141)	-	21,633	258,082
Net Position, Ending	\$ 4,789	\$ (12,176)	\$ (1,836)	\$ 316	\$ 5,927	\$ 104,313	\$ 107,034	\$ (1,945)	\$ -	\$ 4,949	\$ 211,371

Stevens County

Schedule of Intergovernmental Revenues

Year Ended December 31, 2021

Shared Revenue

State:

Highway users tax	\$ 4,284,515
Market value credit	180,172
County program aid	555,295
Disparity reduction aid	50,261
Police aid	62,050
Enhanced 911	120,481
Select committee on recycling and the environment (SCORE)	71,066
Aquatic invasive species aid	19,387
Riparian protection aid	106,808

Total shared revenue 5,450,035

Reimbursement for Services

Minnesota Department of Human Services	<u>305,995</u>
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Total reimbursements for services 305,995

Payments

Local:

Payments in lieu of taxes	127,984
Local government repayment of contribution	<u>25,000</u>

Total payments 152,984

Grants

Minnesota Department/Board of:

Water and Soil Resources	61,047
Human Services	643,731
Pollution Control Agency	21,907
Public Safety	29,227
Corrections	15,649
Minnesota Management and Budget	256,250
Natural Resources	39,612
Veterans Affairs	7,500
Peace Officers Board	<u>9,273</u>

Total state grants 1,084,196

United States Department of:

Agriculture	78,546
Justice	63,803
Transportation	8,740
Treasury	34,757
Health and Human Services	681,524
Homeland Security	<u>16,744</u>

Total federal grants 884,114

Total grants 1,968,310

Total intergovernmental revenue \$ 7,877,324