

**TODD COUNTY, MINNESOTA**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2019**

**TODD COUNTY, MINNESOTA  
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## **INTRODUCTORY SECTION**



**TODD COUNTY, MINNESOTA  
PRINCIPAL COUNTY OFFICIALS  
DECEMBER 31, 2019**

| Office                             | Name               | Term Expires  |
|------------------------------------|--------------------|---------------|
| <b>Commissioners</b>               |                    |               |
| 1 <sup>st</sup> District           | Barb Becker        | December 2020 |
| 2 <sup>nd</sup> District           | Gary Kneisl*       | December 2022 |
| 3 <sup>rd</sup> District           | Rod Erickson       | December 2020 |
| 4 <sup>th</sup> District           | David Kircher**    | December 2022 |
| 5 <sup>th</sup> District           | Randy Neumann      | December 2020 |
| <b>Officers</b>                    |                    |               |
| <b>Elected</b>                     |                    |               |
| Attorney                           | Charles Rasmussen  | December 2022 |
| Auditor-Treasurer                  | Denise Gaida       | December 2022 |
| Recorder                           | Linda Daoust       | December 2022 |
| Registrar of Titles                | Linda Daoust       | December 2022 |
| Sheriff                            | Steven Och         | December 2022 |
| <b>Appointed</b>                   |                    |               |
| Coordinator                        | Chris Pelzer       | Indefinite    |
| Assessor                           | Chris Odden        | December 2022 |
| Human Resources Director           | Sara Ogren         | Indefinite    |
| Emergency Management Director      | Michael Wisniewski | Indefinite    |
| Examiner of Titles                 | Thomas Sellnow     | Indefinite    |
| Highway Engineer                   | Loren Fellbaum     | May 2023      |
| Medical Examiner                   | Dr. Quinn Strobl   | Indefinite    |
| Health and Human Services Director | Jackie Och         | Indefinite    |
| Veterans Service Officer           | Pete Berscheit     | December 2022 |

\* = Chair

\*\* = Vice-Chair

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## **FINANCIAL SECTION**





## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Todd County  
Long Prairie, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Todd County, Minnesota (the County), as of and for the year ended December 31, 2019, and the related notes of the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Todd County, Minnesota as of December 31, 2019, and the respective changes in financial position and, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter Regarding Change in Accounting Principle***

During the year ended December 31, 2019, the County adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement for a change in accounting principle (see Note 10). Our auditors' opinion was not modified with respect to the restatement.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the total OPEB liability, related ratios and notes, the schedule of the County's proportionate share of the net pension liability, the schedule of the County contributions, and the notes to the required supplementary information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, 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 Todd County's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

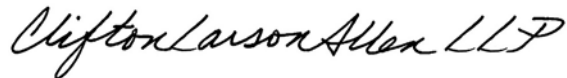
**Other Matters (Continued)**

*Supplementary Information (Continued)*

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2020, on our consideration of Todd 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 result of that testing, and not to provide an opinion on the effectiveness of the 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 Todd County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
April 23, 2020

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## **REQUIRED SUPPLEMENTARY INFORMATION**





**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

This section of Todd County's (the County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended December 31, 2019. The Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information per the Governmental Accounting Standards Board (GASB) Statement No. 34, as amended. Certain comparative information between the current year, 2019, and the prior year, 2018, is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

- County-wide net position increased 6.7% in 2019 after the restatement, over the prior year mainly due to the County increasing their tax levy as well as a conservative spending approach, offset slightly by a restatement for a change in accounting principle.
- Overall governmental fund-level revenues totaled \$36,786,356 and were \$2,421,742 more than expenditures in 2019.
- The General Fund's fund balance increased \$2,151,275 from the prior year due primarily due to an increase in the tax levy as well as a conservative spending approach.
- The Solid Waste Enterprise Fund total revenues exceeded total expenses by \$85,096.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – independent auditors' report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are County-wide financial statements which provide both short-term and long-term information about the County's overall financial status.
- The remaining statements are fund financial statements which focus on individual parts of the County, reporting the County's operations in more detail than the County-wide statements.
  - The governmental funds statements tell how basic services such as general government, human services, and highways and streets were financed in the short term as well as what remains for future spending.
  - Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others to whom the resources belong.

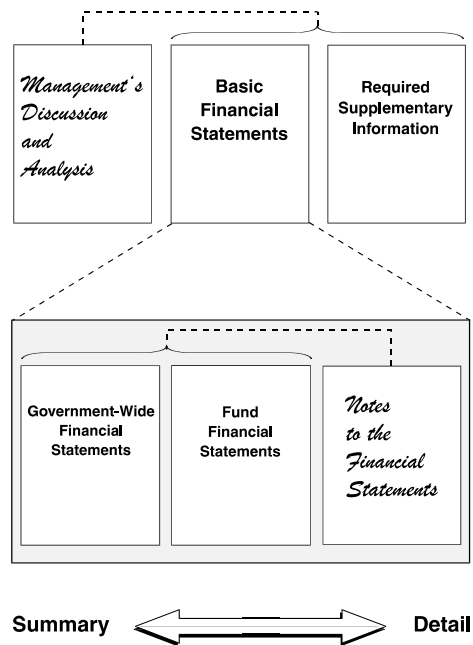
**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1  
Annual Report Format**



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

| <b>Figure A-2. Major Features of the County's Government-Wide and Fund Financial Statements</b>        |   |   |   |   |
|--|---|---|---|---|
| <b>Type of Statements</b>  | <b>Government-Wide</b>  | <b>Governmental Funds</b>   | <b>Proprietary Funds</b>  | <b>Fiduciary Funds</b>  |
| Scope  | Entire County's government (except fiduciary funds).  | The activities of the County that are not proprietary or fiduciary.   | The activities of the County that operate similar to private businesses: solid waste.   | Instances in which the County is the trustee or agent for someone else's resources.   |
| Required financial statements  | Statement of net position.  | Balance sheet.  | Statement of net position.  | Statement of fiduciary net position.  |
|  | Statement of activities.  | Statement of revenues, expenditures and changes in fund balances.   | Statement of revenues, expenses, and change in net position and statement of cash flows.  | Statement of changes in fiduciary net position.   |
| Accounting basis and measurement focus   | Accrual accounting and economic resources focus.  | Modified accrual accounting and current financial resources focus.  | Accrual accounting and economic resources focus.  | Accrual accounting and economic resources focus.  |
| Type of asset and deferred outflow of resources/liability and deferred inflow of resources information | All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term. | Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter, no capital assets included. | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term. | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both short-term and long-term, Fiduciary's funds do not currently contain capital assets, although they can. |
| Type of inflow/outflow information   | All revenues and expenses during year, regardless of when cash is received or paid.   | Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter.           | All revenues and expenses during the year, regardless of when cash is received or paid.   | All revenues and expenses during year, regardless of when cash is received or paid, as applicable.  |

**County-Wide Statements**

The County-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**County-Wide Statements (Continued)**

The two County-wide statements report the County's net position and how they have changed. Net position – the difference between the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the County, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of County buildings and other facilities.

In the County-wide financial statements, the County's activities are shown in two categories:

- Governmental activities – The County's basic services are included here. Property taxes and state aids finance most of these activities.
- Business-type activities – The County's solid waste operations are included here. Charges for services finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the County's funds – focusing on its most significant or "major" funds – not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The County establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The County has three kinds of funds:

- Governmental funds – The County's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the County-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- Proprietary funds – The County maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its solid waste transfer station. Proprietary fund financial statements provide the same type of information as the government-wide business-type financial statements, only in more detail.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Fund Financial Statements (Continued)**

- Fiduciary funds – The County is the fiscal agent, or fiduciary, for assets that belong to others. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the County-wide financial statements because the County cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

**Net Position**

The County's total net position was \$95,985,386 on December 31, 2019, an increase of \$6,054,301, after the restatement, from the prior year. The increase is primarily due positive operation results and conservative spending during the year (see Table A-1).

Table A-1  
The County's Net Position

|                                | Governmental Activities |                      | Business-Type Activities |                     | Total                |                      |
|--------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                | 2019                    | 2018                 | 2019                     | 2018                | 2019                 | 2018                 |
| Current and Other Assets       | \$ 27,646,219           | \$ 27,030,195        | \$ 1,946,857             | \$ 1,992,719        | \$ 29,593,076        | \$ 29,022,914        |
| Capital Assets                 | 86,668,552              | 83,366,333           | 648,143                  | 568,951             | 87,316,695           | 83,935,284           |
| Total Assets                   | <u>114,314,771</u>      | <u>110,396,528</u>   | <u>2,595,000</u>         | <u>2,561,670</u>    | <u>116,909,771</u>   | <u>112,958,198</u>   |
| Deferred Outflows of Resources | 2,347,213               | 3,057,661            | 27,246                   | 22,171              | 2,374,459            | 3,079,832            |
| Current Liabilities            | 3,069,556               | 4,633,276            | 110,323                  | 215,739             | 3,179,879            | 4,849,015            |
| Long-Term Liabilities          | <u>15,725,542</u>       | <u>16,608,172</u>    | <u>365,989</u>           | <u>325,074</u>      | <u>16,091,531</u>    | <u>16,933,246</u>    |
| Total Liabilities              | <u>18,795,098</u>       | <u>21,241,448</u>    | <u>476,312</u>           | <u>540,813</u>      | <u>19,271,410</u>    | <u>21,782,261</u>    |
| Deferred Inflows of Resources  | 3,975,498               | 4,290,558            | 51,936                   | 34,126              | 4,027,434            | 4,324,684            |
| Net Position                   |                         |                      |                          |                     |                      |                      |
| Net Investment in              |                         |                      |                          |                     |                      |                      |
| Capital Assets                 | 83,974,918              | 79,898,093           | 648,143                  | 568,591             | 84,623,061           | 80,466,684           |
| Restricted                     | 4,498,720               | 5,221,567            | -                        | -                   | 4,498,720            | 5,221,567            |
| Unrestricted                   | 5,417,750               | 2,802,523            | 1,445,855                | 1,440,311           | 6,863,605            | 4,242,834            |
| Total Net Position             | <u>\$ 93,891,388</u>    | <u>\$ 87,922,183</u> | <u>\$ 2,093,998</u>      | <u>\$ 2,008,902</u> | <u>\$ 95,985,386</u> | <u>\$ 89,931,085</u> |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**CHANGE IN NET POSITION**

The County-wide total revenues were \$39,174,964 for the year ended December 31, 2019 (an increase of \$910,693). This increase is primarily attributable to increases in various operating grants, property taxes, and miscellaneous revenues. Property taxes and intergovernmental revenues accounted for 79% of total revenue for the year (see Table A-2).

Table A-2  
Change in Net Position

|   | Governmental Activities |                      |                | Business-Type Activities |                     |                | Total                |                      | Total % Change |
|---|-------------------------|----------------------|----------------|--------------------------|---------------------|----------------|----------------------|----------------------|----------------|
|   | 2019                    | 2018                 | Total % Change | 2019                     | 2018                | Total % Change | 2019                 | 2018                 |                |
| <b>REVENUES</b>                               |                         |                      |                |                          |                     |                |                      |                      |                |
| <u>Program Revenues</u>                       |                         |                      |                |                          |                     |                |                      |                      |                |
| Charges for Services                          | \$ 3,554,110            | \$ 4,261,201         | (16.6)%        | \$ 2,461,952             | \$ 2,098,898        | 17.3 %         | \$ 6,016,062         | \$ 6,360,099         | (5.4)%         |
| Operating Grants and Contributions            | 8,794,232               | 8,321,414            | 5.7            | 72,045                   | 72,325              | (0.4)          | 8,866,277            | 8,393,739            | 5.6            |
| Capital Grants and Contributions              | 4,173,141               | 4,267,446            | (2.2)          | -                        | -                   | -              | 4,173,141            | 4,267,446            | (2.2)          |
| <u>General Revenues</u>                       |                         |                      |                |                          |                     |                |                      |                      |                |
| Property Taxes                                | 15,864,660              | 15,319,529           | 3.6            | -                        | -                   | -              | 15,864,660           | 15,319,529           | 3.6            |
| Unrestricted State Aid                        | 2,179,573               | 2,182,809            | (0.1)          | -                        | -                   | -              | 2,179,573            | 2,182,809            | (0.1)          |
| Investment Earnings                           | 282,547                 | 193,801              | 45.8           | -                        | -                   | -              | 282,547              | 193,801              | 45.8           |
| Other   | 1,787,125               | 1,530,476            | 16.8           | 5,579                    | 16,372              | (65.9)         | 1,792,704            | 1,546,848            | 15.9           |
| Total Revenues                                | <u>36,635,388</u>       | <u>36,076,676</u>    | 1.5            | <u>2,539,576</u>         | <u>2,187,595</u>    | 16.1           | <u>39,174,964</u>    | <u>38,264,271</u>    | 2.4            |
| <b>EXPENSES</b>                               |                         |                      |                |                          |                     |                |                      |                      |                |
| General Government                            | 6,267,980               | 6,183,012            | 1.4            | -                        | -                   | -              | 6,267,980            | 6,183,012            | 1.4            |
| Public Safety                                 | 4,825,023               | 3,615,970            | 33.4           | -                        | -                   | -              | 4,825,023            | 3,615,970            | 33.4           |
| Highways and Streets                          | 6,933,915               | 6,452,620            | 7.5            | -                        | -                   | -              | 6,933,915            | 6,452,620            | 7.5            |
| Sanitation                                    | -                       | -                    | -              | 2,454,480                | 1,922,252           | 27.7           | 2,454,480            | 1,922,252            | 27.7           |
| Human Services                                | 8,273,054               | 9,877,037            | (16.2)         | -                        | -                   | -              | 8,273,054            | 9,877,037            | (16.2)         |
| Health  | 2,766,305               | 3,389,908            | (18.4)         | -                        | -                   | -              | 2,766,305            | 3,389,908            | (18.4)         |
| Culture and Recreation                        | 354,919                 | 403,789              | (12.1)         | -                        | -                   | -              | 354,919              | 403,789              | (12.1)         |
| Conservation of Natural Resources             | 1,096,387               | 1,163,098            | (5.7)          | -                        | -                   | -              | 1,096,387            | 1,163,098            | (5.7)          |
| Economic Development                          | 92,155                  | 68,477               | 34.6           | -                        | -                   | -              | 92,155               | 68,477               | 34.6           |
| Interest                                      | 84,737                  | 97,265               | (12.9)         | -                        | -                   | -              | 84,737               | 97,265               | (12.9)         |
| Total Expenses                                | <u>30,694,475</u>       | <u>31,251,176</u>    | (1.8)          | <u>2,454,480</u>         | <u>1,922,252</u>    | 27.7           | <u>33,148,955</u>    | <u>33,173,428</u>    | (0.1)          |
| <b>CHANGE IN NET POSITION</b>                 | 5,940,913               | 4,825,500            | 23.1           | 85,096                   | 265,343             | (67.9)         | 6,026,009            | 5,090,843            | 18.4           |
| Net Position - Beginning of Year              | 87,922,183              | 84,771,938           | 3.7            | 2,008,902                | 1,781,865           | 12.7           | 89,931,085           | 86,553,803           | 3.9            |
| Change in Accounting Principle                | 28,292                  | (1,675,255)          | 101.7          | -                        | (38,306)            | 100.0          | 28,292               | (1,713,561)          | 101.7          |
| Net Position - Beginning of Year, as Restated | <u>87,950,475</u>       | <u>83,096,683</u>    | 5.8            | <u>2,008,902</u>         | <u>1,743,559</u>    | 15.2           | <u>89,959,377</u>    | <u>84,840,242</u>    | 6.0            |
| <b>NET POSITION - END OF YEAR</b>             | <u>\$ 93,891,388</u>    | <u>\$ 87,922,183</u> | 6.8            | <u>\$ 2,093,998</u>      | <u>\$ 2,008,902</u> | 4.2            | <u>\$ 95,985,386</u> | <u>\$ 89,931,085</u> | 6.7            |

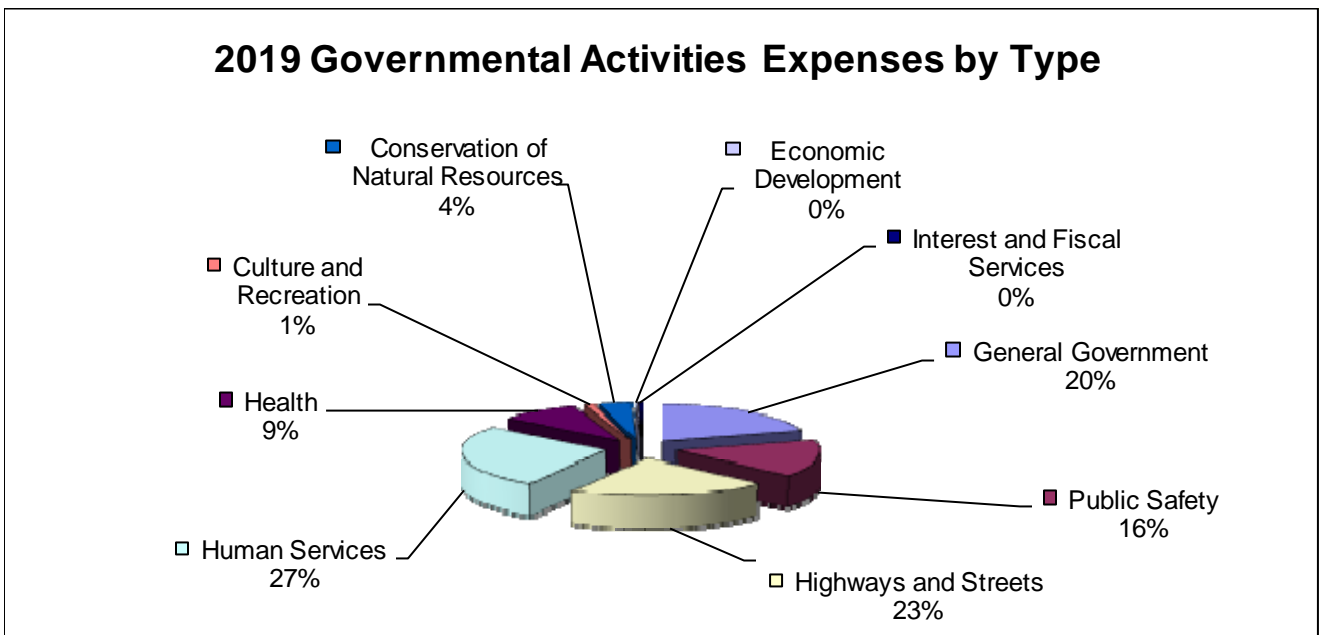
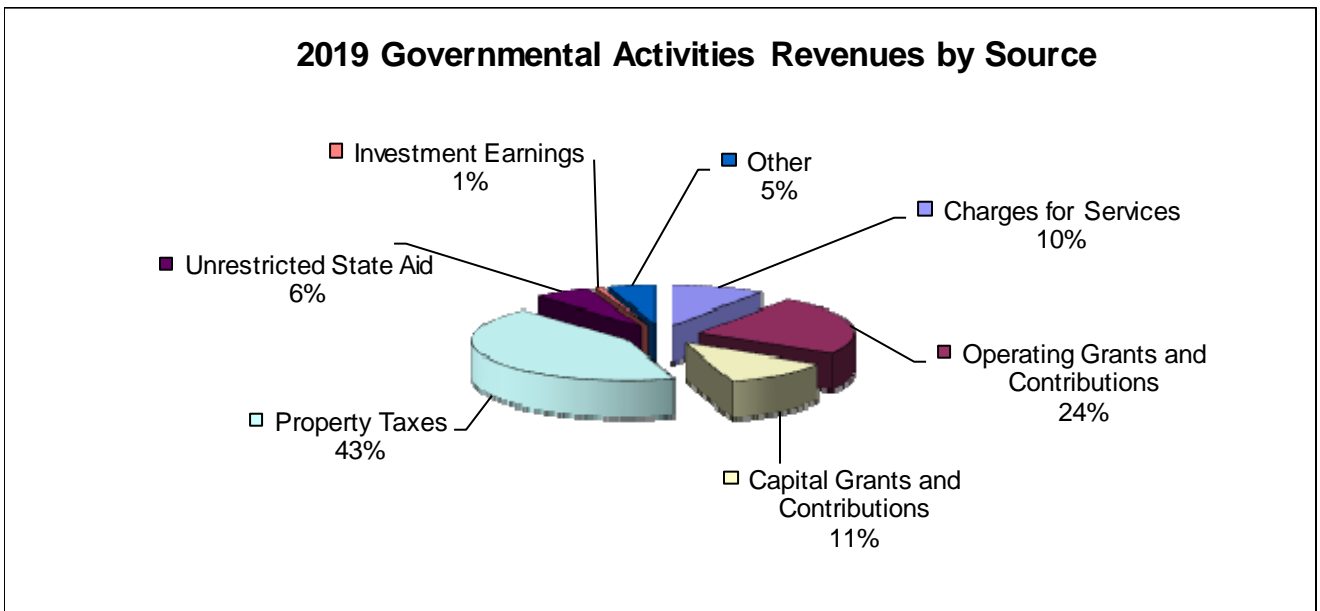
Total revenues surpassed expenses, increasing net position approximately \$6,026,009 over last year. This increase takes into account an increase in net position of \$28,292 as a result of a restatement to beginning net position, see Note 10.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**CHANGE IN NET POSITION (CONTINUED)**

The County-wide cost of all governmental activities this year was approximately \$30,694,475.

- Some of the cost was paid by the users of the County's programs (\$3,554,110).
- The federal and state governments subsidized certain programs with grants and contributions (\$12,967,373).
- The remainder of the County's governmental activities costs of \$14,172,992, however, was paid for by County taxpayers and the taxpayers of our state. This portion of governmental activities and the increase in net position was covered by \$15,864,660 in property taxes, \$2,179,573 of state aid, \$857,932 in transit sales tax, and with investment earnings and other general revenues.



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**CHANGE IN NET POSITION (CONTINUED)**

Table A-3  
Expenses and Net (Revenue) Cost of Services

|                                   | Total Cost of Services |                      | Percentage<br>Change | Net Revenue (Cost) of Services |                        | Percentage<br>Change |
|-----------------------------------|------------------------|----------------------|----------------------|--------------------------------|------------------------|----------------------|
|                                   | 2019                   | 2018                 |                      | 2019                           | 2018                   |                      |
| <b>GOVERNMENTAL ACTIVITIES</b>    |                        |                      |                      |                                |                        |                      |
| General Government                | \$ 6,267,980           | \$ 6,183,012         | 1.4 %                | \$ (4,930,408)                 | \$ (4,785,167)         | (3.0)%               |
| Public Safety                     | 4,825,023              | 3,615,970            | 33.4                 | (4,070,762)                    | (2,697,324)            | (50.9)               |
| Highways and Streets              | 6,933,915              | 6,452,620            | 7.5                  | (514,523)                      | (131,750)              | (290.5)              |
| Human Services                    | 8,273,054              | 9,877,037            | (16.2)               | (2,802,578)                    | (4,404,839)            | 36.4                 |
| Health                            | 2,766,305              | 3,389,908            | (18.4)               | (533,529)                      | (1,004,332)            | 46.9                 |
| Culture and Recreation            | 354,919                | 403,789              | (12.1)               | (345,907)                      | (394,789)              | 12.4                 |
| Conservation of Natural Resources | 1,096,387              | 1,163,098            | (5.7)                | (798,393)                      | (817,172)              | 2.3                  |
| Economic Development              | 92,155                 | 68,477               | 34.6                 | (92,155)                       | (68,477)               | (34.6)               |
| Interest                          | 84,737                 | 97,265               | (12.9)               | (84,737)                       | (97,265)               | 12.9                 |
| Total                             | <u>\$ 30,694,475</u>   | <u>\$ 31,251,176</u> | (1.8)                | <u>\$ (14,172,992)</u>         | <u>\$ (14,401,115)</u> | 1.6                  |
| <b>BUSINESS-TYPE ACTIVITIES</b>   |                        |                      |                      |                                |                        |                      |
| Solid Waste                       | <u>\$ 2,454,480</u>    | <u>\$ 1,922,252</u>  | 27.7 %               | <u>\$ 79,517</u>               | <u>\$ 248,971</u>      | (68.1)%              |

**FINANCIAL ANALYSIS OF THE COUNTY AT THE FUND LEVEL**

The financial performance of the County as a whole is reflected in its governmental funds as well. As the County completed the year, its governmental funds reported a combined fund balance of \$19,965,057. Revenues for the County's governmental funds were \$36,786,356, while total expenditures were \$34,364,614.

The General Fund includes the primary operations of the County in providing services to citizens and some capital outlay projects. Fund balance increased \$2,151,275 during 2019. This increase in fund balance is a result of an increase in intergovernmental revenue and interest revenues exceeding the increase in payroll and other purchases made in 2019.

The Public Works Fund has a total fund balance of \$3,050,996, representing a total decrease of \$224,380 (before accounting for the change in inventory) from the prior year as a result of timing of project expenditures and revenues.

The Social Services Fund has a total fund balance of \$3,085,784, representing a total increase of \$696,265 primarily as a result of fewer children in out of home placement during 2019.

The Community Health Fund increased its fund balance by \$11,773 from 2018, which is due primarily to program revenues exceeding expenditures.

The Ditch Fund increased its fund balance by \$35,213 from 2018, which is due primarily to no large maintenance projects performed in the current year.

The Capital Projects Fund reported a fund balance decrease of \$26,657 from the prior year as the result of a transfer out to the General Fund and project expenditures with no revenue in 2018.

The Solid Waste Enterprise Fund showed operating income of \$6,572. The near breakeven amount was due to fees staying the same in 2019, and revenues and expenses closely matching each other.



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**FINANCIAL ANALYSIS OF THE COUNTY AT THE FUND LEVEL (CONTINUED)**

The following schedule presents a summary of General Fund Revenues:

Table A-4  
General Fund Revenues

|                             | Year Ended           |                      | Change                 |         |
|-----------------------------|----------------------|----------------------|------------------------|---------|
|                             | December 31,<br>2019 | December 31,<br>2018 | Increase<br>(Decrease) | Percent |
| Taxes                       | \$ 8,807,759         | \$ 8,063,889         | \$ 743,870             | 9.2 %   |
| Intergovernmental           | 2,826,082            | 3,008,658            | (182,576)              | (6.1)   |
| Charges for Services        | 716,327              | 960,642              | (244,315)              | (25.4)  |
| Interest                    | 281,870              | 193,170              | 88,700                 | 45.9    |
| Miscellaneous and Other     | 1,091,197            | 912,304              | 178,893                | 19.6    |
| Total General Fund Revenues | <u>\$ 13,723,235</u> | <u>\$ 13,138,663</u> | <u>\$ 584,572</u>      | 4.4     |

Total General Fund revenues increased by \$584,572, or 4.4%, from the previous year due primarily to additional taxes and miscellaneous revenues received in the current year.

The following schedule presents a summary of General Fund Expenditures:

Table A-5  
General Fund Expenditures

|                        | Year Ended           |                      | Change                 |         |
|------------------------|----------------------|----------------------|------------------------|---------|
|                        | December 31,<br>2019 | December 31,<br>2018 | Increase<br>(Decrease) | Percent |
| General Government     | \$ 5,651,428         | \$ 5,797,867         | \$ (146,439)           | (2.5)%  |
| Public Safety          | 4,446,542            | 4,243,049            | 203,493                | 4.8     |
| Culture and Recreation | 346,097              | 386,182              | (40,085)               | (10.4)  |
| Conservation           | 1,120,066            | 1,000,621            | 119,445                | 11.9    |
| Economic Development   | 2,778                | 68,477               | (65,699)               | (95.9)  |
| Intergovernmental      | -                    | 149,598              | (149,598)              | (100.0) |
| Debt Service           | 57,330               | 87,695               | (30,365)               | (34.6)  |
| Total Expenditures     | <u>\$ 11,624,241</u> | <u>\$ 11,733,489</u> | <u>\$ (109,248)</u>    | (0.9)   |

The decrease in General Fund expenditures is due primarily to general government and intergovernmental expenditures for payroll and miscellaneous disbursements.

**General Fund Budgetary Highlights**

Over the course of the year, the County revised the annual operating budget for the General Fund for planned increases in expenditures and other minor adjustments. In general, the County does not make a significant amount of budget amendments during the year.

- Actual revenues were \$894,617 more than expected; this is primarily due to the County receiving grants that were not known when the budget was approved.
- The actual expenditures were \$1,008,616 less than the budget, which is due to many of the departments being under their budgeted expenditures for 2019.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**CAPITAL ASSETS**

By the end of 2019, the County had invested over \$136,028,000 in a broad range of capital assets, including buildings, computers, equipment, and infrastructure (see Table A-6). (More detailed information about capital assets can be found in Note 3.A.4 to the financial statements). Total depreciation expense for the year was \$3,251,464 (including the Solid Waste Enterprise Fund).

Table A-6  
The County's Capital Assets

|                                    | Governmental Activities |                      | Percent Change | Business-Type Activities |                   | Percent Change | Total                |                      | Percent Change |
|------------------------------------|-------------------------|----------------------|----------------|--------------------------|-------------------|----------------|----------------------|----------------------|----------------|
|                                    | 2019                    | 2018                 |                | 2019                     | 2018              |                | 2019                 | 2018                 |                |
| Land                               | \$ 1,005,944            | \$ 1,005,944         | - %            | \$ 37,316                | \$ 37,316         | - %            | \$ 1,043,260         | \$ 1,043,260         | - %            |
| Construction-in-Progress           | 1,391,232               | 1,086,328            | 28.1           | -                        | -                 | -              | 1,391,232            | 1,086,328            | 28.1           |
| Buildings                          | 14,358,942              | 14,343,844           | 0.1            | 481,569                  | 481,569           | -              | 14,840,511           | 14,825,413           | 0.1            |
| Improvements Other than Buildings  | -                       | -                    | -              | 28,253                   | 28,253            | -              | 28,253               | 28,253               | -              |
| Machinery, Equipment, and Vehicles | 9,746,597               | 9,279,911            | 5.0            | 1,440,356                | 1,286,404         | 12.0           | 11,186,953           | 10,566,315           | 5.9            |
| Infrastructure                     | 107,538,010             | 102,021,089          | 5.4            | -                        | -                 | -              | 107,538,010          | 102,021,089          | 5.4            |
| Less: Accumulated Depreciation     | (47,372,173)            | (44,370,783)         | 6.8            | (1,339,351)              | (1,264,591)       | 5.9            | (48,711,524)         | (45,635,374)         | 6.7            |
| <b>Total</b>                       | <b>\$ 86,668,552</b>    | <b>\$ 83,366,333</b> | <b>4.0</b>     | <b>\$ 648,143</b>        | <b>\$ 568,951</b> | <b>13.9</b>    | <b>\$ 87,316,695</b> | <b>\$ 83,935,284</b> | <b>4.0</b>     |

**LONG-TERM LIABILITIES**

At year-end, the County had \$17,368,096 in long-term liabilities outstanding, including the current portion of long-term debt.

- The County's governmental activities total long-term liabilities decreased \$649,656 largely due changes in actuarial assumptions and investment earning projects related to pensions and the pay down of G.O. Bonds as there were no new bond issuances during 2019.

Table A-7  
The County's Long-Term Liabilities

|   | 2019                 | 2018                 | Percentage Change |
|---|----------------------|----------------------|-------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>          |                      |                      |                   |
| G.O. Bonds                              | \$ 2,915,000         | \$ 3,405,000         | (14.4)%           |
| Capital Lease Obligations               | 109,099              | 160,988              | (32.2)            |
| Compensated Absences Payable            | 2,288,466            | 2,133,434            | 7.3               |
| Net Pension Liability                   | 8,658,529            | 8,876,015            | (2.5)             |
| Other Postemployment Benefits Liability | 3,008,103            | 3,053,416            | (1.5)             |
| <b>Total</b>                            | <b>\$ 16,979,197</b> | <b>\$ 17,628,853</b> | <b>(3.7)</b>      |
| <b>BUSINESS-TYPE ACTIVITIES</b>         |                      |                      |                   |
| Compensated Absences Payable            | \$ 58,356            | \$ 49,107            | 18.8              |
| Net Pension Liability                   | 254,766              | 217,188              | 17.3              |
| Other Postemployment Benefits Liability | 75,777               | 77,040               | (1.6)             |
| <b>Total</b>                            | <b>\$ 388,899</b>    | <b>\$ 343,335</b>    | <b>13.3</b>       |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**FACTORS BEARING ON THE COUNTY'S FUTURE**

The County is dependent on the State of Minnesota for a significant portion of its revenue. Recent experience demonstrates that the legislature may decrease revenues again. In addition, in early 2020, Todd County was dealing with many challenges relating to the COVID-19 pandemic. Many staff began working from home and the full impact of the pandemic has not yet been determined.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Denise Gaida, County Auditor-Treasurer at (320) 732-4472.

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## **BASIC FINANCIAL STATEMENTS**



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

|   | Primary Government         |                             |                      |
|---|----------------------------|-----------------------------|----------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total                |
| <b>ASSETS</b>   |                            |                             |                      |
| Cash and Cash Equivalents   | \$ 19,602,917              | \$ 1,777,262                | \$ 21,380,179        |
| Petty Cash and Change Funds   | 4,975                      | 160                         | 5,135                |
| Taxes Receivable  |                            |                             |                      |
| Delinquent  | 400,447                    | -                           | 400,447              |
| Special Assessments Receivable                                      |                            |                             |                      |
| Delinquent  | 1,475                      | 45,114                      | 46,589               |
| Noncurrent  | 193,414                    | -                           | 193,414              |
| Accounts Receivable - Net   | 145,469                    | 123,177                     | 268,646              |
| Accrued Interest Receivable   | 48,256                     | -                           | 48,256               |
| Loans Receivable  | 90,000                     | -                           | 90,000               |
| Internal Balances   | (1,144)                    | 1,144                       | -                    |
| Due from Other Governments  | 3,218,700                  | -                           | 3,218,700            |
| Inventory   | 645,101                    | -                           | 645,101              |
| Prepays   | 198,268                    | -                           | 198,268              |
| Investment in Joint Venture   | 3,098,341                  | -                           | 3,098,341            |
| Non-Depreciable Capital Assets                                      |                            |                             |                      |
| Land  | 1,005,944                  | 37,316                      | 1,043,260            |
| Construction-in-Progress  | 1,391,232                  | -                           | 1,391,232            |
| Depreciable Capital Assets  |                            |                             |                      |
| Building (Net)  | 9,285,105                  | 32,226                      | 9,317,331            |
| Machinery, Vehicles, Furniture, and Equipment (Net)                 | 2,395,988                  | 578,601                     | 2,974,589            |
| Infrastructure (Net)  | 72,590,283                 | -                           | 72,590,283           |
| Total Assets  | 114,314,771                | 2,595,000                   | 116,909,771          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                               |                            |                             |                      |
| Loss on Refunding   | 75,659                     | -                           | 75,659               |
| Pension Related   | 2,099,991                  | 22,465                      | 2,122,456            |
| OPEB Related  | 171,563                    | 4,781                       | 176,344              |
| Total Deferred Outflows of Resources                                | 2,347,213                  | 27,246                      | 2,374,459            |
| <b>LIABILITIES</b>  |                            |                             |                      |
| Accounts Payable  | 452,939                    | 59,639                      | 512,578              |
| Salaries Payable  | 936,115                    | 25,663                      | 961,778              |
| Contracts Payable   | 97,840                     | -                           | 97,840               |
| Due to Other Governments  | 159,463                    | 2,111                       | 161,574              |
| Accrued Interest Payable  | 32,944                     | -                           | 32,944               |
| Unearned Revenue  | 46,203                     | -                           | 46,203               |
| Compensated Absences Payable - Due Within One Year                  | 618,846                    | 18,129                      | 636,975              |
| Capital Leases Payable - Due Within One Year                        | 53,643                     | -                           | 53,643               |
| General Obligation Bonds Payable - Due Within One Year              | 500,000                    | -                           | 500,000              |
| Other Postemployment Benefits Liability - Due Within One Year       | 171,563                    | 4,781                       | 176,344              |
| Compensated Absences Payable - Due in More than One Year            | 1,669,620                  | 40,227                      | 1,709,847            |
| General Obligation Bonds Payable - Due in More than One Year        | 2,505,397                  | -                           | 2,505,397            |
| Capital Leases Payable - Due in More than One Year                  | 55,456                     | -                           | 55,456               |
| Other Postemployment Benefits Liability - Due in More than One Year | 2,836,540                  | 70,996                      | 2,907,536            |
| Net Pension Liability - Due in More than One Year                   | 8,658,529                  | 254,766                     | 8,913,295            |
| Total Liabilities   | 18,795,098                 | 476,312                     | 19,271,410           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                |                            |                             |                      |
| Pension Related   | 3,889,937                  | 50,049                      | 3,939,986            |
| Property Taxes Collected for Subsequent Period                      | 17,858                     | -                           | 17,858               |
| OPEB Related  | 67,703                     | 1,887                       | 69,590               |
| Total Deferred Inflows of Resources                                 | 3,975,498                  | 51,936                      | 4,027,434            |
| <b>NET POSITION</b>   |                            |                             |                      |
| Net Investment in Capital Assets                                    | 83,974,918                 | 648,143                     | 84,623,061           |
| Restricted For:   |                            |                             |                      |
| Veterans Services Purchases   | 172,189                    | -                           | 172,189              |
| Law Library Purchases   | 102,126                    | -                           | 102,126              |
| Recorder's Technology/Compliance Purchases                          | 688,106                    | -                           | 688,106              |
| E-911 and Sheriff Programs  | 412,379                    | -                           | 412,379              |
| Debt Service  | 683,958                    | -                           | 683,958              |
| Revolving Loans   | 90,000                     | -                           | 90,000               |
| Development   | 8,916                      | -                           | 8,916                |
| Soil and Water Conservation Expenses                                | 272,601                    | -                           | 272,601              |
| Planning and Zoning Grants  | 160,929                    | -                           | 160,929              |
| Transportation  | 1,907,516                  | -                           | 1,907,516            |
| Unrestricted  | 5,417,750                  | 1,445,855                   | 6,863,605            |
| Total Net Position  | <u>\$ 93,891,388</u>       | <u>\$ 2,093,998</u>         | <u>\$ 95,985,386</u> |

See accompanying Notes to Financial Statements.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019**

| FUNCTIONS/PROGRAMS                | Expenses             | Program Revenues                   |                                       |                                     |
|-----------------------------------|----------------------|------------------------------------|---------------------------------------|-------------------------------------|
|                                   |                      | Fees, Charges,<br>Fines, and Other | Operating Grants<br>and Contributions | Capital Grants<br>and Contributions |
| <b>GOVERNMENTAL ACTIVITIES</b>    |                      |                                    |                                       |                                     |
| General Government                | \$ 6,267,980         | \$ 952,360                         | \$ 381,152                            | \$ 4,060                            |
| Public Safety                     | 4,825,023            | 427,344                            | 226,530                               | 100,387                             |
| Highways and Streets              | 6,933,915            | 491,688                            | 1,951,032                             | 3,976,672                           |
| Human Services                    | 8,273,054            | 731,277                            | 4,739,199                             | -                                   |
| Health                            | 2,766,305            | 896,422                            | 1,336,354                             | -                                   |
| Culture and Recreation            | 354,919              | 9,012                              | -                                     | -                                   |
| Conservation of Natural Resources | 1,096,387            | 46,007                             | 159,965                               | 92,022                              |
| Economic Development              | 92,155               | -                                  | -                                     | -                                   |
| Interest                          | 84,737               | -                                  | -                                     | -                                   |
| Total Governmental Activities     | 30,694,475           | 3,554,110                          | 8,794,232                             | 4,173,141                           |
| <b>BUSINESS-TYPE ACTIVITIES</b>   |                      |                                    |                                       |                                     |
| Solid Waste                       | 2,454,480            | 2,461,952                          | 72,045                                | -                                   |
| Total Primary Government          | <u>\$ 33,148,955</u> | <u>\$ 6,016,062</u>                | <u>\$ 8,866,277</u>                   | <u>\$ 4,173,141</u>                 |

**GENERAL REVENUES**

Property Taxes  
Mortgage Registry and Deed Tax  
Payments in Lieu of Tax  
Transit Sales and Use Tax  
Insurance Dividends  
Grants and Contributions not Restricted for a Particular Purpose  
Investment Earnings  
Miscellaneous  
Gain on Sale of Capital Assets

Total General Revenues and Transfers

**CHANGE IN NET POSITION**

Net Position - Beginning of Year  
Restatement (See Note 10)  
Net Position - Beginning of Year, as Restated

**NET POSITION - END OF YEAR**



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2019**

| Net (Expense) Revenue and Changes in Net Position |                             |                |
|---|-----------------------------|----------------|
| Primary Government                                |                             |                |
| Governmental<br>Activities                        | Business-Type<br>Activities | Total          |
| \$ (4,930,408)                                    | \$ -                        | \$ (4,930,408) |
| (4,070,762)                                       | -                           | (4,070,762)    |
| (514,523)   | -                           | (514,523)      |
| (2,802,578)                                       | -                           | (2,802,578)    |
| (533,529)   | -                           | (533,529)      |
| (345,907)   | -                           | (345,907)      |
| (798,393)   | -                           | (798,393)      |
| (92,155)  | -                           | (92,155)       |
| (84,737)  | -                           | (84,737)       |
| (14,172,992)                                      | -                           | (14,172,992)   |
| -   | 79,517                      | 79,517         |
| (14,172,992)                                      | 79,517                      | (14,093,475)   |
| 15,864,660  | -                           | 15,864,660     |
| 19,178  | -                           | 19,178         |
| 118,018   | -                           | 118,018        |
| 857,932   | -                           | 857,932        |
| 82,029  | 5,579                       | 87,608         |
| 2,179,573   | -                           | 2,179,573      |
| 282,547   | -                           | 282,547        |
| 700,348   | -                           | 700,348        |
| 9,620   | -                           | 9,620          |
| 20,113,905  | 5,579                       | 20,119,484     |
| 5,940,913   | 85,096                      | 6,026,009      |
| 87,922,183  | 2,008,902                   | 89,931,085     |
| 28,292  | -                           | 28,292         |
| 87,950,475  | 2,008,902                   | 89,959,377     |
| \$ 93,891,388                                     | \$ 2,093,998                | \$ 95,985,386  |

See accompanying Notes to Financial Statements.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

|   | Major Funds          |                     |                     |
|---|----------------------|---------------------|---------------------|
|   | General              | Public Works        | Social Services     |
| <b>ASSETS</b>   |                      |                     |                     |
| Cash and Cash Equivalents   | \$ 11,847,424        | \$ 2,567,605        | \$ 3,117,025        |
| Petty Cash and Change Funds   | 4,330                | 475                 | 100                 |
| Taxes Receivable  |                      |                     |                     |
| Delinquent  | 218,762              | 62,348              | 93,402              |
| Special Assessments Receivable                                      |                      |                     |                     |
| Delinquent  | -                    | -                   | -                   |
| Noncurrent  | -                    | -                   | -                   |
| Accounts Receivable   | 19,759               | 930                 | 53,203              |
| Accrued Interest Receivable   | 48,256               | -                   | -                   |
| Loans Receivable  | -                    | -                   | -                   |
| Due from Other Funds  | 77,520               | -                   | 35,811              |
| Due from Other Governments  | 105,823              | 2,269,738           | 485,751             |
| Prepaid Assets  | 193,909              | -                   | 2,572               |
| Inventories   | -                    | 645,101             | -                   |
| Advances to Other Funds   | 229,558              | -                   | -                   |
| Total Assets  | <u>\$ 12,745,341</u> | <u>\$ 5,546,197</u> | <u>\$ 3,787,864</u> |
| <b>LIABILITIES</b>  |                      |                     |                     |
| Accounts Payable  | \$ 107,382           | \$ 44,633           | \$ 267,606          |
| Salaries Payable  | 418,812              | 129,654             | 240,760             |
| Contracts Payable   | -                    | 97,840              | -                   |
| Due to Other Funds  | -                    | -                   | -                   |
| Due to Other Governments  | 548                  | 3,889               | 25,706              |
| Unearned Revenue  | -                    | -                   | 1,650               |
| Advance from Other Funds  | -                    | -                   | -                   |
| Total Liabilities   | <u>526,742</u>       | <u>276,016</u>      | <u>535,722</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                |                      |                     |                     |
| Unavailable Taxes   | 160,534              | 49,072              | 73,801              |
| Unavailable Special Assessments                                     | -                    | -                   | -                   |
| Unavailable Grants  | -                    | 2,167,352           | 88,479              |
| Property Taxes Collected for Subsequent Period                      | 9,945                | 2,761               | 4,078               |
| Total Deferred Inflows of Resources                                 | <u>170,479</u>       | <u>2,219,185</u>    | <u>166,358</u>      |
| <b>FUND BALANCES</b>  |                      |                     |                     |
| Nonspendable  |                      |                     |                     |
| Advances to Other Funds   | 229,558              | -                   | -                   |
| Prepays   | 193,909              | -                   | 2,572               |
| Inventories   | -                    | 645,101             | -                   |
| Restricted  |                      |                     |                     |
| Veterans Services Purchases   | 172,189              | -                   | -                   |
| Law Library Purchases   | 102,126              | -                   | -                   |
| Recorder Technology/Compliance Purchases                            | 688,106              | -                   | -                   |
| Planning and Zoning Department Grants                               | 160,929              | -                   | -                   |
| E-911 Equipment   | 280,730              | -                   | -                   |
| Sheriff Contingency   | 330                  | -                   | -                   |
| Sheriff Canteen   | 10,071               | -                   | -                   |
| Gun Permits   | 121,248              | -                   | -                   |
| Debt Service  | -                    | -                   | -                   |
| Revolving Loans   | -                    | -                   | -                   |
| Development   | -                    | -                   | -                   |
| Soil and Conservation District                                      | 272,601              | -                   | -                   |
| Forfeited Tax Sale  | -                    | -                   | -                   |
| Committed   |                      |                     |                     |
| Elections   | 25,500               | -                   | -                   |
| Future Public Works Building  | 934,000              | -                   | -                   |
| Road Projects   | -                    | 2,298,332           | -                   |
| Vehicle Purchases   | 55,000               | -                   | -                   |
| Equipment Purchases   | -                    | 107,563             | -                   |
| Social Services Operations  | -                    | -                   | 3,083,212           |
| Community Health Operations   | -                    | -                   | -                   |
| Buildings and Grounds   | 751,916              | -                   | -                   |
| Capital Improvements  | -                    | -                   | -                   |
| Parks and Trails Operations   | -                    | -                   | -                   |
| Assigned  |                      |                     |                     |
| Disaster Contingency  | 12,000               | -                   | -                   |
| Unassigned  | 8,037,907            | -                   | -                   |
| Total Fund Balances   | <u>12,048,120</u>    | <u>3,050,996</u>    | <u>3,085,784</u>    |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 12,745,341</u> | <u>\$ 5,546,197</u> | <u>\$ 3,787,864</u> |

See accompanying Notes to Financial Statements.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2019**

| Community<br>Health | County<br>Ditch   | Capital<br>Projects | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------|-------------------|---------------------|--------------------------------|--------------------------------|
| \$ 994,786          | \$ 82,623         | \$ 5,905            | \$ 987,549                     | \$ 19,602,917                  |
| 70                  | -                 | -                   | -                              | 4,975                          |
| 10,579              | -                 | -                   | 15,356                         | 400,447                        |
| -                   | 1,475             | -                   | -                              | 1,475                          |
| -                   | 193,414           | -                   | -                              | 193,414                        |
| 71,577              | -                 | -                   | -                              | 145,469                        |
| -                   | -                 | -                   | -                              | 48,256                         |
| -                   | -                 | -                   | 90,000                         | 90,000                         |
| -                   | -                 | -                   | -                              | 113,331                        |
| 305,915             | -                 | -                   | 51,473                         | 3,218,700                      |
| 1,787               | -                 | -                   | -                              | 198,268                        |
| -                   | -                 | -                   | -                              | 645,101                        |
| -                   | -                 | -                   | -                              | 229,558                        |
| <u>\$ 1,384,714</u> | <u>\$ 277,512</u> | <u>\$ 5,905</u>     | <u>\$ 1,144,378</u>            | <u>\$ 24,891,911</u>           |
| \$ 17,656           | \$ -              | \$ -                | \$ 15,662                      | \$ 452,939                     |
| 141,571             | -                 | -                   | 5,318                          | 936,115                        |
| -                   | -                 | -                   | -                              | 97,840                         |
| -                   | -                 | -                   | 114,475                        | 114,475                        |
| 4,301               | 410               | -                   | 124,609                        | 159,463                        |
| 44,553              | -                 | -                   | -                              | 46,203                         |
| -                   | 229,558           | -                   | -                              | 229,558                        |
| 208,081             | 229,968           | -                   | 260,064                        | 2,036,593                      |
| 19,869              | -                 | -                   | 12,186                         | 315,462                        |
| -                   | 193,695           | -                   | -                              | 193,695                        |
| 107,415             | -                 | -                   | -                              | 2,363,246                      |
| 440                 | -                 | -                   | 634                            | 17,858                         |
| 127,724             | 193,695           | -                   | 12,820                         | 2,890,261                      |
| -                   | -                 | -                   | -                              | 229,558                        |
| 1,787               | -                 | -                   | -                              | 198,268                        |
| -                   | -                 | -                   | -                              | 645,101                        |
| -                   | -                 | -                   | -                              | 172,189                        |
| -                   | -                 | -                   | -                              | 102,126                        |
| -                   | -                 | -                   | -                              | 688,106                        |
| -                   | -                 | -                   | -                              | 160,929                        |
| -                   | -                 | -                   | -                              | 280,730                        |
| -                   | -                 | -                   | -                              | 330                            |
| -                   | -                 | -                   | -                              | 10,071                         |
| -                   | -                 | -                   | -                              | 121,248                        |
| -                   | -                 | -                   | 705,040                        | 705,040                        |
| -                   | -                 | -                   | 90,000                         | 90,000                         |
| -                   | -                 | -                   | 8,916                          | 8,916                          |
| -                   | -                 | -                   | -                              | 272,601                        |
| -                   | -                 | -                   | 24                             | 24                             |
| -                   | -                 | -                   | -                              | 25,500                         |
| -                   | -                 | -                   | -                              | 934,000                        |
| -                   | -                 | -                   | -                              | 2,298,332                      |
| -                   | -                 | -                   | -                              | 55,000                         |
| -                   | -                 | -                   | -                              | 107,563                        |
| -                   | -                 | -                   | -                              | 3,083,212                      |
| 1,047,122           | -                 | -                   | -                              | 1,047,122                      |
| -                   | -                 | -                   | -                              | 751,916                        |
| -                   | -                 | 5,905               | -                              | 5,905                          |
| -                   | -                 | -                   | 67,514                         | 67,514                         |
| -                   | -                 | -                   | -                              | 12,000                         |
| -                   | (146,151)         | -                   | -                              | 7,891,756                      |
| <u>1,048,909</u>    | <u>(146,151)</u>  | <u>5,905</u>        | <u>871,494</u>                 | <u>19,965,057</u>              |
| <u>\$ 1,384,714</u> | <u>\$ 277,512</u> | <u>\$ 5,905</u>     | <u>\$ 1,144,378</u>            | <u>\$ 24,891,911</u>           |

See accompanying Notes to Financial Statements.

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**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2019**

|  |                  |                             |
|--|------------------|-----------------------------|
| <b>TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS</b>  |                  | <b>\$ 19,965,057</b>        |
| Total net position reported for governmental activities in the statement of net position is different because:   |                  |                             |
| Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. |                  | 86,668,552                  |
| The County's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:               |                  |                             |
| Net Pension Liability  | \$ (8,658,529)   |                             |
| Deferred Inflows of Resources - Pension Related  | (3,889,937)      |                             |
| Deferred Outflows of Resources - Pension Related   | <u>2,099,991</u> | (10,448,475)                |
| The County's Other Postemployment Benefit Liability and related deferred outflows are recorded only on the statement of net position. Balances at year-end are:          |                  |                             |
| Other Postemployment Benefits Liability  | (3,008,103)      |                             |
| Deferred Inflows of Resources - OPEB Related   | (67,703)         |                             |
| Deferred Outflows of Resources - OPEB Related  | <u>171,563</u>   | (2,904,243)                 |
| Investment in joint ventures are reported in governmental activities and are not financial resources. Therefore, they are not reported in the governmental funds.        |                  | 3,098,341                   |
| Other long-term assets (deferred inflows of resources) are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.  |                  | 2,872,403                   |
| The loss on refunding is reported as a deferred outflow on the statement of net position and amortized over the life of the bonds.                                       |                  | 75,659                      |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.                |                  |                             |
| General Obligation Courthouse Bonds, Net   | (3,005,397)      |                             |
| Capital Leases   | (109,099)        |                             |
| Compensated Absences   | (2,288,466)      |                             |
| Accrued Interest Payable   | <u>(32,944)</u>  | <u>(5,435,906)</u>          |
| <b>TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES</b>   |                  | <b><u>\$ 93,891,388</u></b> |

See accompanying Notes to Financial Statements.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2019**

|   | Major Funds          |                     |                     |
|---|----------------------|---------------------|---------------------|
|   | General              | Public Works        | Social Services     |
| <b>REVENUES</b>   |                      |                     |                     |
| Taxes   | \$ 8,807,759         | \$ 2,391,900        | \$ 3,533,370        |
| Transit Sales and Use Tax                               | -                    | 857,932             | -                   |
| Special Assessments                                     | 4,060                | -                   | -                   |
| Licenses and Permits                                    | 153,252              | -                   | -                   |
| Intergovernmental                                       | 2,826,082            | 6,813,531           | 4,378,057           |
| Charges for Services                                    | 716,327              | 215,474             | 278,882             |
| Fines and Forfeits                                      | 11,890               | -                   | -                   |
| Gifts and Contributions                                 | 35,525               | -                   | 135                 |
| Interest on Investments                                 | 281,870              | 677                 | 663                 |
| Insurance Dividend                                      | 37,743               | 26,283              | 4,632               |
| Miscellaneous   | 848,727              | 286,843             | 368,144             |
| Total Revenues  | 13,723,235           | 10,592,640          | 8,563,883           |
| <b>EXPENDITURES</b>                                     |                      |                     |                     |
| <b>CURRENT</b>  |                      |                     |                     |
| General Government                                      | 5,651,428            | -                   | -                   |
| Public Safety   | 4,446,542            | -                   | -                   |
| Highways and Streets                                    | -                    | 10,818,484          | -                   |
| Human Services  | -                    | -                   | 7,867,621           |
| Health  | -                    | -                   | -                   |
| Culture and Recreation                                  | 346,097              | -                   | -                   |
| Conservation of Natural Resources                       | 1,120,066            | -                   | -                   |
| Economic Development                                    | 2,778                | -                   | -                   |
| <b>DEBT SERVICE</b>                                     |                      |                     |                     |
| Principal   | 51,889               | -                   | -                   |
| Interest  | 5,441                | -                   | -                   |
| Administrative (Fiscal) Charges                         | -                    | -                   | -                   |
| Total Expenditures                                      | 11,624,241           | 10,818,484          | 7,867,621           |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | 2,098,994            | (225,844)           | 696,262             |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                      |                     |                     |
| Transfers In  | 19,441               | -                   | 3                   |
| Transfers Out   | (62,300)             | (2,737)             | -                   |
| Proceeds from Sale of Assets                            | 7,211                | 4,201               | -                   |
| Proceeds from Insurance                                 | 87,929               | -                   | -                   |
| Total Other Financing Sources (Uses)                    | 52,281               | 1,464               | 3                   |
| <b>NET CHANGE IN FUND BALANCES</b>                      | 2,151,275            | (224,380)           | 696,265             |
| Fund Balances - Beginning of Year                       | 9,896,845            | 3,238,777           | 2,389,519           |
| Change in Accounting Principle                          | -                    | -                   | -                   |
| Fund Balances - Beginning of Year, as Restated          | 9,896,845            | 3,238,777           | 2,389,519           |
| <b>INCREASE IN INVENTORY</b>                            | -                    | 36,599              | -                   |
| <b>FUND BALANCES - END OF YEAR</b>                      | <u>\$ 12,048,120</u> | <u>\$ 3,050,996</u> | <u>\$ 3,085,784</u> |

See accompanying Notes to Financial Statements.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2019**

| Community<br>Health | County<br>Ditch     | Capital<br>Projects | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------|---------------------|---------------------|--------------------------------|--------------------------------|
| \$ 381,584          | \$ -                | \$ -                | \$ 779,928                     | \$ 15,894,541                  |
| -                   | -                   | -                   | -                              | 857,932                        |
| -                   | 55,705              | -                   | -                              | 59,765                         |
| -                   | -                   | -                   | -                              | 153,252                        |
| 1,103,467           | -                   | -                   | 245,673                        | 15,366,810                     |
| 1,202,024           | -                   | -                   | -                              | 2,412,707                      |
| -                   | -                   | -                   | -                              | 11,890                         |
| -                   | -                   | -                   | -                              | 35,660                         |
| -                   | -                   | -                   | 14                             | 283,224                        |
| 12,519              | -                   | -                   | 175                            | 81,352                         |
| 76,015              | -                   | -                   | 49,494                         | 1,629,223                      |
| <u>2,775,609</u>    | <u>55,705</u>       | <u>-</u>            | <u>1,075,284</u>               | <u>36,786,356</u>              |
| -                   | -                   | 15,098              | 212,855                        | 5,879,381                      |
| -                   | -                   | -                   | -                              | 4,446,542                      |
| -                   | -                   | -                   | -                              | 10,818,484                     |
| -                   | -                   | -                   | 358,024                        | 8,225,645                      |
| 2,763,836           | -                   | -                   | -                              | 2,763,836                      |
| -                   | -                   | -                   | 8,822                          | 354,919                        |
| -                   | 15,347              | -                   | -                              | 1,135,413                      |
| -                   | -                   | -                   | 106,777                        | 109,555                        |
| -                   | -                   | -                   | 490,000                        | 541,889                        |
| -                   | -                   | -                   | 81,659                         | 87,100                         |
| -                   | -                   | -                   | 1,850                          | 1,850                          |
| <u>2,763,836</u>    | <u>15,347</u>       | <u>15,098</u>       | <u>1,259,987</u>               | <u>34,364,614</u>              |
| 11,773              | 40,358              | (15,098)            | (184,703)                      | 2,421,742                      |
| -                   | -                   | 2,737               | 62,300                         | 84,481                         |
| -                   | (5,145)             | (14,296)            | (3)                            | (84,481)                       |
| -                   | -                   | -                   | -                              | 11,412                         |
| -                   | -                   | -                   | -                              | 87,929                         |
| <u>-</u>            | <u>(5,145)</u>      | <u>(11,559)</u>     | <u>62,297</u>                  | <u>99,341</u>                  |
| 11,773              | 35,213              | (26,657)            | (122,406)                      | 2,521,083                      |
| 1,037,136           | (181,364)           | 32,562              | 965,608                        | 17,379,083                     |
| -                   | -                   | -                   | 28,292                         | 28,292                         |
| <u>1,037,136</u>    | <u>(181,364)</u>    | <u>32,562</u>       | <u>993,900</u>                 | <u>17,407,375</u>              |
| -                   | -                   | -                   | -                              | 36,599                         |
| <u>\$ 1,048,909</u> | <u>\$ (146,151)</u> | <u>\$ 5,905</u>     | <u>\$ 871,494</u>              | <u>\$ 19,965,057</u>           |

See accompanying Notes to Financial Statements.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 2,521,083**

Amounts reported for governmental activities in the statement of activities are different because:

Transactions to report Investment in Joint Venture  
 Increase (Decrease) in Investment in Joint Venture 688,052

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

|  |                    |           |
|--|--------------------|-----------|
| Expenditures for General Capital Assets, Infrastructure, and Other Related Capital |                    |           |
| Asset Adjustments  | \$ 6,463,287       |           |
| Current Year Depreciation  | <u>(3,159,276)</u> | 3,304,011 |

Pension expenditures on the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources. (92,348)

OPEB expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds. (9,413)

In the statement of activities, only the gain or loss on the disposal of capital assets are reported whereas in the governmental funds, the proceeds from the disposal increase financial resources. Therefore, the change in net position differs from the change in fund balance by the cost of the capital assets disposed of. (1,792)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (896,349)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

|                          |               |         |
|--------------------------|---------------|---------|
| Principal Repayments:    |               |         |
| General Obligation Bonds | 490,000       |         |
| Capital Lease            | <u>51,889</u> | 541,889 |

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

|   |               |                  |
|---|---------------|------------------|
| Change in Accrued Interest Payable            | 3,683         |                  |
| Change in Unamortized Refunding Loss on Bonds | (12,970)      |                  |
| Change in Unamortized Bond Premium            | 13,500        |                  |
| Change in Compensated Absences                | (155,032)     |                  |
| Change in Inventories                         | <u>36,599</u> | <u>(114,220)</u> |

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 5,940,913**



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
STATEMENT OF NET POSITION  
SOLID WASTE ENTERPRISE FUND  
DECEMBER 31, 2019**

**ASSETS**

**CURRENT ASSETS**

|                                |    |           |
|--------------------------------|----|-----------|
| Cash and Cash Equivalents      | \$ | 1,777,262 |
| Petty Cash and Change Funds    |    | 160       |
| Special Assessments Receivable |    |           |
| Delinquent                     |    | 45,114    |
| Accounts Receivable (Net)      |    | 123,177   |
| Due from Other Funds           |    | 1,144     |
| Total Current Assets           |    | 1,946,857 |

**NONCURRENT ASSETS**

**CAPITAL ASSETS**

|  |  |           |
|--|--|-----------|
| Land   |  | 37,316    |
| Building (Net)                                     |  | 32,226    |
| Machinery, Vehicles, Furniture and Equipment (Net) |  | 578,601   |
| Total Noncurrent Assets                            |  | 648,143   |
| Total Assets                                       |  | 2,595,000 |

**DEFERRED OUTFLOWS OF RESOURCES**

|                                      |  |        |
|--------------------------------------|--|--------|
| Pension Related                      |  | 22,465 |
| OPEB Related                         |  | 4,781  |
| Total Deferred Outflows of Resources |  | 27,246 |

**LIABILITIES**

**CURRENT LIABILITIES**

|   |  |         |
|---|--|---------|
| Accounts Payable  |  | 59,639  |
| Salaries Payable  |  | 25,663  |
| Due to Other Governments                                      |  | 2,111   |
| Compensated Absences Payable - Due Within One Year            |  | 18,129  |
| Other Postemployment Benefits Liability - Due Within One Year |  | 4,781   |
| Total Current Liabilities                                     |  | 110,323 |

**NONCURRENT LIABILITIES**

|   |  |         |
|---|--|---------|
| Net Pension Liability   |  | 254,766 |
| Compensated Absences - Due in More than One Year                    |  | 40,227  |
| Other Postemployment Benefits Liability - Due in More than One Year |  | 70,996  |
| Total Noncurrent Liabilities  |  | 365,989 |
| Total Liabilities   |  | 476,312 |

**DEFERRED INFLOWS OF RESOURCES**

|                                     |  |        |
|-------------------------------------|--|--------|
| Pension Related                     |  | 50,049 |
| OPEB Related                        |  | 1,887  |
| Total Deferred Inflows of Resources |  | 51,936 |

**NET POSITION**

|                                  |  |              |
|----------------------------------|--|--------------|
| Net Investment in Capital Assets |  | 648,143      |
| Unrestricted                     |  | 1,445,855    |
| Total Net Position               |  | \$ 2,093,998 |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
SOLID WASTE ENTERPRISE FUND  
YEAR ENDED DECEMBER 31, 2019**

**OPERATING REVENUES**

|                                |              |
|--------------------------------|--------------|
| Sales and Charges for Services | \$ 1,731,986 |
| Operating Special Assessments  | 728,822      |
| Total Operating Revenues       | 2,460,808    |

**OPERATING EXPENSES**

|                          |           |
|--------------------------|-----------|
| Sanitation               | 2,362,048 |
| Depreciation             | 92,188    |
| Total Operating Expenses | 2,454,236 |

**OPERATING INCOME**

6,572

**NONOPERATING REVENUES (EXPENSES)**

|  |        |
|--|--------|
| Intergovernmental                      | 72,045 |
| Forfeit Land Sale Proceeds             | 1,144  |
| Insurance Dividend                     | 5,579  |
| Loss on Sale of Capital Assets         | (244)  |
| Total Nonoperating Revenues (Expenses) | 78,524 |

**CHANGE IN NET POSITION**

85,096

|                                  |           |
|----------------------------------|-----------|
| Net Position - Beginning of Year | 2,008,902 |
|                                  | 2,093,998 |

**NET POSITION - END OF YEAR**

\$ 2,093,998

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
STATEMENT OF CASH FLOWS  
SOLID WASTE ENTERPRISE FUND  
YEAR ENDED DECEMBER 31, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |              |
|---|--------------|
| Receipts from Customers and Users           | \$ 1,705,124 |
| Receipts from Operating Special Assessments | 729,546      |
| Payments to Suppliers                       | (1,959,259)  |
| Payments to Employees                       | (454,555)    |
| Net Cash Provided by Operating Activities   | 20,856       |

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

|  |        |
|--|--------|
| Interfund Borrowing                                  | 1,844  |
| Intergovernmental Receipts                           | 72,045 |
| Insurance Dividend                                   | 5,579  |
| Net Cash Provided by Noncapital Financing Activities | 79,468 |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|   |           |
|---|-----------|
| Purchases of Capital Assets                               | (186,124) |
| Proceeds from Sale of Capital Assets                      | 14,500    |
| Net Cash Used by Capital and Related Financing Activities | (171,624) |

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

|  |          |
|--|----------|
|  | (71,300) |
|--|----------|

Cash and Cash Equivalents - Beginning of Year

|  |           |
|--|-----------|
|  | 1,848,562 |
|--|-----------|

**CASH AND CASH EQUIVALENTS - END OF YEAR**

|  |              |
|--|--------------|
|  | \$ 1,777,262 |
|--|--------------|

**RECONCILIATION OF OPERATING INCOME TO  
CASH FLOWS FROM OPERATING ACTIVITIES**

|  |           |
|--|-----------|
| Operating Income   | \$ 6,572  |
| Adjustments to Reconcile Operating Income<br>to Net Cash Provided by Operating Activities: |           |
| Depreciation   | 92,188    |
| (Increase) Decrease in Assets:   |           |
| Accounts Receivable  | (27,069)  |
| Due from Other Governments   | 207       |
| Special Assessments Receivable   | 724       |
| Deferred Outflows of Resources - Pension Related   | (4,295)   |
| Deferred Outflows of Resources - OPEB Related  | (780)     |
| Increase (Decrease) in Liabilities:  |           |
| Accounts Payable   | (110,389) |
| Salaries Payable   | 5,334     |
| Due to Other Governments   | (5,010)   |
| Compensated Absences Payable   | 9,249     |
| Net Pension Liability  | 37,578    |
| Other Postemployment Benefits Liability  | (1,263)   |
| Deferred Inflows of Resources - Pension Related  | 15,923    |
| Deferred Inflows of Resources - OPEB Related   | 1,887     |
| Net Cash Provided by Operating Activities  | \$ 20,856 |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2019**

|   | Social Welfare<br>Private Purpose<br>Trust Fund | Custodial<br>Funds |
|---|---|--------------------|
| <b>ASSETS</b>                                     |   |                    |
| Cash and Cash Equivalents                         | \$ 69,601                                       | \$ 1,983,986       |
| Taxes for Other Governments                       | -   | 504,501            |
| Accounts Receivable                               | -   | 13,376             |
| Total Assets                                      | 69,601  | 2,501,863          |
| <b>LIABILITIES</b>                                |   |                    |
| Due to Others                                     | -   | 193,188            |
| Salaries Payable                                  | -   | 81,258             |
| Due to Other Governments                          | -   | 525,168            |
| Total Liabilities                                 | -   | 799,614            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |   |                    |
| Property Taxes Collected for Subsequent Period    | -   | 17,858             |
| <b>NET POSITION</b>                               |   |                    |
| Restricted for:                                   |   |                    |
| Individuals, Organizations, and Other Governments | \$ 69,601                                       | \$ 1,684,391       |

See accompanying Notes to Financial Statements.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED DECEMBER 31, 2019**

|  | Social Welfare<br>Private Purpose<br>Trust Fund | Custodial<br>Funds  |
|--|---|---------------------|
| <b>ADDITIONS</b>   |   |                     |
| Contributions:   |   |                     |
| Individuals  | \$ 623,891                                      | \$ 439,827          |
| Property Tax Collections for Other Governments               | -   | 16,186,992          |
| License and Fees Collected for State                         | -   | 704,351             |
| Miscellaneous  | -   | 3,233,339           |
| Total Additions  | 623,891   | 20,564,509          |
| <b>DEDUCTIONS</b>  |   |                     |
| Beneficiary Payments to Individuals                          | 635,655   | 174,639             |
| Payments to State  | -   | 269,574             |
| Miscellaneous  | -   | 19,620,744          |
| Total Deductions   | 635,655   | 20,064,957          |
| <b>NET INCREASE (DECREASE)<br/>IN FIDUCIARY NET POSITION</b> | (11,764)  | 499,552             |
| Fiduciary Net Position - Beginning of Year                   | -   | -                   |
| Change in Accounting Principle                               | 81,365  | 1,184,839           |
| Fiduciary Net Position - Beginning of Year, as Restated      | 81,365  | 1,184,839           |
| <b>FIDUCIARY NET POSITION - END OF YEAR</b>                  | <b>\$ 69,601</b>                                | <b>\$ 1,684,391</b> |

See accompanying Notes to Financial Statements.

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**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Todd County's (the County) financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

**A. Financial Reporting Entity**

Todd County was established February 20, 1855, as an organized county having the powers, duties, and privileges granted counties by Minnesota Statutes ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Todd County (primary government) and its component units for which the County is financially accountable. There is financial accountability if the primary government appoints a voting majority of an organization's governing body and had the ability to impose its will on that governing body; or there is the potential for the organization to provide specific financial benefits or to impose specific financial burden on the primary government. Based on the criteria for determining component units, the County is not required to include any component units. The County is governed by a 5-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice-chair elected at the annual meeting in January of each year. The County Auditor-Treasurer serves as the clerk of the Board but does not vote in its decisions.

Blended Component Unit

The financial statements of the Todd County Development Corporation have been included in the financial reporting entity as a blended component unit. The County accounts for these activities in its Todd County Development Special Revenue Fund.

Joint Ventures

The County participates in joint ventures which are described in Note 9.C. The County also participates in jointly-governed organizations which are described in Note 9.D, and a related organization is described in Note 9.E.

**B. Basic Financial Statements**

**1. Government-Wide Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the primary government. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties for support.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basic Financial Statements (Continued)

1. Government-Wide Statements (Continued)

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

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

2. Fund Financial Statements

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

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



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

The County reports the following major governmental funds:

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

The Public Works Special Revenue Fund is used to account for revenues and expenditures of the County Highway Department which is responsible for the construction and maintenance of roads, bridges, and other projects affecting County roadways. Property taxes and intergovernmental revenues are the primary funds committed for these projects.

The Social Services Special Revenue Fund is used to account for economic assistance and community social services programs which are funded primarily by property taxes and intergovernmental revenues.

The Community Health Special Revenue Fund is used to account for the financial activities of the Todd County Nursing Service. Financing is provided by grants for health purposes and charges for nursing care.

The County Ditch Special Revenue Fund is used to account for the repair, maintenance, and construction of ditches within the County. Special assessment revenues are the primary revenue source restricted for this purpose.

The Capital Projects Fund is used to account for the construction of major capital improvements within the County, which are not related to business-type activities.

The County reports the following major enterprise fund:

The Solid Waste Fund is used to account for the operation, maintenance, and development of the County solid waste transfer station.

Additionally, the County reports the following fiduciary fund types:

Social Welfare Private Purpose Trust Fund – The Private Purpose Trust Fund is used to report all fiduciary activities that are held in a trust for social welfare accounts.

Custodial Funds - The Custodial Funds are used to report fiduciary activities that are not required to be reported in pension or OPEB trust funds, investment trust funds, or private purpose trust funds.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Measurement Focus and Basis of Accounting

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

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

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

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

1. Cash and Cash Equivalents

Cash and cash equivalents are identified only for the purpose of the statement of cash flows reporting by the proprietary fund. The County has defined cash and cash equivalents to include cash on hand and demand deposits. Additionally, each fund's equity in the County's pooled cash is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

2. Deposits

The cash balances of substantially all funds are pooled by the County Auditor-Treasurer for the purpose of increased interest earnings. Pursuant to Minnesota Statutes §385.07, interest earnings on cash are credited to the General Fund. Other funds received interest earnings based on other state statutes, grant agreements, contracts, and bond covenants. During the current year, the County collected taxes prepaid for the subsequent year. The County's portion of these taxes will be recognized as revenue in the year for which they were levied and are presented as Undistributed Cash in Custodial Fund on the fund level statements and offset with deferred inflows of resources.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

3. Receivables and Payables

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

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are reflected in a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for spending.

Accounts receivable in the solid waste fund are offset by an allowance for doubtful accounts. The County estimated this balance to be \$752 at December 31, 2019. The County develops an estimate of this allowance based on specific identification. All other accounts receivable are considered to be collectible in full.

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 on May 15 and the second half payment due October 15.

Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

4. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories in governmental funds are recorded as expenditures when purchased rather than when consumed. Inventories at the government-wide level are recorded as expenses when consumed. The statement of revenues, expenditures, and changes in fund balances reports the change in inventory as a direct adjustment to fund balance in accordance with applicable accounting standards.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. In the case of the initial capitalization of infrastructure, the County retroactively implemented the reporting of this item when GASB #34 was implemented. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

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

| Assets  | Years |
|---|-------|
| Buildings                                     | 20-40 |
| Infrastructure                                | 15-50 |
| Machinery, Vehicles, Furniture, and Equipment | 3-10  |

6. Compensated Absences

The liability for compensated absences reported in financial statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of bond issuance.

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

8. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period. The County will not recognize the related outflow until a future event occurs. More detailed information about pension related deferred outflows of resources can be found in Note 5 to the financial statements. More detailed information about OPEB related deferred outflows of resources can be found in Note 7 to the financial statements.

9. Deferred Inflows of Resources

The County's governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund balance that applies to a future period. The County will not recognize the related revenue until a future event occurs. More detailed information about pension related deferred inflows of resources can be found in Note 5 to the financial statements. More detailed information about OPEB related deferred outflows of resources can be found in Note 7 to the financial statements.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

10. Net Pension Liability

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. 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.

11. Other Postemployment Benefits Liability (OPEB Liability)

For purposes of measuring the OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit term.

12. Fund Balance

In the fund financial statements, governmental funds report nonspendable, restricted, committed, and unassigned fund balances. Nonspendable portions of fund balance relate to prepaids, inventories, and long term receivables, as applicable. Restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Commissioners. The County reports \$2,612,310 of restricted fund balance on the governmental fund balance sheet due to enabling legislation. The Board passed a resolution authorizing the County Auditor-Treasurer to assign fund balances and their intended uses. Unassigned fund balance is the residual classification for the County's General Fund and includes all spendable amounts not contained in other classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the County's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the County's policy to use committed first, then assigned, and finally unassigned amounts.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

13. Use of Estimates

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

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

A. Deficit Fund Balance

The following funds had deficit fund balance as of December 31, 2019:

|                   |    |         |
|-------------------|----|---------|
| County Ditch Fund | \$ | 146,151 |
|-------------------|----|---------|

The County Ditch Fund's deficit will be eliminated with future special assessment revenues.

B. Expenditures in Excess of Budget

The following fund had expenditures in excess of budget at the fund level for the year ended December 31, 2019:

|              | Expenditures  | Final Budget  | Excess     |
|--------------|---------------|---------------|------------|
| Public Works | \$ 10,818,484 | \$ 10,553,032 | \$ 265,452 |

The excess expenditures were funded with greater than anticipated revenues and existing fund balance.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

A. Assets

1. Deposits

As of December 31, 2019, Todd County had the following deposits:

|   |                      |
|---|----------------------|
| Statement of Net Position                 |                      |
| Cash and Cash Equivalents                 | \$ 21,380,179        |
| Petty Cash                                | 5,135                |
| Statement of Fiduciary Net Position       |                      |
| Social Welfare Private Purpose Trust Fund | 69,601               |
| Other Custodial Funds                     | 1,983,986            |
| Total Deposits                            | <u>\$ 23,438,901</u> |

Custodial Credit Risk – Deposits - In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledge must equal 110 % of the deposits not covered by insurance or corporate surety bonds.

Authorized collateral includes: U.S. government treasury bills, notes, or bonds, issues of U.S. government agency; general obligation of the state or local government rated “A” or better; revenue obligations of the state or local government rated “AA” or better; irrevocable standby letters of credit issue by the Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository. As of December 31, 2019, the County’s deposits are fully collateralized and insured.



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

A. Assets (Continued)

2. Receivables

Receivables as of December 31, 2019, for the County governmental activities, including the applicable allowances for uncollectible accounts, are as follows:

|                                 | <u>Total<br/>Receivables</u> | <u>Amounts Not<br/>Scheduled for<br/>Collection<br/>During the<br/>Subsequent Year</u> |
|---------------------------------|------------------------------|--|
| <b>Governmental Activities</b>  |                              |  |
| Taxes                           | \$ 400,447                   | \$ -   |
| Special Assessments             | 194,889                      | 171,018  |
| Accounts                        | 145,469                      | -  |
| Interest                        | 48,256                       | -  |
| Loans                           | 90,000                       | -  |
| Due from Other Governments      | 3,218,700                    | -  |
| Total Governmental Activities   | \$ 4,097,761                 | \$ 171,018   |
| <b>Business-Type Activities</b> |                              |  |
| Special Assessments             | \$ 45,114                    | \$ -   |
| Accounts                        | 123,177                      | -  |
| Total Business-Type Activities  | \$ 168,291                   | \$ -   |

3. Loans Receivable

Loans receivable consist of cash loans to private enterprises, as described below:

|  |                  |
|--|------------------|
| The Reichert Place, Long Prairie, Minnesota; Original Loan of \$90,000 at 1% Interest, Due in One Lump Sum on September 1, 2031. | <u>\$ 90,000</u> |
|--|------------------|

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

A. Assets (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

|   | Beginning<br>Balance | Additions and<br>Transfers | Deletions and<br>Transfers | Ending<br>Balance    |
|---|----------------------|----------------------------|----------------------------|----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                |                      |                            |                            |                      |
| Capital Assets, Not Being Depreciated         |                      |                            |                            |                      |
| Land and Right of Way                         | \$ 1,005,944         | \$ -                       | \$ -                       | \$ 1,005,944         |
| Construction-in-Progress                      | 1,086,328            | 5,864,897                  | 5,559,993                  | 1,391,232            |
| Total Capital Assets, Not Being Depreciated   | <u>2,092,272</u>     | <u>5,864,897</u>           | <u>5,559,993</u>           | <u>2,397,176</u>     |
| Capital Assets, Being Depreciated             |                      |                            |                            |                      |
| Buildings                                     | 14,343,844           | 15,098                     | -                          | 14,358,942           |
| Machinery, Vehicles, Furniture, and Equipment | 9,279,911            | 626,364                    | 159,678                    | 9,746,597            |
| Infrastructure                                | 102,021,089          | 5,516,921                  | -                          | 107,538,010          |
| Total Capital Assets, Being Depreciated       | <u>125,644,844</u>   | <u>6,158,383</u>           | <u>159,678</u>             | <u>131,643,549</u>   |
| Less: Accumulated Depreciation For            |                      |                            |                            |                      |
| Buildings                                     | 4,772,168            | 301,669                    | -                          | 5,073,837            |
| Machinery, Vehicles, Furniture, and Equipment | 6,702,601            | 805,894                    | 157,886                    | 7,350,609            |
| Infrastructure                                | 32,896,014           | 2,051,713                  | -                          | 34,947,727           |
| Total Accumulated Depreciation                | <u>44,370,783</u>    | <u>3,159,276</u>           | <u>157,886</u>             | <u>47,372,173</u>    |
| Total Capital Assets, Being Depreciated, Net  | <u>81,274,061</u>    | <u>2,999,107</u>           | <u>1,792</u>               | <u>84,271,376</u>    |
| Governmental Activities Capital Assets, Net   | <u>\$ 83,366,333</u> | <u>\$ 8,864,004</u>        | <u>\$ 5,561,785</u>        | <u>\$ 86,668,552</u> |
| <b>BUSINESS-TYPE ACTIVITIES</b>               |                      |                            |                            |                      |
| Capital Assets, Not Being Depreciated         |                      |                            |                            |                      |
| Land  | \$ 37,316            | \$ -                       | \$ -                       | \$ 37,316            |
| Capital Assets, Being Depreciated             |                      |                            |                            |                      |
| Buildings                                     | 481,569              | -                          | -                          | 481,569              |
| Improvements Other than Buildings             | 28,253               | -                          | -                          | 28,253               |
| Machinery and Vehicles                        | 1,286,404            | 186,124                    | 32,172                     | 1,440,356            |
| Total Capital Assets, Being Depreciated       | <u>1,796,226</u>     | <u>186,124</u>             | <u>32,172</u>              | <u>1,950,178</u>     |
| Less: Accumulated Depreciation For            |                      |                            |                            |                      |
| Buildings                                     | 446,534              | 2,809                      | -                          | 449,343              |
| Improvements Other than Buildings             | 28,253               | -                          | -                          | 28,253               |
| Machinery and Vehicles                        | 789,804              | 89,379                     | 17,428                     | 861,755              |
| Total Accumulated Depreciation                | <u>1,264,591</u>     | <u>92,188</u>              | <u>17,428</u>              | <u>1,339,351</u>     |
| Total Capital Assets, Being Depreciated, Net  | <u>531,635</u>       | <u>93,936</u>              | <u>14,744</u>              | <u>610,827</u>       |
| Business-Type Activities Capital Assets, Net  | <u>\$ 568,951</u>    | <u>\$ 93,936</u>           | <u>\$ 14,744</u>           | <u>\$ 648,143</u>    |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

A. Assets (Continued)

4. Capital Assets (Continued)

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

|  |           |                  |
|--|-----------|------------------|
| Governmental Activities  |           |                  |
| General Government   | \$        | 460,328          |
| Public Safety  |           | 279,749          |
| Highways and Streets, Including Depreciation of<br>Infrastructure Assets |           | 2,411,541        |
| Conservation of Natural Resources  |           | 7,419            |
| Human Services   |           | 239              |
| Total Depreciation Expense - Governmental Activities                     | <u>\$</u> | <u>3,159,276</u> |
| Business-Type Activities   |           |                  |
| Solid Waste  | <u>\$</u> | <u>92,188</u>    |

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2019, is as follows:

1. Due To/From Other Funds

| Receivable Fund      | Payable Fund                  | Amount            | Purpose                    |
|----------------------|-------------------------------|-------------------|----------------------------|
| Major Funds          |                               |                   |                            |
| General Fund         | Forfeited Tax Land            | \$ 77,520         | Forfeited Land Settlement  |
| Solid Waste Fund     | Forfeited Tax Land            | 1,144             | Forfeited Land Settlement  |
| Social Services Fund | Energy Assistance             | <u>35,811</u>     | Reimbursement for Expenses |
|                      | Total Due To/From Other Funds | <u>\$ 114,475</u> |                            |

2. Advances From/To Other Funds

The following are not expected to be repaid within one year:

| Receivable Fund | Payable Fund | Amount            | Purpose       |
|-----------------|--------------|-------------------|---------------|
| Major Funds     |              |                   |               |
| General         | County Ditch | <u>\$ 229,558</u> | Negative Cash |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

3. Interfund Transfers

Interfund transfers for the year ended December 31, 2019, consisted of the following:

| Funds   | Amount                  | Purpose                                 |
|---|-------------------------|---|
| Transfer to General Fund from                   |                         |   |
| Ditch Fund                                      | \$ 5,145                | Payment for ditch inspector services    |
| Capital Projects Fund                           | 14,296                  | ADA transition plan funding             |
| Transfer to Social Services Fund from           |                         |   |
| Minnesota Housing Finance                       | 3                       | Close out fund                          |
| Transfers to Nonmajor Special Revenue Fund from |                         |   |
| General Fund                                    | 62,300                  | Forfeited settlement and appropriations |
| Transfer to Capital Projects Fund from          |                         |   |
| Public Works Fund                               | <u>2,737</u>            | Provide funds for northern shop project |
| Total Transfers In/Out                          | <u><u>\$ 84,481</u></u> |   |

C. Liabilities

1. Long-Term Debt

Governmental Activities

| Types of Indebtedness          | Final Maturity | Annual Installment Amounts | Interest Rate (%) | Original Issues Amount | Outstanding Balance December 31, 2019 |
|--------------------------------|----------------|----------------------------|-------------------|------------------------|---------------------------------------|
| 2010 GO Courthouse Bonds       | 2027           | \$180,000-<br>345,000      | 5.85 - 6.00%      | \$ 525,000             | \$ 525,000                            |
| 2013 GO Refunding Bonds        | 2020           | 170,000-<br>180,000        | 0.40 - 1.20       | 1,050,000              | 180,000                               |
| 2016 GO Refunding bonds        | 2026           | 185,000-<br>355,000        | 2.00              | <u>3,140,000</u>       | <u>2,210,000</u>                      |
| Total General Obligation Bonds |                |                            |                   | <u>\$ 4,715,000</u>    | 2,915,000                             |
| Add: Unamortized Premium       |                |                            |                   |                        | <u>90,397</u>                         |
| Total Bonds                    |                |                            |                   |                        | <u><u>\$ 3,005,397</u></u>            |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

C. Liabilities (Continued)

2. Debt Service Requirements

Debt service requirements at December 31, 2019, were as follows:

Governmental Activities

| Year Ending<br>December 31, | 2010 GO Courthouse Bonds |                   | 2016 GO Refunding Bonds |                   | 2013 GO Refunding Bonds |                 |
|-----------------------------|--------------------------|-------------------|-------------------------|-------------------|-------------------------|-----------------|
|                             | Principal                | Interest          | Principal               | Interest          | Principal               | Interest        |
| 2020                        | \$ -                     | \$ 31,230         | \$ 320,000              | \$ 41,000         | \$ 180,000              | \$ 1,080        |
| 2021                        | -                        | 31,230            | 325,000                 | 34,550            | -                       | -               |
| 2022                        | -                        | 31,230            | 335,000                 | 27,950            | -                       | -               |
| 2023                        | -                        | 31,230            | 340,000                 | 21,200            | -                       | -               |
| 2024                        | -                        | 31,230            | 350,000                 | 14,300            | -                       | -               |
| 2025-2027                   | 525,000                  | 67,545            | 540,000                 | 9,100             | -                       | -               |
| Total                       | <u>\$ 525,000</u>        | <u>\$ 223,695</u> | <u>\$ 2,210,000</u>     | <u>\$ 148,100</u> | <u>\$ 180,000</u>       | <u>\$ 1,080</u> |

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019, was as follows:

|   | Beginning<br>Balance | Additions           | Reductions          | Ending<br>Balance   | Due Within<br>One Year |
|---|----------------------|---------------------|---------------------|---------------------|------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                  |                      |                     |                     |                     |                        |
| 2010 GO Courthouse Bonds                        | \$ 525,000           | \$ -                | \$ -                | \$ 525,000          | \$ -                   |
| 2013 GO Refunding Bonds                         | 355,000              | -                   | 175,000             | 180,000             | 180,000                |
| 2016 GO Refunding Bonds                         | 2,525,000            | -                   | 315,000             | 2,210,000           | 320,000                |
| Unamortized Premiums                            | 103,897              | -                   | 13,500              | 90,397              | -                      |
| Capital Lease Obligation                        | 160,988              | -                   | 51,889              | 109,099             | 53,643                 |
| Compensated Absences                            | 2,133,434            | 1,312,351           | 1,157,319           | 2,288,466           | 618,846                |
| Governmental Activity Long-Term<br>Liabilities  | <u>\$ 5,803,319</u>  | <u>\$ 1,312,351</u> | <u>\$ 1,712,708</u> | <u>\$ 5,402,962</u> | <u>\$ 1,172,489</u>    |
| <b>BUSINESS-TYPE ACTIVITIES</b>                 |                      |                     |                     |                     |                        |
| Compensated Absences                            | \$ 49,107            | \$ 37,040           | \$ 27,791           | \$ 58,356           | \$ 18,129              |
| Business-Type Activity Long-Term<br>Liabilities | <u>\$ 49,107</u>     | <u>\$ 37,040</u>    | <u>\$ 27,791</u>    | <u>\$ 58,356</u>    | <u>\$ 18,129</u>       |

The GO Bonds are liquidated by the Debt Service Fund. The compensated absences and capital leases are liquidated by the General Fund for governmental activities and the compensated absences of the business-type activities are liquidated by the Solid Waste Fund.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 4 LEASES**

**A. Capital Leases**

The County entered into a lease agreement for financing the acquisition of Motorola microwave radios.

At December 31, 2019, the County had total assets under capital lease of \$352,124 with the related accumulated depreciation of \$374,556. Details about the capital lease at December 31, 2019 are as follows:

| Lease                     | Maturity  | Installment | Payment<br>Amount | Original<br>Issue | 12/31/19<br>Balance |
|---------------------------|-----------|-------------|-------------------|-------------------|---------------------|
| Motorola Microwave Radios | 11/1/2021 | Annual      | \$ 57,330         | \$ 352,124        | \$ 109,099          |

Future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, were as follows:

| Year Ending<br>December 31     | Amount            |
|--------------------------------|-------------------|
| 2020                           | \$ 57,330         |
| 2021                           | 57,330            |
| Total minimum lease payments   | 114,660           |
| Less: amount representing      | (5,561)           |
| Present value of minimum lease | <u>\$ 109,099</u> |

**B. Operating Leases**

The County entered into lease agreements for copier leases for various departments within the County. The 2019 expenditures (including maintenance and supplies) under this lease agreement totaled \$32,370. Minimum lease payments over the term of these leases are as follows:

| Year          | Minimum<br>Payments |
|---------------|---------------------|
| 2020          | \$ 18,700           |
| 2021          | 15,355              |
| 2022          | 5,716               |
| Total Minimum | <u>\$ 39,771</u>    |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 PENSION PLANS**

A. 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. All full-time and certain part-time employees are covered by defined benefit pension plans administered by PERA as defined below.

1. General Employees Retirement 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 a local relief association that elected to merge with and transfer assets and administration to PERA.

3. Local Government Correctional Plan

The Correctional Plan was established for correctional officers serving in county and regional corrections facilities. Eligible participants must be responsible for the security, custody, and control of the facilities and their inmates.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 PENSION PLANS (CONTINUED)**

**B. Benefits Provided**

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% of average salary for each of the first 10 years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary 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.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent 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. For 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.



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 PENSION PLANS (CONTINUED)**

B. Benefits Provided (Continued)

2. Police and Fire Benefits

Benefits for Police and Fire 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.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be 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. For 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.

3. Correctional Plan Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. The annuity accrual rate is 1.9% of average salary for each year of service in that plan. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of at least 1% and a maximum of 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 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. For 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.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 PENSION PLANS (CONTINUED)**

C. 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 2019 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, 2019, were \$827,957. The County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.8% of pay to 11.3% and employer rates increased from 16.2% to 16.95% on January 1, 2019. The County's contributions to the Police and Fire Fund for the year ended December 31, 2019, were \$210,892. The County's contributions were equal to the required contributions as set by state statute.

3. Correctional Fund Contributions

Plan members were required to contribute 5.83% of their annual covered salary and the County was required to contribute 8.75% of pay for plan members in fiscal year 2019. The County's contributions to the Correctional Fund for the year ended December 31, 2019, were \$78,112. The County's contributions were equal to the required contributions as set by state statute.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 PENSION PLANS (CONTINUED)**

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2019, the County reported a liability of \$7,642,980 for its proportionate share of the General Employee 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 to the fund in 2019. 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 \$237,440. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all PERA's participating employers. At June 30, 2019, the County's portion was 0.1536% which was a decrease of 0.003% from its proportion measured as of June 30, 2018.

|   |    |              |
|---|----|--------------|
| County's Proportionate Share of the Net Pension Liability | \$ | 7,642,980    |
| State's Proportionate Share of the Net Pension Liability  |    | 237,440      |
| Total   |    | \$ 7,880,420 |

There were no provision changes during the measurement period.

For the year ended December 31, 2019, the County recognized pension expense of \$823,540 for its proportionate share of General Employees Plan's pension expense. In addition, the County recognized an additional \$17,782 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.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

At December 31, 2019, the County reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

| Description   | Deferred Outflows<br>of Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual<br>Economic Experience                      | \$ 211,815                        | \$ -                             |
| Changes in Actuarial Assumptions  | -                                 | 600,743                          |
| Net Difference Between Projected and Actual<br>Earnings on Pension Plan Investments | -                                 | 774,706                          |
| Changes in Proportion   | 87,855                            | 126,014                          |
| County Contributions Subsequent to the<br>Measurement Date                          | 374,285                           | -                                |
| Total   | <u>\$ 673,955</u>                 | <u>\$ 1,501,463</u>              |

\$374,285 is reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended December 31 | Pension Expense<br>Amount |
|------------------------|---------------------------|
| 2020                   | \$ (401,003)              |
| 2021                   | (618,094)                 |
| 2022                   | (195,011)                 |
| 2023                   | 12,315                    |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

2. Police and Fire Pension Costs

At December 31, 2019, the County reported a liability of \$1,212,581 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the County's proportion was 0.1139%, which was an increase of 0.0031% from its proportion measured as of June 30, 2018. The County also recognized \$15,376 for the year ended December 31, 2019 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. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90% funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

There were no provision changes during the measurement period.

For the year ended December 31, 2019, the County recognized pension expense of \$259,216 for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2019, 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:

| Description  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Economic Experience                      | \$ 51,485                         | \$ 184,568                       |
| Changes in Actuarial Assumptions   | 1,006,250                         | 1,361,356                        |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | -                                 | 252,552                          |
| Changes in Proportion  | 130,492                           | 43,742                           |
| County Contributions Subsequent to the Measurement Date                          | 109,031                           | -                                |
| Total  | <u>\$ 1,297,258</u>               | <u>\$ 1,842,218</u>              |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

2. Police and Fire Pension Costs (Continued)

\$109,031 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended December 31 | Pension Expense<br>Amount |
|------------------------|---------------------------|
| 2020                   | \$ (58,169)               |
| 2021                   | (163,958)                 |
| 2022                   | (465,096)                 |
| 2023                   | 25,489                    |
| 2024                   | 7,743                     |

3. Correctional Plan Pension Costs

At December 31, 2019, the County reported a liability of \$57,734 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the County's proportion was 0.417%, which was an increase of 0.06% from its proportion measured as of June 30, 2018.

There were no provision changes during the measurement period.

For the year ended December 31, 2019, the County recognized pension expense of \$153,768 for its proportionate share of the Correctional Plan's pension expense.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

3. Correctional Plan Pension Costs (Continued)

At December 31, 2019, the County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description  | Deferred Outflows<br>of Resources | Deferred Inflows of<br>Resources |
|--|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Economic Experience                      | \$ 2,123                          | \$ 9,437                         |
| Changes in Actuarial Assumptions   | -                                 | 512,576                          |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | -                                 | 74,292                           |
| Changes in Proportion  | 108,769                           | -                                |
| County Contributions Subsequent to the Measurement Date                          | 40,351                            | -                                |
| Total  | <u>\$ 151,243</u>                 | <u>\$ 596,305</u>                |

\$40,351 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended December 31 | Pension Expense<br>Amount |
|------------------------|---------------------------|
| 2020                   | \$ (262,108)              |
| 2021                   | (228,242)                 |
| 2022                   | 4,377                     |
| 2023                   | 560                       |

The total pension expense for all plans recognized by the County for the year ended December 31, 2019, was \$1,254,306.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 5 PENSION PLANS (CONTINUED)**

E. Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

|                           |                 |
|---------------------------|-----------------|
| Inflation                 | 2.50%, Per Year |
| Salary Increases          | 3.25%, Per Year |
| Investment Rate of Return | 7.50%           |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan, 1.0% per year for the Police and Fire Plan, and 2.0% per year for the Correctional Plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016. The five-year experience study for the Correctional Plan, prepared by a former actuary, was completed in 2012. The mortality assumption for the Correctional Plan is based on the Police and Fire Plan experience study completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2019:

General Employees Fund

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.

Police and Fire Fund

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.

Correctional Fund

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.



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
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**NOTE 5 PENSION PLANS (CONTINUED)**

E. Actuarial Assumptions (Continued)

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<br>Expected Real Rate<br>of Return |
|----------------------|-------------------|--|
| Domestic Equity      | 35.50 %           | 5.10 %                                       |
| Private Markets      | 25.00             | 5.90   |
| Fixed Income         | 20.00             | 0.75   |
| International Equity | 17.50             | 5.90   |
| Cash Equivalents     | 2.00              | 0.00   |
| Totals               | 100 %             |  |

F. Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.50%. 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, the Police and Fire Fund, and the Correctional 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.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 PENSION PLANS (CONTINUED)**

G. 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:

| Description           | General Employees Fund |               | Police and Fire Fund |              | Correctional Fund |            |
|-----------------------|------------------------|---------------|----------------------|--------------|-------------------|------------|
| 1% Lower              | 6.50%                  | \$ 13,960,719 | 6.50%                | \$ 2,650,476 | 6.50%             | \$ 615,321 |
| Current Discount Rate | 7.50%                  | 7,642,980     | 7.50%                | 1,212,581    | 7.50%             | 57,734     |
| 1% Higher             | 8.50%                  | 3,976,850     | 8.50%                | 23           | 8.50%             | (388,427)  |

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

I. Pension Allocation

The County allocation includes pension amounts related to Community Corrections, a separately audited Custodial fund. Therefore, the deferred outflows of resources, the net pension liability, and the deferred inflows of resources that are associated with accounting for pensions, are not applicable to the Community Corrections of the County and are not presented on the face of the financial statements. Below is the allocation of the pension related amounts to various funds:

|                                      | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Pension<br>Liability | Pension<br>Expense  | State's<br>Proportionate<br>Share of NPL | Special<br>Funding |
|--------------------------------------|--------------------------------------|-------------------------------------|--------------------------|---------------------|--|--------------------|
| Governmental Activities              | \$ 2,099,991                         | \$ 3,889,937                        | \$ 8,658,529             | \$ 1,129,464        | \$ 206,573                               | \$ 17,189          |
| Business-Type Activities             |                                      |                                     |                          |                     |  |                    |
| Solid Waste                          | 22,465                               | 50,049                              | 254,766                  | 24,706              | 7,123                                    | 593                |
| Community Corrections Custodial Fund | 74,884                               | 166,829                             | 849,220                  | 82,354              | 23,744                                   | 1,976              |
| Total                                | <u>\$ 2,197,340</u>                  | <u>\$ 4,106,815</u>                 | <u>\$ 9,762,515</u>      | <u>\$ 1,236,524</u> | <u>\$ 237,440</u>                        | <u>\$ 19,758</u>   |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 DEFINED CONTRIBUTION PLAN**

Two Commissioners of the County are covered by the Public Employees 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 5% 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 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 2% of employer contributions and twenty-five hundredths of 1% (0.25%) of the assets in each member's account annually.

Total contributions made by the County during fiscal year 2019 were:

| Contribution Amount |          | Percentage of Covered Payroll |          | Required Rate |
|---------------------|----------|-------------------------------|----------|---------------|
| Employee            | Employer | Employee                      | Employer |               |
| \$1,154             | \$1,154  | 5%                            | 5%       | 5%            |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS**

A. Plan Description

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. The County provides benefits for retirees as required by Minnesota Statutes §471.61 subdivision 2b. County policy determines the County's contributions to the plan. Active employees who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program. Pursuant to the provisions of the plan, retirees hired after are required to pay 100% of the total premium cost. Todd County contributed \$75,918 towards retiree health insurance. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy.

B. Plan Participants Covered by Benefit Terms

At December 31, 2019, the following plan participants were covered by the benefit terms:

|                             |     |
|-----------------------------|-----|
| Active                      | 192 |
| Retirees receiving payments | 11  |
| Spouses receiving payments  | 2   |
| Total                       | 205 |

There were no inactive employees entitled to but not yet receiving benefits.

C. Funding Policy

The County's OPEB plan is financed on a pay-as-you-go basis and currently has no assets that have been deposited into an irrevocable trust for future health benefits. Therefore, the actuarial value of assets is zero. Separate stand-alone financial statements are not issued for the plan.

D. Actuarial Methods and Assumptions

The County's OPEB liability was measured as of January 1, 2019, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                         |   |
|-------------------------|---|
| Inflation               | 2.5%                                      |
| Salary                  | 3.0%                                      |
| Health Care Trend Rates | 6.25% Decreasing to<br>5.00% Over 6 Years |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

D. Actuarial Methods and Assumptions (Continued)

Mortality rates were based on the RP-2014 white collar mortality tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2017 to December 31, 2017.

The discount rate used to measure the total OPEB liability was 3.8%. The discount rate is equal to the 20-Year Municipal Bond Yield.

Since the most recent GASB 45 valuation, the following assumption changes have been made as of the January 1, 2018 measurement date:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for all employees were updated.
- The discount rate was changed from 3.50% to 3.30%.

The following assumption changes have been made as of the January 1, 2019 measurement date:

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

E. Changes in Total OPEB Liability

|                                    | Total OPEB liability |
|------------------------------------|----------------------|
| Balance as of December 31, 2018    | \$ 3,130,456         |
| Changes for the Year:              |                      |
| Service Cost                       | 93,471               |
| Interest                           | 103,729              |
| Assumption Changes                 | (81,189)             |
| Benefit Payments                   | (162,587)            |
| Net Change in Total OPEB Liability | (46,576)             |
| Balance as of December 31, 2019    | \$ 3,083,880         |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

E. Changes in Total OPEB Liability (Continued)

The following presents the total OPEB liability of the County, as well as what the County's total OPEB 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:

|                      | Discount Rate       |              |                     |
|----------------------|---------------------|--------------|---------------------|
|                      | 1% Decrease (2.80%) | (3.80%)      | 1% Increase (4.80%) |
| Total OPEB Liability | \$ 3,267,150        | \$ 3,083,880 | \$ 2,907,624        |

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.25% decreasing to 4.00% over 6 years) or 1% higher (7.25% decreasing to 6.00% over 6 years) than the current healthcare cost trend rates:

|                      | Current Trend Rates                        |                                |  |
|----------------------|--|--------------------------------|--|
| Medical Trend Rate   | 1% Decrease (5.25%<br>Decreasing to 4.00%) | (6.25% Decreasing to<br>5.00%) | 1% Increase (7.25%<br>Decreasing to 6.00%) |
| Total OPEB Liability | \$ 2,819,924                               | \$ 3,083,880                   | \$ 3,384,148                               |

For the year ended December 31, 2019, the County recognized OPEB expense of \$185,601. In addition, at December 31, 2019, the County reported deferred inflows of resources, and deferred outflows of resources from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Assumption Changes   | \$ -                                 | \$ 69,590                           |
| County Contributions subsequent<br>to the measurement date | 176,344                              | -                                   |
| Total  | <u>\$ 176,344</u>                    | <u>\$ 69,590</u>                    |

\$176,344 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be amortized over 6 years as follows:

| <u>Year Ending December 31:</u> | <u>Amount</u> |
|---------------------------------|---------------|
| 2020                            | \$ (11,599)   |
| 2021                            | (11,599)      |
| 2022                            | (11,599)      |
| 2023                            | (11,599)      |
| 2024                            | (11,599)      |
| Thereafter                      | (11,595)      |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 RISK MANAGEMENT**

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

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2019. 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. The 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.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS**

A. Contingent Liabilities

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

The County may be involved in various claims. Although the outcome of any claims is not presently determinable, in the opinion of the County Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

During 2019, counties were notified by the Minnesota Department of Human Services (DHS) that DHS made errors in the calculation of Substance Use Disorder (SUD) for Institutes of Mental Disease (IMD) claims from January 2014 to June 2019. Based on these errors, DHS is requesting Minnesota counties repay \$8.8 million back to DHS. Todd County's share of the \$8.8 million is \$54,368. Minnesota counties have raised concerns over how the amount was calculated, the accuracy of the calculations and whether DHS has the legal/statutory authority to require the counties to repay the amounts. The Association of Minnesota Counties (AMC) has recommended counties to not repay this amount until these concerns have been addressed and after the conclusion of the 2020 Minnesota Legislative Session in hopes this matter is resolved by other means. Therefore, this amount has not been booked as a payable.

B. Construction Commitments

The County has active construction projects and outstanding contracts as of December 31, 2019. The projects include the following:

|                    | <u>Spent-to-Date</u> | <u>Remaining<br/>Commitment</u> |
|--------------------|----------------------|---------------------------------|
| Road Construction  | \$ 5,397,340         | \$ 9,961                        |
| Bridge Replacement | 1,079,849            | 141,599                         |
| Total              | <u>\$ 6,477,189</u>  | <u>\$ 151,560</u>               |



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

C. Tax Abatements

Pursuant to Minn. Stat. § 469, the County is subject to tax abatements granted by cities within the County which meet the criteria for disclosure under GASB Statement No. 77, Tax Abatement Disclosures. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation, renewal, growth in low-to-moderate-income housing, and economic development within a city. TIF captures the increase in tax capacity and property taxes (of all taxing jurisdictions, including the County) from development or redevelopment to provide funding for the related project.

In the case of the County, TIF agreements of other local governments have resulted in reductions of the County property tax revenues for the year ended December 31, 2019, as shown below:

| City                 | Captured Net |               | Adjoining County<br>Values | Adjusted Tax<br>Cap | County<br>Tax Rate | Abated County<br>Tax |
|----------------------|--------------|---------------|----------------------------|---------------------|--------------------|----------------------|
|                      | Tax Capacity | Tax Increment |                            |                     |                    |                      |
| City of Clarissa     | \$ 221,782   | \$ (8,609)    | -                          | \$ 213,173          | 84%                | \$ 15,696            |
| City of Long Prairie | 1,675,321    | (140,306)     | -                          | 1,535,015           | 50%                | 196,008              |
| City of Eagle Bend   | 215,265      | (9,983)       | -                          | 205,282             | 99%                | 20,170               |
| City of Staples      | 1,034,980    | (128,288)     | Wadena 352,364             | 1,259,056           | 83%                | 212,374              |
| City of Bertha       | 132,441      | -             | -                          | 132,441             | 98%                | 8,104                |
| Total                |              |               |                            |                     |                    | <u>\$ 452,352</u>    |

D. Joint Ventures

Todd-Wadena Community Corrections

The joint community corrections system was established in 1976 pursuant to Minnesota Laws of 1973, Chapter 401, between Todd and Wadena Counties. Todd-Wadena Community Corrections' primary programs and services are to assist member counties in the development, implementation, and operation of correctional programs, probation, and parole.

The management of Todd-Wadena Community Corrections is vested in a Joint Powers Board, which is composed of the five commissioners from each participating county. No single member county retains control over the operations or has oversight responsibility for the community corrections. The Joint Powers board appoints an executive committee which has been delegated by the Joint Powers Board all powers and duties necessary for the day to day operations. Total annual appropriation to this entity in 2019 was \$457,976.

Complete financial information can be obtained from:

Todd-Wadena Community Corrections Office  
221 1<sup>st</sup> Ave S. #200  
Long Prairie, Minnesota 56347

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
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**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

D. Joint Ventures (Continued)

Family Service Collaborative

The Todd County Family Service Collaborative was established in 1998 under the authority of the Joint Powers Act, pursuant to Minnesota Statutes §§ 471.59 and 124D.23. The Collaborative includes Todd County; Independent School District Nos. 786, 787, 2170, 2753, 2759, 6004; Tri-County Community Action Program; Rural Minnesota CEP; and Northern Pines Mental Health Center. The purpose of the Collaborative is to provide coordinated family services and to commit resources to an integrated fund.

Control of the Todd County Family Services Collaborative is vested in a Board of Directors. Todd County has two members on the Board.

In the event of withdrawal from the Todd County Family Service Collaborative, the withdrawing party shall give 90 day advance notice. The withdrawing party shall not be entitled to any compensation as long as the Collaborative continues its existence. Should the Collaborative cease to exist, all property, real and personal, held by the Joint Powers Board at the time of termination shall be distributed by resolution of the Board in accordance with law and in a manner to best accomplish the continuing purpose of the Collaborative. The County did not make any payments to this entity in 2019.

Financing is provided by state grants and appropriations from its members. Separate financial information can be obtained from The Freshwater Education District, 1100 5<sup>th</sup> Street NE Staples, Minnesota, 56479 (the fiscal agent for the Collaborative).

Central Minnesota Violent Offender Task Force

Todd, Morrison, Benton, Sherburne and Stearns Counties and the Cities of Sartell, Sauk Rapids, Waite Park, St. Joseph, St. Cloud, and Little Falls have entered into a joint powers agreement to investigate, identify, and disrupt illegal drug and gang activity through multi-jurisdictional investigations in Central Minnesota.

The Stearns County Sheriff's Office is the fiscal agent for the Central Minnesota Violent Offender Task Force. Members provide officers to the Task Force in lieu of appropriations; Todd County provided no cash funding to this organization during 2019.

Control of the Task Force is vested in a Board of Directors. The members of the board comprise the Sheriff of each member county, a County Attorney from a member party as the legal advisor to the Task Force, the Chief of Police for the Little Falls Police Department, the Chief of Police for the City of St. Cloud, and one representative from among the Chiefs of Police of Sartell, Sauk Rapids, St. Joseph, and Waite Park, selected annually by a majority vote of the Chiefs of Police.

Complete financial information can be obtained from The City of St. Cloud Police Department, 101 11<sup>th</sup> Avenue North, P.O. Box 1616, St. Cloud, Minnesota 55303.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

D. Joint Ventures (Continued)

South Country Health Alliance

South Country Health Alliance (SCHA) was created by a joint powers agreement between Brown, Dodge, Freeborn, Goodhue, Kanabec, Mower, Sibley, Steele, Wabasha, and Waseca Counties on July 24, 1998, under Minnesota Statutes §471.59. In 2007, Cass, Crow Wing, Morrison, Todd, and Wadena Counties became members. Mower County has since withdrawn. The agreement was in accordance with Minnesota Statutes §256B.692, which allows the formation of a board of directors to operate, control, and manage all matters concerning the participating member counties' health care functions, referred to as county-based purchasing.

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

Each member county has an explicit and measurable right to its share of the total capital surplus of the SCHA. Gains and losses are allocated annually to all members based on the percentage of their utilization. The County's equity interest in the SCHA at December 31, 2019 was \$3,098,341. The equity interest is reported as an investment in joint venture on the government-wide statement of net position. Changes in equity are included in the government-wide statement of activities as human services operating grants and contributions program revenue. No payments were made to this entity in 2019. See Note 11 stating Todd County withdrew on January 1, 2020.

Complete financial statements for the SCHA may be obtained directly from SCHA.

Prairie Lakes Municipal Solid Waste Authority

Prairie Lakes Municipal Solid Waste Authority (PLMSWA) was created by a joint powers agreement between Becker, Otter Tail, Todd, and Wadena Counties in May 2010, under Minnesota Statutes §471.59. Clay County joined the joint powers in 2014. The agreement was in accordance with Minnesota Statutes §115A and Chapter 400, which provides that a County may conduct a solid waste management program which may include activities authorized by Chapter 115A and Chapter 400 and such other activities as are necessary and convenient to effectively carry out the purposes of Chapters 115A and Chapter 400.

**TODD COUNTY  
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**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

D. Joint Ventures (Continued)

Prairie Lakes Municipal Solid Waste Authority (Continued)

The purpose of PLMSWA is to establish a mechanism whereby they may jointly exercise powers common to each participating party on issues including; ownership and operation of the Perham Resource Recovery Facility; cooperation with efforts in other Solid Waste Management activities that affect the operations of the Perham Resource Recovery Facility; establish procedures to add qualifying parties to the agreement; and establish a mechanism whereby additional parties and/or alternative programs and services may be developed for the benefit of the parties and in furtherance of the objectives of the parties.

Each charter member county's annual contribution is determined as part of the annual operating budget. The County was not required to contribute during 2019. If a situation arises in which the annual operating expenses are not offset by annual operating revenue the difference will be apportioned based on the percentages of obligations. Todd County's percentage of the obligation is 14.0%.

Complete financial statements for the PLMSWA may be obtained from its fiscal agent at 510 Fir Ave W, Fergus Falls, MN 56537.

Rainbow Rider Transit Board

The West Central Multi-County Joint Powers Transit Board (Rainbow Rider) was established December 1, 1994 by a joint powers agreement among Douglas, Pope, Stevens, and Traverse Counties. In January 2000, the Board changed its name to Rainbow Rider Transit Board. Grant County became a member effective January 1, 2011 and effective January 1, 2012, Todd County became a member. The agreement was established to provide a coordinated service delivery and funding source for public transportation for the mutual benefit of each of the joint participants. 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.

Control is vested in the Rainbow Rider Transit Board. The Board consists of two members from each county. Each member of the Board is appointed by the County Commissioners of the county he or she represents. Members of the Board serve an annual term and may be reappointed by their respective County Boards. In 2019, the County contributed \$2,935 to Rainbow Rider.

Complete financial statements for the Rainbow Rider Transit Board may be obtained from Rainbow Rider, P.O. Box 136, Lowry, Minnesota 56349.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

D. Joint Ventures (Continued)

Central Minnesota Emergency Services Board

The Central Minnesota Emergency Services Board (previously the Central Minnesota Regional Radio Board) was established in 2007, under the authority conferred upon the member counties by Minnesota Statutes §§ 471.59 and 403.39, and includes 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 Board is composed of one Commissioner of each county appointed by the respective County Board and one City Council member from each city appointed by the respective City Council, as provided in the Central Minnesota Emergency Services Board's by-laws.

In the event of dissolution of the Central Minnesota Emergency Services Board, all property, assets, and funds of the Board shall be distributed to the parties of the agreement upon termination in direct proportion to their participation and contribution. Any city or county that has withdrawn from the agreement prior to termination of the Board shall share in the distribution of property, assets, and funds of the Board only to the extent they shared in the original expense. The Board has no long-term debt. Financing is provided by the appropriations of member parties and by state and federal grants.

In 2019, the County contributed \$5,514 to the Central Minnesota Emergency Services Board. Complete financial information can be obtained from Central Minnesota Emergency Services Board, City of St. Cloud, Office of the Mayor, 400 Second Street South, St. Cloud, Minnesota 56303.

Counties Providing Technology

In 2018, 23 counties created a joint powers organization named Counties Providing Technology (CPT) for the purpose of purchasing their former software vendor, Computer Professionals unlimited, Inc. (CPU) and then provide for the development, operation and maintenance of technology applications and systems, and the support and management of such systems for the use and benefit of the members and other governmental units.

In 2019, the County did not contribute funding to the Counties Providing Technology. Complete financial information can be obtained from Counties Providing Technology office at 400 Colorado Avenue, Suite 303, Morris, MN 56267. CPT's first audit will be for the year ending December 31, 2019 and will include 2018 activity.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

D. Joint Ventures (Continued)

Mid-State Computer Collaborative

In 2018, 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 following: 1. the sharing of costs of computer software and hardware and other information technology, 2. jointly negotiate contracts with vendors of products and services and 3. create an entity capable of owning technology and software licenses on behalf of all the parties.

In 2019, the County contributed \$100 to Mid-State Computer Collaborative. Complete financial information is not available for Mid-State Computer Collaborative. Treasurer's reports can be obtained from the Mid-State Computer Collaborative office at 325 N Sibley Avenue, Litchfield, MN 55355.

Region V+ Adult Mental Health Initiative

Aitkin, Cass, Crow Wing, Morrison, Todd, and Wadena Counties entered into a joint powers agreement creating and operating Region V+ Adult Mental Health Initiative (AMHI) pursuant to Minnesota Statutes §§ 471.59 and 245.4661, to enhance services to vulnerable populations and implement a pilot project design, plan, and improve the mental health delivery system for adults with serious and persistent mental illnesses.

Control of the AMHI is vested in a Governing Board, which consists of each participating county's Director of Social Services, an additional representative of each county social services agency, three nonvoting consumer representatives, and one ex-officio nonvoting representative each from the Leech Lake Band of Ojibwe and the Mille Lacs Band of Ojibwe.

Any county may withdraw by providing twelve months written notice in advance of the annual meeting to the Board and each of the other remaining parties. During the year of withdrawal, the withdrawing party may attend all meetings but will have no official representation on the Board. Withdrawal does not act to discharge any liability incurred or chargeable to any county before the effective date of the withdrawal.

Dissolution of the AMHI will occur by unanimous vote of the counties. Upon dissolution of the AMHI, all unused funds and surplus property held by AMHI shall be distributed in accordance with law or applicable contract.

Financing is predominantly provided by contributions, grants, donations, and gifts. Crow Wing County is the fiscal host.

Complete financial information can be obtained from:

Crow Wing County Community Services  
204 Laurel Street  
Brainerd, MN 56401

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 9 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

E. Jointly-Governed Organizations

Hubbard, Otter Tail, Todd, and Wadena Counties, along with Quadrant, Inc., a Minnesota corporation, entered into a joint powers agreements which allows for the incineration of solid waste generated in these counties presently deposited in landfills and results in the recovery of energy that otherwise would be lost. The Joint Powers Board consists of one representative from each county, with Otter Tail County having two representatives. The activities relating to this agreement are reported as an enterprise fund in Otter Tail County's financial statements.

Minnesota Counties Computer Consortium

The Minnesota Counties Computer Consortium was formed in 1979 pursuant to Minnesota Statutes §471.59 and includes over 20 counties. Control of the Consortium is vested in the Joint Data Processing Board which is composed of one representative and one alternate by each member county. The County's responsibility does not extend beyond making this appointment.

F. Related Organization – Long Prairie Housing and Redevelopment Authority

The County Board is responsible for appointing a majority of the Long Prairie Housing and Redevelopment Authority's governing body, but the County's responsibility does not extend beyond making the appointments.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 10 RESTATEMENT FOR A CHANGE IN ACCOUNTING PRINCIPLE**

During the year ended December 31, 2019, the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board Statement (GASB) No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by moving activity previously reported as agency funds to the Governmental Activities, recording the Social Welfare Private Purpose Trust Fund that was not previously reported, recording the Todd County Development Corporation nonmajor special revenue fund that was not previously reported, and including accruals and ending net position in custodial funds not previously required. Beginning net position has been restated to reflect this change.

|   | <u>Todd County<br/>Development</u> |  |                            |
|---|------------------------------------|--|----------------------------|
| Fund Balance, January 1, 2019, as Previously Reported | \$ -                               |  |                            |
| Change in Accounting Principle                        | <u>28,292</u>                      |  |                            |
| Fund Balance, January 1, 2019, as Restated            | <u>\$ 28,292</u>                   |  |                            |
|   | <u>Governmental<br/>Activities</u> | <u>Social Welfare<br/>Private Purpose<br/>Trust Fund</u> | <u>Custodial<br/>Funds</u> |
| Net Position, January 1, 2019, as Previously Reported | \$ 87,922,183                      | \$ -   | \$ -                       |
| Change in Accounting Principle                        | <u>28,292</u>                      | <u>81,365</u>  | <u>1,184,839</u>           |
| Net Position, January 1, 2019, as Restated            | <u>\$ 87,950,475</u>               | <u>\$ 81,365</u>   | <u>\$ 1,184,839</u>        |

**NOTE 11 SUBSEQUENT EVENTS**

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the Agency is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

Also, effective January 1, 2020, the County withdrew from the South Country Health Alliance joint venture. Capital surplus at December 31, 2019 related to this joint venture totaled \$2,906,572 on the Statement of Net Position for Governmental Activities.



**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MD&A**



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED RATIOS, AND NOTES  
LAST TEN FISCAL YEARS**

|  | Measurement Date<br><u>January 1, 2019</u> | Measurement Date<br><u>January 1, 2018</u> |
|--|--|--|
| <b>Total OPEB Liability</b>  |  |  |
| Service Cost   | \$ 93,471                                  | \$ 99,836                                  |
| Interest   | 103,729                                    | 102,782                                    |
| Assumption Changes   | (81,189)                                   | -  |
| Benefit Payments   | <u>(162,587)</u>                           | <u>(172,473)</u>                           |
| Net Change in Total OPEB Liability                                     | (46,576)                                   | 30,145                                     |
| Total OPEB Liability - Beginning                                       | <u>3,130,456</u>                           | <u>3,100,311</u>                           |
| Total OPEB Liability - Ending  | <u><u>\$ 3,083,880</u></u>                 | <u><u>\$ 3,130,456</u></u>                 |
| <br>   |  |  |
| Covered Employee Payroll   | \$ 10,971,464                              | \$ 10,651,907                              |
| <br>   |  |  |
| County's OPEB Liability as a Percentage<br>of Covered Employee Payroll | 28%  | 29%  |

Note 1: The County implement GASB Statement No. 75 in 2018, and the above table will be expanded to ten years of information as the information becomes available.

Note 2: No assets are accumulated in a trust.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST TEN FISCAL YEARS**

|   | Measurement<br>Date<br>June 30, 2019 | Measurement<br>Date<br>June 30, 2018 | Measurement<br>Date<br>June 30, 2017 | Measurement<br>Date<br>June 30, 2016 | Measurement<br>Date<br>June 30, 2015 |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>General Employees Plan</b>   |                                      |                                      |                                      |                                      |                                      |
| County's Proportion of the Net Pension Liability  | 0.154%                               | 0.157%                               | 0.154%                               | 0.153%                               | 0.163%                               |
| County's Proportionate Share of the Net Pension Liability   | \$ 7,642,980                         | \$ 7,853,523                         | \$ 9,824,874                         | \$ 12,439,080                        | \$ 8,447,506                         |
| State's Proportionate Share of the Net Pension Liability Associated with<br>County's Proportionate Share of the Net Pension Liability and the State's<br>Proportionate Share of the Net Pension Liability | 237,440                              | 257,551                              | 123,569                              | 162,458                              | -                                    |
| County's Covered Payroll  | \$ 7,880,420                         | \$ 8,111,074                         | \$ 9,948,443                         | \$ 12,601,538                        | \$ 8,447,506                         |
| County's Proportionate Share of the Net Pension Liability as a Percentage<br>of Its Covered Payroll   | \$ 10,858,016                        | \$ 10,513,048                        | \$ 9,880,737                         | \$ 9,505,400                         | \$ 9,584,963                         |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability  | 70.39%                               | 74.70%                               | 99.43%                               | 130.86%                              | 88.13%                               |
|   | 80.20%                               | 75.90%                               | 75.90%                               | 68.90%                               | 78.20%                               |
| <b>Police and Fire Plan</b>   |                                      |                                      |                                      |                                      |                                      |
| County's Proportion of the Net Pension Liability  | 0.114%                               | 0.111%                               | 0.105%                               | 0.108%                               | 0.112%                               |
| County's Proportionate Share of the Net Pension Liability   | \$ 1,212,581                         | \$ 1,181,014                         | \$ 1,417,625                         | \$ 4,334,228                         | \$ 1,272,582                         |
| County's Covered Payroll  | \$ 1,194,888                         | \$ 1,167,996                         | \$ 1,073,205                         | \$ 1,043,220                         | \$ 1,029,224                         |
| County's Proportionate Share of the Net Pension Liability as a Percentage<br>of Its Covered Payroll   | 101.48%                              | 101.11%                              | 132.09%                              | 415.47%                              | 123.64%                              |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability  | 89.30%                               | 88.80%                               | 85.40%                               | 63.90%                               | 86.60%                               |
| <b>Correctional Plan</b>  |                                      |                                      |                                      |                                      |                                      |
| County's Proportion of the Net Pension Liability  | 0.417%                               | 0.357%                               | 0.320%                               | 0.310%                               | 0.330%                               |
| County's Proportionate Share of the Net Pension Liability   | \$ 57,734                            | \$ 58,666                            | \$ 912,003                           | \$ 1,132,473                         | \$ 51,018                            |
| County's Covered Payroll  | \$ 867,246                           | \$ 728,499                           | \$ 613,675                           | \$ 580,326                           | \$ 594,879                           |
| County's Proportionate Share of the Net Pension Liability as a Percentage<br>of Its Covered Payroll   | 6.66%                                | 8.05%                                | 148.61%                              | 195.14%                              | 8.58%                                |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability  | 98.20%                               | 97.60%                               | 67.90%                               | 58.20%                               | 96.90%                               |

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

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF THE COUNTY CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

|  | 2019          | 2018          | 2017          | 2016         | 2015         | 2014         |
|--|---------------|---------------|---------------|--------------|--------------|--------------|
| <b>General Employees Plan</b>  |               |               |               |              |              |              |
| Contractually Required Contribution                                  | \$ 827,957    | \$ 804,319    | \$ 766,203    | \$ 722,477   | \$ 685,477   | \$ 658,386   |
| Contributions in Relation to the Contractually Required Contribution | (827,957)     | (804,319)     | (766,203)     | (722,477)    | (685,477)    | (658,386)    |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| County's Covered Payroll   | \$ 11,039,427 | \$ 10,724,253 | \$ 10,216,040 | \$ 9,633,025 | \$ 9,139,678 | \$ 9,081,175 |
| Contributions as a Percentage of Covered Payroll                     | 7.50%         | 7.50%         | 7.50%         | 7.50%        | 7.50%        | 7.25%        |
| <b>Police and Fire Plan</b>  |               |               |               |              |              |              |
| Contractually Required Contribution                                  | \$ 210,892    | \$ 193,471    | \$ 182,691    | \$ 169,600   | \$ 161,104   | \$ 145,374   |
| Contributions in Relation to the Contractually Required Contribution | (210,892)     | (193,471)     | (182,691)     | (169,600)    | (161,104)    | (145,374)    |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| County's Covered Payroll   | \$ 1,244,201  | \$ 1,194,265  | \$ 1,127,722  | \$ 1,046,910 | \$ 994,470   | \$ 950,157   |
| Contributions as a Percentage of Covered Payroll                     | 16.95%        | 16.20%        | 16.20%        | 16.20%       | 16.20%       | 15.30%       |
| <b>Correctional Plan</b>   |               |               |               |              |              |              |
| Contractually Required Contribution                                  | \$ 78,112     | \$ 72,460     | \$ 57,710     | \$ 51,454    | \$ 49,389    | \$ 52,824    |
| Contributions in Relation to the Contractually Required Contribution | (78,112)      | (72,460)      | (57,710)      | (51,454)     | (49,389)     | (52,824)     |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| County's Covered Payroll   | \$ 892,709    | \$ 828,114    | \$ 659,543    | \$ 588,060   | \$ 564,442   | \$ 603,706   |
| Contributions as a Percentage of Covered Payroll                     | 8.75%         | 8.75%         | 8.75%         | 8.75%        | 8.75%        | 8.75%        |

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

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2019**

|                             | Budgeted Amounts |              | Actual<br>Amounts | Variance with<br>Final Budget |
|-----------------------------|------------------|--------------|-------------------|-------------------------------|
|                             | Original         | Final        |                   |                               |
| <b>REVENUES</b>             |                  |              |                   |                               |
| Taxes                       | \$ 8,973,648     | \$ 8,973,648 | \$ 8,807,759      | \$ (165,889)                  |
| Special Assessments         | -                | -            | 4,060             | 4,060                         |
| Licenses and Permits        | 170,665          | 170,665      | 153,252           | (17,413)                      |
| Intergovernmental           | 2,411,384        | 2,411,384    | 2,826,082         | 414,698                       |
| Charges for Services        | 581,371          | 581,371      | 716,327           | 134,956                       |
| Fines and Forfeits          | -                | -            | 11,890            | 11,890                        |
| Gifts and Contributions     | 1,200            | 1,200        | 35,525            | 34,325                        |
| Investment Earnings         | 60,000           | 60,000       | 281,870           | 221,870                       |
| Insurance Dividend          | 100,000          | 100,000      | 37,743            | (62,257)                      |
| Miscellaneous               | 530,350          | 530,350      | 848,727           | 318,377                       |
| Total Revenues              | 12,828,618       | 12,828,618   | 13,723,235        | 894,617                       |
| <b>EXPENDITURES</b>         |                  |              |                   |                               |
| <b>CURRENT</b>              |                  |              |                   |                               |
| <b>GENERAL GOVERNMENT</b>   |                  |              |                   |                               |
| Administrator               | 412,114          | 412,114      | 367,760           | 44,354                        |
| Commissioners               | 306,956          | 306,956      | 308,045           | (1,089)                       |
| Courts                      | 165,000          | 165,000      | 149,056           | 15,944                        |
| Law Library                 | -                | -            | 14,471            | (14,471)                      |
| County Auditor-Treasurer    | 627,470          | 627,470      | 643,611           | (16,141)                      |
| County Assessor             | 460,027          | 460,027      | 465,883           | (5,856)                       |
| Elections                   | 30,250           | 37,250       | 112,710           | (75,460)                      |
| Data Processing             | 431,616          | 431,616      | 427,487           | 4,129                         |
| Attorney                    | 737,459          | 737,459      | 740,225           | (2,766)                       |
| Recorder                    | 436,548          | 436,548      | 365,812           | 70,736                        |
| GIS/Surveyor                | 180,505          | 180,505      | 177,318           | 3,187                         |
| Planning and Zoning         | 518,024          | 672,553      | 512,138           | 160,415                       |
| Buildings and Plant         | 1,274,290        | 1,274,290    | 701,530           | 572,760                       |
| Veterans Service Officer    | 250,187          | 250,187      | 240,864           | 9,323                         |
| Central Services/Motor Pool | 161,000          | 161,000      | 96,844            | 64,156                        |
| Other General Government    | 319,936          | 319,936      | 327,674           | (7,738)                       |
| Total General Government    | 6,311,382        | 6,472,911    | 5,651,428         | 821,483                       |
| <b>PUBLIC SAFETY</b>        |                  |              |                   |                               |
| Sheriff                     | 2,796,935        | 2,796,935    | 2,716,053         | 80,882                        |
| Boat and Water Safety       | 9,500            | 9,500        | 36,550            | (27,050)                      |
| Emergency Services          | 54,266           | 54,266       | 51,052            | 3,214                         |
| E-911                       | 90,000           | 90,000       | 106,479           | (16,479)                      |
| Coroner                     | 59,660           | 59,660       | 59,660            | -                             |
| County Jail                 | 1,070,616        | 1,070,616    | 1,018,772         | 51,844                        |
| Community Corrections       | 426,976          | 426,976      | 457,976           | (31,000)                      |
| Total Public Safety         | 4,507,953        | 4,507,953    | 4,446,542         | 61,411                        |

The Notes to Required Supplementary Information are an Integral Part of this Schedule.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2019**

|  | Budgeted Amounts  |                   | Actual<br>Amounts    | Variance with<br>Final Budget |
|--|-------------------|-------------------|----------------------|-------------------------------|
|  | Original          | Final             |                      |                               |
| <b>EXPENDITURES (CONTINUED)</b>                                      |                   |                   |                      |                               |
| <b>CURRENT (CONTINUED)</b>   |                   |                   |                      |                               |
| <b>CULTURE AND RECREATION</b>  |                   |                   |                      |                               |
| Regional Library   | \$ 334,162        | \$ 334,162        | \$ 334,162           | \$ -                          |
| Rainbow Rider  | 52,341            | 52,341            | 2,935                | 49,406                        |
| Parks and Trails   | 9,000             | 9,000             | 9,000                | -                             |
| Total Culture and Recreation   | 395,503           | 395,503           | 346,097              | 49,406                        |
| <b>CONSERVATION OF NATURAL<br/>RESOURCES</b>                         |                   |                   |                      |                               |
| County Extension   | 179,914           | 179,914           | 193,393              | (13,479)                      |
| Soil and Water Conservation  | 221,743           | 222,193           | 168,841              | 53,352                        |
| Agricultural Society/County Fair                                     | 40,036            | 40,036            | 39,520               | 516                           |
| Land Use   | 449,845           | 459,845           | 455,399              | 4,446                         |
| Wetland Challenge  | 43,282            | 43,282            | 43,282               | -                             |
| Aquatic Invasive Species Grant                                       | 153,563           | 219,725           | 219,631              | 94                            |
| Total Conservation of<br>Natural Resources                           | 1,088,383         | 1,164,995         | 1,120,066            | 44,929                        |
| <b>ECONOMIC DEVELOPMENT</b>  |                   |                   |                      |                               |
| Community Development  | 3,800             | 3,800             | 2,778                | 1,022                         |
| <b>DEBT SERVICE</b>  |                   |                   |                      |                               |
| Principal  | 78,438            | 78,438            | 51,889               | 26,549                        |
| Interest   | 9,257             | 9,257             | 5,441                | 3,816                         |
| Total Debt Service   | 87,695            | 87,695            | 57,330               | 30,365                        |
| Total Expenditures   | 12,394,716        | 12,632,857        | 11,624,241           | 1,008,616                     |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 433,902           | 195,761           | 2,098,994            | 1,903,233                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                   |                   |                      |                               |
| Transfers In   | -                 | -                 | 19,441               | 19,441                        |
| Transfers Out  | (62,000)          | (62,000)          | (62,300)             | (300)                         |
| Proceeds from Sale of Assets   | 5,000             | 5,000             | 7,211                | 2,211                         |
| Insurance Proceeds   | 5,200             | 5,200             | 87,929               | 82,729                        |
| Total Other Financing Sources (Uses)                                 | (51,800)          | (51,800)          | 52,281               | 104,081                       |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ 382,102</u> | <u>\$ 143,961</u> | 2,151,275            | <u>\$ 2,007,314</u>           |
| Fund Balance - Beginning of Year                                     |                   |                   | 9,896,845            |                               |
| <b>FUND BALANCE - END OF YEAR</b>                                    |                   |                   | <u>\$ 12,048,120</u> |                               |

The Notes to Required Supplementary Information are an Integral Part of this Schedule.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC WORKS SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2019**

|  | <u>Budgeted Amounts</u> |                     | Actual<br>Amounts   | Variance with<br>Final Budget |
|--|-------------------------|---------------------|---------------------|-------------------------------|
|  | <u>Original</u>         | <u>Final</u>        |                     |                               |
| <b>REVENUES</b>  |                         |                     |                     |                               |
| Taxes  | \$ 2,491,928            | \$ 2,491,928        | \$ 2,391,900        | \$ (100,028)                  |
| Transit Sales and Use Tax  | 797,000                 | 797,000             | 857,932             | 60,932                        |
| Intergovernmental  | 6,526,000               | 6,526,000           | 6,813,531           | 287,531                       |
| Charges for Services   | 200,000                 | 200,000             | 215,474             | 15,474                        |
| Interest on Investments  | -                       | -                   | 677                 | 677                           |
| Insurance Dividend   | -                       | -                   | 26,283              | 26,283                        |
| Miscellaneous  | 225,000                 | 225,000             | 286,843             | 61,843                        |
|  |                         |                     |                     |                               |
| Total Revenues   | 10,239,928              | 10,239,928          | 10,592,640          | 352,712                       |
| <b>EXPENDITURES</b>  |                         |                     |                     |                               |
| <b>CURRENT</b>   |                         |                     |                     |                               |
| <b>HIGHWAY AND STREETS</b>   |                         |                     |                     |                               |
| Administration   | 387,850                 | 387,850             | 382,820             | 5,030                         |
| Construction and Engineering   | 6,649,470               | 6,649,470           | 6,961,140           | (311,670)                     |
| Maintenance  | 2,101,000               | 2,101,000           | 2,236,724           | (135,724)                     |
| Equipment and Maintenance Shops                                      | 1,264,608               | 1,389,712           | 1,210,333           | 179,379                       |
| Other  | 25,000                  | 25,000              | 27,467              | (2,467)                       |
|  |                         |                     |                     |                               |
| Total Expenditures   | 10,427,928              | 10,553,032          | 10,818,484          | (265,452)                     |
|  |                         |                     |                     |                               |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (188,000)               | (313,104)           | (225,844)           | 87,260                        |
|  |                         |                     |                     |                               |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                         |                     |                     |                               |
| Transfers Out  | -                       | -                   | (2,737)             | (2,737)                       |
| Proceeds from Sale of Assets   | -                       | -                   | 4,201               | 4,201                         |
| Total Other Financing Sources  | -                       | -                   | 1,464               | 1,464                         |
|  |                         |                     |                     |                               |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ (188,000)</u>     | <u>\$ (313,104)</u> | (224,380)           | <u>\$ 88,724</u>              |
|  |                         |                     |                     |                               |
| Fund Balance - Beginning of Year                                     |                         |                     | 3,238,777           |                               |
| Increase for Inventory   |                         |                     | <u>36,599</u>       |                               |
| <b>FUND BALANCE - END OF YEAR</b>                                    |                         |                     | <u>\$ 3,050,996</u> |                               |

The Notes to Required Supplementary Information are an Integral Part of this Schedule.



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
SOCIAL SERVICES SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2019**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|--|-------------------------|------------------|---------------------------|---------------------------------------|
|  | <u>Original</u>         | <u>Final</u>     |                           |                                       |
| <b>REVENUES</b>  |                         |                  |                           |                                       |
| Taxes  | \$ 3,680,372            | \$ 3,680,372     | \$ 3,533,370              | \$ (147,002)                          |
| Intergovernmental  | 3,927,011               | 3,927,011        | 4,378,057                 | 451,046                               |
| Charges for Services   | 300,733                 | 300,733          | 278,882                   | (21,851)                              |
| Gifts and Contributions  | -                       | -                | 135                       | 135                                   |
| Investment Earnings  | -                       | -                | 663                       | 663                                   |
| Insurance Dividend   | -                       | -                | 4,632                     | 4,632                                 |
| Miscellaneous  | 402,600                 | 402,600          | 368,144                   | (34,456)                              |
|  | <u>8,310,716</u>        | <u>8,310,716</u> | <u>8,563,883</u>          | <u>253,167</u>                        |
| <b>Total Revenues</b>  | <b>8,310,716</b>        | <b>8,310,716</b> | <b>8,563,883</b>          | <b>253,167</b>                        |
| <b>EXPENDITURES</b>  |                         |                  |                           |                                       |
| <b>CURRENT</b>   |                         |                  |                           |                                       |
| <b>HUMAN SERVICES</b>  |                         |                  |                           |                                       |
| Income Maintenance   | 3,077,569               | 2,877,569        | 3,117,416                 | (239,847)                             |
| Social Services  | 5,233,147               | 5,433,147        | 4,750,205                 | 682,942                               |
|  | <u>8,310,716</u>        | <u>8,310,716</u> | <u>7,867,621</u>          | <u>443,095</u>                        |
| <b>Total Expenditures</b>  | <b>8,310,716</b>        | <b>8,310,716</b> | <b>7,867,621</b>          | <b>443,095</b>                        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | -                       | -                | 696,262                   | 696,262                               |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                         |                  |                           |                                       |
| Transfers In   | -                       | -                | 3                         | 3                                     |
|  | <u>-</u>                | <u>-</u>         | <u>3</u>                  | <u>3</u>                              |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ -</u>             | <u>\$ -</u>      | 696,265                   | <u>\$ 696,265</u>                     |
| Fund Balance - Beginning of Year                                     |                         |                  | <u>2,389,519</u>          |                                       |
| <b>FUND BALANCE - END OF YEAR</b>                                    |                         |                  | <u>\$ 3,085,784</u>       |                                       |

The Notes to Required Supplementary Information are an Integral Part of this Schedule.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY HEALTH SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2019**

|                                   | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|-----------------------------------|-------------------------|------------------|---------------------------|---------------------------------------|
|                                   | <u>Original</u>         | <u>Final</u>     |                           |                                       |
| <b>REVENUES</b>                   |                         |                  |                           |                                       |
| Taxes                             | \$ 396,874              | \$ 396,874       | \$ 381,584                | \$ (15,290)                           |
| Intergovernmental                 | 1,121,596               | 1,121,596        | 1,103,467                 | (18,129)                              |
| Charges for Services              | 1,287,350               | 1,287,350        | 1,202,024                 | (85,326)                              |
| Insurance Dividend                | -                       | -                | 12,519                    | 12,519                                |
| Miscellaneous                     | 30,074                  | 30,074           | 76,015                    | 45,941                                |
|                                   | <u>2,835,894</u>        | <u>2,835,894</u> | <u>2,775,609</u>          | <u>(60,285)</u>                       |
| <b>Total Revenues</b>             |                         |                  |                           |                                       |
| <b>EXPENDITURES</b>               |                         |                  |                           |                                       |
| <b>CURRENT</b>                    |                         |                  |                           |                                       |
| <b>HEALTH</b>                     |                         |                  |                           |                                       |
| Nursing Service                   | 2,835,894               | 2,835,894        | 2,763,836                 | 72,058                                |
|                                   | <u>2,835,894</u>        | <u>2,835,894</u> | <u>2,763,836</u>          | <u>72,058</u>                         |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ -</u>             | <u>\$ -</u>      | 11,773                    | <u>\$ 11,773</u>                      |
| Fund Balance - Beginning of Year  |                         |                  | <u>1,037,136</u>          |                                       |
| <b>FUND BALANCE - END OF YEAR</b> |                         |                  | <u>\$ 1,048,909</u>       |                                       |

*The Notes to Required Supplementary Information are an Integral Part of this Schedule.*

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2019**

**I. BUDGETARY INFORMATION**

The County Board adopts an annual budget for the following major funds: The General Fund, Public Works Special Revenue Fund, Social Services Special Revenue Fund, Community Health Special Revenue Fund, and the Debt Service Fund. These budgets are prepared on the modified accrual basis of accounting. Annual budgets are not adopted for the Ditch, Energy Assistance, Minnesota Housing Finance, Forfeited Tax Sale, Parks and Trails, and Revolving Loan Special Revenue Funds, or Capital Projects Fund.

Based on a process established by the County Board, all departments of the County submit requests for appropriations to the County Auditor-Treasurer each year. After review, analysis, and discussions with the departments, the County Auditor-Treasurer’s proposed budget is presented to the County Board for review. The County Board holds public hearings and a final budget must be prepared and adopted no later than December 31.

The overall budget is prepared by fund, function, and department. The legal level of budgetary control – the level at which expenditures may not legally exceed appropriations – is the fund level. Budgets may be amended during the year with proper approval.

**II. EXCESS OF EXPENDITURES OVER BUDGET**

The following funds had expenditures in excess of budget at the fund level for the year ended December 31, 2019:

|              | Expenditures  | Final Budget  | Excess     |
|--------------|---------------|---------------|------------|
| Public Works | \$ 10,818,484 | \$ 10,553,032 | \$ 265,452 |

The excess expenditures were funded with greater than anticipated revenues and existing fund balance.

**III. DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

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

A. General Employees Fund

2019

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

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
DECEMBER 31, 2019**

**III. DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

A. General Employees Fund (Continued)

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2017

- 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 non-vested 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.

2016

- 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 future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- 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 2.50% for inflation.

B. Police and Fire Fund

2019

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

2018

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0% per year through 2064 and 2.5% per year, thereafter, to 1.0% for all years, with no trigger.

2017

- 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.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
DECEMBER 31, 2019**

**III. DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

B. Police and Fire Fund (Continued)

2017 (Continued)

- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality 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% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% percent per annum.

2016

- 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 2.50% for inflation.

C. Correctional Fund

2019

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

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
DECEMBER 31, 2019**

**III. DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

C. Correctional Fund (Continued)

2018

- The Single Discount Rate was changed from 5.96% per annum to 7.50% per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50% per year to 2.00% per year.

2017

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA has been changed to 35% for vested members and 1% for non-vested members.
- The Single Discount Rate was changed from 5.31% per annum to 5.96% per annum.

2016

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.31%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**IV. OTHER POSTEMPLOYMENT BENEFITS**

Since the most recent valuation, the following assumption changes have been made:

Measurement Date January 1, 2019:

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

Measurement Date January 1, 2018:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for all employees were updated.
- The discount rate was changed from 3.50% to 3.30%.

## **SUPPLEMENTARY INFORMATION**





**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
DESCRIPTION OF FUNDS  
DECEMBER 31, 2019**

**NONMAJOR SPECIAL REVENUE FUNDS**

The Energy Assistance Fund is used to account for the revenues and expenditures related to the operation of the energy assistance program.

The Minnesota Housing Finance Fund is used to account for the revenues and expenditures related to the operation of the Minnesota Housing Finance program.

The Forfeited Tax Sale Fund is used to account for the revenues and expenditures related to forfeited tax sales.

The Parks and Trails Fund is used to account for the revenues and expenditures related to the operations and maintenance of the County's parks and trails systems.

The Revolving Loan Fund is used to account for the collection and disbursement of County funds for the purpose of fostering business growth by extending loans for small business development projects.

The Todd County Development Fund is used to account for collection and disbursement of the Todd County Development Commission.

**DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**CUSTODIAL FUNDS**

The Todd-Wadena Community Corrections Fund is used to account for the receipt and disbursements of the Todd-Wadena Community Corrections which is a legally separate entity.

The Prepaid Taxes Fund is used to account for the collection and payment of prepaid taxes in the various taxing districts.

The State Revenue Fund is used to account for assurance collections and payments to the State of Minnesota.

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

The Jail Inmate Fund is used to account for the receipts and disbursements of the County's inmates.

The Estate Recoveries Fund is used to account for the State's portion of funds that are recovered from estates for clients that are on Medical Assistance and other programs.

The Trails Association is used to account for the receipts and disbursements of the Trails Association grants received by Todd County on behalf of the Association.

The Todd Soil and Water Conservation District Fund is used to account for receipts and disbursements of the Todd County Soil and Water Conservation District.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

|  | Nonmajor Special Revenue Funds |                                 |                          |
|--|--------------------------------|---------------------------------|--------------------------|
|  | Energy<br>Assistance           | Minnesota<br>Housing<br>Finance | Forfeited<br>Tax<br>Sale |
| <b>ASSETS</b>  |                                |                                 |                          |
| Cash and Cash Equivalents  | \$ -                           | \$ -                            | \$ 203,297               |
| Cash with Escrow Agent   |                                |                                 |                          |
| Taxes Receivable - Delinquent  | -                              | -                               | -                        |
| Loans Receivable   | -                              | -                               | -                        |
| Due from Other Governments   | 51,473                         | -                               | -                        |
| Total Assets   | <u>\$ 51,473</u>               | <u>\$ -</u>                     | <u>\$ 203,297</u>        |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND FUND BALANCES (DEFICIT)</b> |                                |                                 |                          |
| <b>LIABILITIES</b>   |                                |                                 |                          |
| Accounts Payable   | \$ 15,662                      | \$ -                            | \$ -                     |
| Salaries Payable   | -                              | -                               | -                        |
| Due to Other Funds   | 35,811                         | -                               | 78,664                   |
| Due to Other Governments   | -                              | -                               | 124,609                  |
| Total Liabilities  | <u>51,473</u>                  | <u>-</u>                        | <u>203,273</u>           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                                |                                 |                          |
| Unavailable Taxes  | -                              | -                               | -                        |
| Property Taxes Collected for Subsequent Period                                     | -                              | -                               | -                        |
| Total Deferred Inflows of Resources  | <u>-</u>                       | <u>-</u>                        | <u>-</u>                 |
| <b>FUND BALANCES (DEFICIT)</b>   |                                |                                 |                          |
| Restricted   |                                |                                 |                          |
| Revolving Loans  | -                              | -                               | -                        |
| Debt Service   | -                              | -                               | -                        |
| Forfeited Tax Sale   | -                              | -                               | 24                       |
| Development  | -                              | -                               | -                        |
| Committed  |                                |                                 |                          |
| Parks and Trails   | -                              | -                               | -                        |
| Total Fund Balances (Deficit)  | <u>-</u>                       | <u>-</u>                        | <u>24</u>                |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balances             | <u>\$ 51,473</u>               | <u>\$ -</u>                     | <u>\$ 203,297</u>        |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2019**

| Parks<br>and<br>Trails | Revolving<br>Loan | Todd<br>County<br>Development | Total Special<br>Revenue<br>Funds | Debt<br>Service<br>Fund | Total<br>Nonmajor<br>Funds |
|------------------------|-------------------|-------------------------------|-----------------------------------|-------------------------|----------------------------|
| \$ 67,412              | \$ -              | \$ 14,234                     | \$ 284,943                        | \$ 702,606              | \$ 987,549                 |
| 426                    | -                 | -                             | 426                               | 14,930                  | 15,356                     |
| -                      | 90,000            | -                             | 90,000                            | -                       | 90,000                     |
| -                      | -                 | -                             | 51,473                            | -                       | 51,473                     |
| <u>\$ 67,838</u>       | <u>\$ 90,000</u>  | <u>\$ 14,234</u>              | <u>\$ 426,842</u>                 | <u>\$ 717,536</u>       | <u>\$ 1,144,378</u>        |
|                        |                   |                               |                                   |                         |                            |
| \$ -                   | \$ -              | \$ -                          | \$ 15,662                         | \$ -                    | \$ 15,662                  |
| -                      | -                 | 5,318                         | 5,318                             | -                       | 5,318                      |
| -                      | -                 | -                             | 114,475                           | -                       | 114,475                    |
| -                      | -                 | -                             | 124,609                           | -                       | 124,609                    |
| -                      | -                 | 5,318                         | 260,064                           | -                       | 260,064                    |
|                        |                   |                               |                                   |                         |                            |
| 324                    | -                 | -                             | 324                               | 11,862                  | 12,186                     |
| -                      | -                 | -                             | -                                 | 634                     | 634                        |
| <u>324</u>             | <u>-</u>          | <u>-</u>                      | <u>324</u>                        | <u>12,496</u>           | <u>12,820</u>              |
|                        |                   |                               |                                   |                         |                            |
| -                      | 90,000            | -                             | 90,000                            | -                       | 90,000                     |
| -                      | -                 | -                             | -                                 | 705,040                 | 705,040                    |
| -                      | -                 | -                             | 24                                | -                       | 24                         |
| -                      | -                 | 8,916                         | 8,916                             | -                       | 8,916                      |
| <u>67,514</u>          | <u>-</u>          | <u>-</u>                      | <u>67,514</u>                     | <u>-</u>                | <u>67,514</u>              |
| <u>67,514</u>          | <u>90,000</u>     | <u>8,916</u>                  | <u>166,454</u>                    | <u>705,040</u>          | <u>871,494</u>             |
|                        |                   |                               |                                   |                         |                            |
| <u>\$ 67,838</u>       | <u>\$ 90,000</u>  | <u>\$ 14,234</u>              | <u>\$ 426,842</u>                 | <u>\$ 717,536</u>       | <u>\$ 1,144,378</u>        |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2019**

|  | Nonmajor Special Revenue Funds |                                 |                          |
|--|--------------------------------|---------------------------------|--------------------------|
|  | Energy<br>Assistance           | Minnesota<br>Housing<br>Finance | Forfeited<br>Tax<br>Sale |
| <b>REVENUES</b>  |                                |                                 |                          |
| Taxes  | \$ -                           | \$ -                            | \$ 211,031               |
| Intergovernmental  | 219,967                        | -                               | -                        |
| Investment Earnings  | -                              | 14                              | -                        |
| Insurance Dividend   | -                              | -                               | -                        |
| Miscellaneous  | -                              | -                               | 1,848                    |
| Total Revenues   | <u>219,967</u>                 | <u>14</u>                       | <u>212,879</u>           |
| <b>EXPENDITURES</b>  |                                |                                 |                          |
| <b>CURRENT</b>   |                                |                                 |                          |
| General Government   | -                              | -                               | 212,855                  |
| Human Services   | 219,967                        | 138,057                         | -                        |
| Culture and Recreation                                       | -                              | -                               | -                        |
| Economic Development   | -                              | -                               | -                        |
| <b>DEBT SERVICE</b>  |                                |                                 |                          |
| Principal  | -                              | -                               | -                        |
| Interest   | -                              | -                               | -                        |
| Administrative (Fiscal) Charges                              | -                              | -                               | -                        |
| Total Expenditures   | <u>219,967</u>                 | <u>138,057</u>                  | <u>212,855</u>           |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER<br/>EXPENDITURES</b> | -                              | (138,043)                       | 24                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                |                                 |                          |
| Transfers In   | -                              | -                               | 300                      |
| Transfers Out  | -                              | (3)                             | -                        |
| Total Other Financing<br>Sources (Uses)                      | <u>-</u>                       | <u>(3)</u>                      | <u>300</u>               |
| <b>NET CHANGE IN FUND BALANCES</b>                           | -                              | (138,046)                       | 324                      |
| Fund Balance (Deficit) - Beginning of Year                   | -                              | 138,046                         | (300)                    |
| Change in Accounting Principle                               | -                              | -                               | -                        |
| Fund Balance (Deficit) - Beginning of Year, as Restated      | <u>-</u>                       | <u>138,046</u>                  | <u>(300)</u>             |
| <b>FUND BALANCE (DEFICIT) - END OF YEAR</b>                  | <u>\$ -</u>                    | <u>\$ -</u>                     | <u>\$ 24</u>             |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2019**

| Parks<br>and<br>Trails | Revolving<br>Loan | Todd<br>County<br>Development | Total Special<br>Revenue<br>Funds | Debt<br>Service<br>Fund | Total<br>Nonmajor<br>Funds |
|------------------------|-------------------|-------------------------------|-----------------------------------|-------------------------|----------------------------|
| \$ 19,273              | \$ -              | \$ -                          | \$ 230,304                        | \$ 549,624              | \$ 779,928                 |
| 1,270                  | -                 | -                             | 221,237                           | 24,436                  | 245,673                    |
| -                      | -                 | -                             | 14                                | -                       | 14                         |
| 175                    | -                 | -                             | 175                               | -                       | 175                        |
| 9,012                  | -                 | 25,401                        | 36,261                            | 13,233                  | 49,494                     |
| 29,730                 | -                 | 25,401                        | 487,991                           | 587,293                 | 1,075,284                  |
| -                      | -                 | -                             | 212,855                           | -                       | 212,855                    |
| -                      | -                 | -                             | 358,024                           | -                       | 358,024                    |
| 8,822                  | -                 | -                             | 8,822                             | -                       | 8,822                      |
| -                      | -                 | 106,777                       | 106,777                           | -                       | 106,777                    |
| -                      | -                 | -                             | -                                 | 490,000                 | 490,000                    |
| -                      | -                 | -                             | -                                 | 81,659                  | 81,659                     |
| -                      | -                 | -                             | -                                 | 1,850                   | 1,850                      |
| 8,822                  | -                 | 106,777                       | 686,478                           | 573,509                 | 1,259,987                  |
| 20,908                 | -                 | (81,376)                      | (198,487)                         | 13,784                  | (184,703)                  |
| -                      | -                 | 62,000                        | 62,300                            | -                       | 62,300                     |
| -                      | -                 | -                             | (3)                               | -                       | (3)                        |
| -                      | -                 | 62,000                        | 62,297                            | -                       | 62,297                     |
| 20,908                 | -                 | (19,376)                      | (136,190)                         | 13,784                  | (122,406)                  |
| 46,606                 | 90,000            | -                             | 274,352                           | 691,256                 | 965,608                    |
| -                      | -                 | 28,292                        | 28,292                            | -                       | 28,292                     |
| 46,606                 | 90,000            | 28,292                        | 302,644                           | 691,256                 | 993,900                    |
| <u>\$ 67,514</u>       | <u>\$ 90,000</u>  | <u>\$ 8,916</u>               | <u>\$ 166,454</u>                 | <u>\$ 705,040</u>       | <u>\$ 871,494</u>          |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS – CUSTODIAL FUNDS  
YEAR ENDED DECEMBER 31, 2019**

|  | Custodial Funds                         |                  |                  |
|--|---|------------------|------------------|
|  | Todd-Wadena<br>Community<br>Corrections | Prepaid<br>Taxes | State<br>Revenue |
|  |   |                  |                  |
| <b>ASSETS</b>  |   |                  |                  |
| Cash and Cash Equivalents                            | \$ 365,492                              | \$ 17,858        | \$ 55,283        |
| Taxes For Other Governments                          | -                                       | -                | -                |
| Accounts Receivable                                  | 13,376                                  | -                | -                |
| Total Assets   | 378,868                                 | 17,858           | 55,283           |
| <b>LIABILITIES</b>                                   |   |                  |                  |
| Due to Others  | -                                       | -                | -                |
| Salaries Payable                                     | 81,258                                  | -                | -                |
| Due to Other Governments                             | 11,943                                  | -                | 55,283           |
| Total Liabilities                                    | 93,201                                  | -                | 55,283           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                 |   |                  |                  |
| Property Taxes Collected for Subsequent Period       | -                                       | 17,858           | -                |
| <b>NET POSITION</b>                                  |   |                  |                  |
| Restricted for:                                      |   |                  |                  |
| Individuals, Organizations, and<br>Other Governments | \$ 285,667                              | \$ -             | \$ -             |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2019**

| Custodial Funds          |                        |                      |                       |   |                             |  |
|--------------------------|------------------------|----------------------|-----------------------|---|-----------------------------|--|
| Taxes and<br>Penalties   | Jail<br>Inmate         | Estate<br>Recoveries | Trails<br>Association | Todd Soil and<br>Water Conservation<br>District | Total<br>Custodial<br>Funds |  |
| \$ 457,942               | \$ 9,224               | \$ 133,598           | \$ 59,590             | \$ 884,999                                      | \$ 1,983,986                |  |
| 504,501                  | -                      | -                    | -                     | -   | 504,501                     |  |
| -                        | -                      | -                    | -                     | -   | 13,376                      |  |
| <u>962,443</u>           | <u>9,224</u>           | <u>133,598</u>       | <u>59,590</u>         | <u>884,999</u>                                  | <u>2,501,863</u>            |  |
| -                        | -                      | 133,598              | 59,590                | -   | 193,188                     |  |
| -                        | -                      | -                    | -                     | -   | 81,258                      |  |
| 457,942                  | -                      | -                    | -                     | -   | 525,168                     |  |
| <u>457,942</u>           | <u>-</u>               | <u>133,598</u>       | <u>59,590</u>         | <u>-</u>  | <u>799,614</u>              |  |
| -                        | -                      | -                    | -                     | -   | 17,858                      |  |
| <u><u>\$ 504,501</u></u> | <u><u>\$ 9,224</u></u> | <u><u>\$ -</u></u>   | <u><u>\$ -</u></u>    | <u><u>\$ 884,999</u></u>                        | <u><u>\$ 1,684,391</u></u>  |  |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS – CUSTODIAL FUNDS  
YEAR ENDED DECEMBER 31, 2019**

|  | Custodial Funds                         |                  |                  |
|--|---|------------------|------------------|
|  | Todd-Wadena<br>Community<br>Corrections | Prepaid<br>Taxes | State<br>Revenue |
| <b>ADDITIONS</b>   |   |                  |                  |
| Contributions:   |   |                  |                  |
| Individuals  | \$ -                                    | \$ -             | \$ -             |
| Property Tax Collections for Other Governments               | -                                       | 26,236           | -                |
| License and Fees Collected for State                         | -                                       | -                | 704,351          |
| Miscellaneous  | 1,872,550                               | -                | -                |
| Total Additions  | <u>1,872,550</u>                        | <u>26,236</u>    | <u>704,351</u>   |
| <b>DEDUCTIONS</b>  |   |                  |                  |
| Beneficiary Payments to Individuals                          | -                                       | -                | -                |
| Payments to State  | -                                       | -                | -                |
| Payments to Other Entities                                   | 1,831,903                               | 26,236           | 704,351          |
| Total Deductions   | <u>1,831,903</u>                        | <u>26,236</u>    | <u>704,351</u>   |
| <b>NET INCREASE (DECREASE)<br/>IN FIDUCIARY NET POSITION</b> | 40,647                                  | -                | -                |
| Fiduciary Net Position - Beginning of Year                   | -                                       | -                | -                |
| Change in Accounting Principle                               | 245,020                                 | -                | -                |
| Fiduciary Net Position - Beginning of Year, as Restated      | <u>245,020</u>                          | <u>-</u>         | <u>-</u>         |
| <b>FIDUCIARY NET POSITION - END OF YEAR</b>                  | <u>\$ 285,667</u>                       | <u>\$ -</u>      | <u>\$ -</u>      |



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2019**

| Custodial Funds        |                 |                      |                       |   |                             |  |
|------------------------|-----------------|----------------------|-----------------------|---|-----------------------------|--|
| Taxes and<br>Penalties | Jail<br>Inmate  | Estate<br>Recoveries | Trails<br>Association | Todd Soil and<br>Water Conservation<br>District | Total<br>Custodial<br>Funds |  |
| \$ -                   | \$ 170,253      | \$ 269,574           | \$ -                  | \$ -  | \$ 439,827                  |  |
| 16,160,756             | -               | -                    | -                     | -   | 16,186,992                  |  |
| -                      | -               | -                    | -                     | -   | 704,351                     |  |
| -                      | -               | -                    | 136,920               | 1,223,869                                       | 3,233,339                   |  |
| <u>16,160,756</u>      | <u>170,253</u>  | <u>269,574</u>       | <u>136,920</u>        | <u>1,223,869</u>                                | <u>20,564,509</u>           |  |
| -                      | 174,639         | -                    | -                     | -   | 174,639                     |  |
| -                      | -               | 269,574              | -                     | -   | 269,574                     |  |
| 16,170,587             | -               | -                    | 136,920               | 750,747   | 19,620,744                  |  |
| <u>16,170,587</u>      | <u>174,639</u>  | <u>269,574</u>       | <u>136,920</u>        | <u>750,747</u>                                  | <u>20,064,957</u>           |  |
| (9,831)                | (4,386)         | -                    | -                     | 473,122   | 499,552                     |  |
| -                      | -               | -                    | -                     | -   | -                           |  |
| 514,332                | 13,610          | -                    | -                     | 411,877   | 1,184,839                   |  |
| <u>514,332</u>         | <u>13,610</u>   | <u>-</u>             | <u>-</u>              | <u>411,877</u>                                  | <u>1,184,839</u>            |  |
| <u>\$ 504,501</u>      | <u>\$ 9,224</u> | <u>\$ -</u>          | <u>\$ -</u>           | <u>\$ 884,999</u>                               | <u>\$ 1,684,391</u>         |  |

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF INTERGOVERNMENTAL REVENUE  
YEAR ENDED DECEMBER 31, 2019**

|  | Total<br>Governmental<br>Funds | Total<br>Enterprise<br>Funds | Total<br>Government        |
|--|--------------------------------|------------------------------|----------------------------|
| <b>SHARED REVENUE</b>                  |                                |                              |                            |
| <b>STATE</b>                           |                                |                              |                            |
| Highway Users Tax                      | \$ 6,495,022                   | \$ -                         | \$ 6,495,022               |
| Market Value Credit - Agriculture      | 554,024                        | -                            | 554,024                    |
| PERA Rate Reimbursement                | 70,415                         | 2,247                        | 72,662                     |
| Disparity Reduction Aid                | 72,751                         | -                            | 72,751                     |
| Police Aid                             | 146,553                        | -                            | 146,553                    |
| Out of Home Placement                  | 2,912                          | -                            | 2,912                      |
| County Program Aid                     | 1,430,089                      | -                            | 1,430,089                  |
| Aquatic Invasive Species               | 153,469                        | -                            | 153,469                    |
| Riparian Protection Aid                | 112,471                        | -                            | 112,471                    |
| Enhanced 911                           | 100,387                        | -                            | 100,387                    |
|  | <hr/>                          | <hr/>                        | <hr/>                      |
| Total Shared Revenue                   | 9,138,093                      | 2,247                        | 9,140,340                  |
| <b>REIMBURSEMENT FOR SERVICES</b>      |                                |                              |                            |
| <b>STATE</b>                           |                                |                              |                            |
| Minnesota Department of Human Services | 1,516,695                      | -                            | 1,516,695                  |
| <b>PAYMENTS</b>                        |                                |                              |                            |
| <b>Local</b>                           |                                |                              |                            |
| Local - Payments in Lieu of Taxes      | 116,407                        | -                            | 116,407                    |
| Total Payments                         |                                | -                            | 116,407                    |
| <b>GRANTS</b>                          |                                |                              |                            |
| <b>LOCAL</b>                           |                                |                              |                            |
|  | 41,586                         | -                            | 41,586                     |
| <b>STATE</b>                           |                                |                              |                            |
| Minnesota Department/Board of          |                                |                              |                            |
| Agriculture                            | 18,496                         | -                            | 18,496                     |
| Natural Resources                      | 11,798                         | -                            | 11,798                     |
| Health                                 | 271,166                        | -                            | 271,166                    |
| Human Services                         | 984,512                        | -                            | 984,512                    |
| Soil and Water Resources               | 77,281                         | -                            | 77,281                     |
| Peace Officers                         | 19,884                         | -                            | 19,884                     |
| Pollution Control Agency               | -                              | 69,798                       | 69,798                     |
| Public Safety                          | 2,074                          | -                            | 2,074                      |
| Total State                            | <hr/> 1,385,211                | <hr/> 69,798                 | <hr/> 1,455,009            |
| <b>FEDERAL</b>                         |                                |                              |                            |
| Department of                          |                                |                              |                            |
| Agriculture                            | 396,502                        | -                            | 396,502                    |
| Interior                               | 1,611                          | -                            | 1,611                      |
| Education                              | 1,296                          | -                            | 1,296                      |
| Public Safety                          | 824                            | -                            | 824                        |
| Health and Human Services              | 2,525,023                      | -                            | 2,525,023                  |
| Homeland Security                      | 27,513                         | -                            | 27,513                     |
| Transportation                         | 216,049                        | -                            | 216,049                    |
| Total Federal                          | <hr/> 3,168,818                | <hr/> -                      | <hr/> 3,168,818            |
| Total State and Federal Grants         | <hr/> 4,554,029                | <hr/> 69,798                 | <hr/> 4,623,827            |
| Total Intergovernmental Revenue        | <hr/> <u>\$ 15,366,810</u>     | <hr/> <u>\$ 72,045</u>       | <hr/> <u>\$ 15,438,855</u> |

**REPORTS RELATED TO *GOVERNMENT AUDITING STANDARDS*  
AND SINGLE AUDIT**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of County Commissioners  
Todd County  
Long Prairie, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Todd County, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Todd County's basic financial statements, and have issued our report thereon dated April 23, 2020.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questions costs that we consider to be material weaknesses as items 2019-001 to 2019-003.

**Compliance and Other Matters**

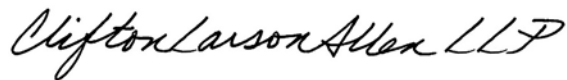
As part of obtaining reasonable assurance about whether Todd County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

**Todd County’s Responses to Findings**

Todd County’s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County’s responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Todd County’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
April 23, 2020

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

Board of County Commissioners  
Todd County  
Long Prairie, Minnesota

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

We have audited Todd County's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, Todd County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-004. Our opinion on each major federal program is not modified with respect to these matters.

**Todd County's Response to Finding**

Todd County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Todd County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-004 that we consider to be a significant deficiency.




**Report on Internal Control Over Compliance (Continued)**

**Todd County's Response to Finding**

Todd County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Todd County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
April 23, 2020

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**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2019**

**SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?     X     yes          no
- Significant deficiency(ies) identified?          yes     X     no

Noncompliance material to financial statements noted?          yes     X     no

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?          yes     X     no
- Significant deficiency(ies) identified?     X     yes          no

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?     X     yes          no

Identification of major programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|---------------------|---|
| 93.563              | Child Support Enforcement                 |
| 93.778              | Medicaid Cluster                          |

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

Auditee qualified as low-risk auditee?          yes     X     no

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2019**

**MATERIAL WEAKNESSES (FINANCIAL REPORTING):**

**SEGREGATION OF DUTIES (2019-001)**

**Criteria:** County management should always be aware of the need to have adequate segregation of duties regarding the processing of transactions for the County. In addition, County management should be aware that the concentration of duties and responsibilities in one or a very few individuals is not desirable from an internal control perspective.

**Condition and Context:** Adequate segregation of the accounting functions necessary to ensure adequate internal accounting control, is not in place for various departments/offices in the County.

**Cause:** The County has a limited number of personnel within several County departments/offices.

**Possible Effect:** The lack of adequate segregation of duties can result in incorrect financial information, failure to detect misstatements or misappropriations, and the lack of adherence to the County's procedures.

**Repeat Finding:** Prior year finding identified as Finding 2018-001.

**Recommendation:** We recommend County management be aware of the lack of segregation of duties within the accounting functions and provide oversight to ensure the internal control policies and procedures are being implemented by organization staff.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding. The County will review the accounting functions and segregate them if deemed cost-beneficial.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2019**

**MATERIAL WEAKNESSES (FINANCIAL REPORTING) – (CONTINUED):**

**AUDIT ADJUSTMENTS (2019-002)**

**Criteria:** County management is responsible for establishing and maintaining internal controls for the proper recording of all County's receipts and disbursements, including reclassifications between funds and activity of all investing and savings accounts.

**Condition and Context:** As part of the audit, we proposed material adjustments for closing the County's books at year-end, implementing GASB 84, recording of accruals, net pension liability and related deferred inflows and outflows of resources, reclassifications of fund balances between categories and revenues and expenditures to the proper accounts.

**Cause:** The County has a limited number of personnel.

**Possible Effect:** The design of the internal controls over recording revenues and expenditures, including reclassifications, could affect the ability of the County to detect or prevent errors, a misappropriation of assets, or fraudulent activity.

**Repeat Finding:** Prior year finding identified as Finding 2018-002.

**Recommendation:** We recommend County management be consistently aware of all procedures and processes involved in recording receipts, disbursements, and reclassifications, and develop internal control policies to ensure proper recording of these items.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding. Management will continue to work at eliminating the need for audit adjustments through learning about new GASB standards and reviewing work performed by department personnel.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2019**

**MATERIAL WEAKNESSES (FINANCIAL REPORTING) – (CONTINUED):**

**FINANCIAL REPORTING PROCESS (2019-003)**

**Criteria:** County management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements in accordance applicable accounting and reporting standards.

**Condition and Context:** As part of the audit, management requested us to prepare a draft of the financial statements, including the related notes to the financial statements. The County does not have an internal control policy in place over preparation or review of the annual financial statements that would enable management to prepare the financial statements and related note disclosures in accordance with applicable accounting and reporting standards. It was also noted that there are lack of controls over several areas of the County, including over cutoff of receivables and payables, completeness and existence of payroll liabilities, and accuracy and classification of payroll. Management reviews and accepts responsibility for the financial statements.

**Cause:** The County has a limited number of personnel.

**Possible Effect:** The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the County's internal controls.

**Repeat Finding:** Prior year finding identified as Finding 2018-003.

**Recommendation:** We recommend the County continue to evaluate their internal staff capacity to determine if an internal control policy over the preparation of the financial statements and other areas is beneficial.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding. The County will review the financial reporting requirements and undertake them if deemed cost-beneficial.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2019**

**MAJOR PROGRAM SIGNIFICANT DEFICIENCY AND COMPLIANCE**

**ELIGIBILITY DOCUMENTATION (2019-004)**

**Federal Agency:** U.S. Department of Health and Human Services

**Federal Program Title:** Medical Assistance Program (Medicaid Cluster)

**CFDA Number:** 93.778

**Pass-Through Agency:** Minnesota Department of Human Services

**Pass-Through Numbers:** 1905MNADM, 1905MN5MAP

**Compliance Requirement Affected:** Eligibility

**Award Period:** Year-Ended December 31, 2019

**Type of Finding:** Significant Deficiency in Internal Control over Compliance and Compliance

**Criteria:** According to Uniform Guidance 2 CFR Part 200, Appendix XI Compliance Supplement for CFDA 93.778 and 42 CFR section 431.10, the federal eligibility compliance requirements for Medical Assistance require verification of specific assets owned by applicants. In order for benefit amounts to be calculated correctly, it's necessary for the information to be entered into the state eligibility system, MAXIS, accurately.

**Condition and Context:** During statistically valid sample testing of eligibility, it was noted that three out of sixty transactions did not have asset documentation to support the amount that was entered into the state system MAXIS. The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits* and was a statistically valid sample.

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

**Cause:** Lack of oversight by management.

**Possible Effect:** The County could be providing benefits to ineligible clients.

**Repeat Finding:** Not applicable.

**Recommendation:** We recommend the County implement procedures to provide reasonable assurance that all necessary documentation to support eligibility determinations exist and are properly input or updated in MAXIS and issues are followed up on in a timely manner.

**Views of Responsible Officials:** There is no disagreement with the audit finding.

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2019**

**OTHER ITEMS FOR CONSIDERATION – MINNESOTA LEGAL COMPLIANCE**

**DITCH SPECIAL REVENUE FUND - CASH DEFICITS (2019-005)**

**Criteria:** In accordance with state statutes, active ditch systems must maintain sufficient funds to pay for project costs.

**Condition and Context:** The County reported 12 of the 43 active ditch systems as having deficit cash balances as of December 31, 2019.

**Cause:** Expenditures to upgrade ditches are incurred prior to revenue streams.

**Possible Effect:** The County is not in compliance with Minnesota Statute §103E.655 subd. 2.

**Repeat Finding:** Prior year finding identified as Finding 2018-005.

**Recommendation:** We recommend the County continue to try to eliminate the deficit cash balances in the active ditch systems by borrowing from an eligible ditch system or fund with a surplus cash balance.

**CLIENT'S RESPONSE:**

*The County will continue to monitor the individual ditch deficits and eliminate them when feasible.*

**PAYMENT OF CLAIMS WITHIN 35 DAYS (2019-006)**

**Criteria:** Minnesota Statute §471.425 requires prompt payment of local government bills within the standard timeline of 35 days from the receipt of invoice.

**Condition and Context:** During audit procedures, it was noted that 2 out of 40 invoices tested were not paid within the standard timeline of 35 days from receipt.

**Cause:** Unknown.

**Possible Effect:** The County is not in compliance with Minnesota State Statutes and is at an increased risk of incurring late fees by not paying items in a timely manner.

**Repeat Finding:** Not applicable.

**Recommendation:** We recommend the County implement procedures to ensure timely payment of all claims.

**CLIENT'S RESPONSE:**

*The County will review state statutes and ensure timely payment on all claims.*



**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2019**

**OTHER ITEMS FOR CONSIDERATION – MINNESOTA LEGAL COMPLIANCE (CONTINUED)**

**PUBLISHING OF DISBURSEMENTS (2019-007)**

**Criteria:** Minnesota Statute §375.17 requires actual vendors providing goods and services to the County to be identified and not just the credit card company.

**Condition and Context:** When publishing it's disbursements in the newspaper, the County is not publishing the individual vendors, but instead the credit card company.

**Cause:** Unknown.

**Possible Effect:** The County is not in compliance with Minnesota State Statutes.

**Repeat Finding:** Not applicable.

**Recommendation:** We recommend the County publish the vendors from their credit card statements in the newspaper, instead of just the credit card company disbursements.

**CLIENT'S RESPONSE:**

*The County will review statutes and break out the credit card statement detail in the future.*

**PREVIOUSLY REPORTED ITEM RESOLVED**

**DOCUMENTATION OF PROCUREMENT, SUSPENSION, AND DEBARMENT (2018-004)**

**Resolution:** Per inquiry of the County, they have implemented the recommendations and are following their policy. Per the 2019 Compliance Supplement, Procurement, Suspension, and Debarment was not a compliance requirement required as part of the "Pick 6".

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2019**

| Federal Grantor<br>Pass Through Agency<br>Grant Program Title   | Federal<br>CFDA<br>Number | Pass-through<br>Grant<br>Numbers   | Expenditures   | Passed<br>Through to<br>Subrecipients |
|---|---------------------------|------------------------------------|----------------|---------------------------------------|
| <b>U.S. Department of Agriculture</b>   |                           |                                    |                |                                       |
| Passed Through Minnesota Department of Health and Morrison County<br>Special Supplemental Nutrition Program for Women, Infants and Children                               | 10.557                    | 192MN004W1003                      | \$ 142,988     | \$ -                                  |
| Passed Through Minnesota Department of Human Services<br>State Administrative Matching Grants for the Supplemental Nutrition<br>Assistance Program (Part of SNAP Cluster) | 10.561                    | 192MN101S2514                      | <u>270,728</u> | -                                     |
| Total Department of Agriculture   |                           |                                    | 413,716        | -                                     |
| <b>U.S. Department of Interior</b>  |                           |                                    |                |                                       |
| <b>Direct</b>   |                           |                                    |                |                                       |
| National Wildlife Refuge Fund   | 15.659                    | Not Applicable                     | 1,611          | -                                     |
| <b>U.S. Department of Transportation</b>  |                           |                                    |                |                                       |
| Passed Through Minnesota Department of Transportation<br>Highway Planning and Construction (Part of Highway Planning and<br>Construction Cluster)                         | 20.205                    | 802260                             | 205,202        | -                                     |
| Passed Through Minnesota Department of Public Safety and Wadena County<br>State and Community Highway Safety (Part of Highway Safety Cluster)                             | 20.600                    | A-ENFRC-19-2019-Wadenasd-<br>00057 | 1,144          | -                                     |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated  | 20.608                    | A-ENFRC-19-2019-Wadenasd-<br>00057 | 5,311          | -                                     |
| National Priority Safety Programs (Part of Highway Safety Cluster)  | 20.616                    | A-ENFRC-19-2019-Wadenasd-<br>00057 | <u>4,392</u>   | -                                     |
| Total Department of Transportation  |                           |                                    | 216,049        | -                                     |
| <b>U.S. Department of Education</b>   |                           |                                    |                |                                       |
| Passed Through Minnesota Department of Education and Morrison County<br>Special Education - Grants for Infants and Families   | 84.181                    | H181A180029                        | 1,660          | -                                     |
| <b>U.S. Department of Health and Human Services</b>   |                           |                                    |                |                                       |
| <b>Direct</b>   |                           |                                    |                |                                       |
| Drug-Free Communities Support Program Grants  | 93.276                    | H79SP021051                        | 126,302        | -                                     |
| Passed Through Minnesota Department of Commerce<br>Low Income Home Energy Assistance  | 93.568                    | 1901MNLIEA                         | 219,967        | -                                     |
| Passed Through Minnesota Department of Health and Morrison County<br>Public Health Emergency Preparedness   | 93.069                    | NU90TP922026                       | 27,495         | -                                     |
| Universal Newborn Hearing Screening   | 93.251                    | H61MC00035                         | 2,250          | -                                     |
| Temporary Assistance for Needy Families (Part of TANF Cluster)<br>(Total Temporary Assistance of Needy Families 93.558 \$271,842)   | 93.558                    | 1901MNTANF                         | 41,061         | -                                     |
| Maternal and Child Health Services Block Grant to the States  | 93.994                    | B0432551                           | 34,702         | -                                     |
| Passed Through Minnesota Department of Human Services and Morrison<br>Medical Assistance Program (Part of Medicaid Cluster)<br>(Total Medical Assistance \$1,065,157)     | 93.778                    | 1905MN5MAP                         | 91,058         | -                                     |

*The Notes to the Schedule of Expenditures of Federal Awards are an integrated part of this schedule.*

**TODD COUNTY  
LONG PRAIRIE, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
DECEMBER 31, 2019**

| Federal Grantor<br>Pass Through Agency<br>Grant Program Title   | Federal<br>CFDA<br>Number | Pass-through<br>Grant<br>Numbers | Expenditures        | Passed<br>Through to<br>Subrecipients |
|---|---------------------------|----------------------------------|---------------------|---------------------------------------|
| U.S. Department of Health and Human Services (Continued)  |                           |                                  |                     |                                       |
| Passed Through Minnesota Department of Human Services   |                           |                                  |                     |                                       |
| Promoting Safe and Stable Families  | 93.556                    | 1901MNFPS                        | \$ 2,955            | \$ -                                  |
| Temporary Assistance for Needy Families (Part of TANF cluster)<br>(Total Temporary Assistance of Needy Families 93.558 \$271,842) | 93.558                    | 1901MNTANF                       | 230,781             | -                                     |
| Child Support Enforcement   | 93.563                    | 1904MNCSES                       | \$ 328,338          | -                                     |
|   | 93.563                    | 1904MNCES                        | <u>79,084</u>       | -                                     |
| Refugee and Entrant Assistance State Administered Programs  | 93.566                    | G-1901MNRSOC                     | 235                 | -                                     |
| Child Care and Development Block Grant (Part of CCDF Cluster)   | 93.575                    | 1901MNCDF                        | 2,657               | -                                     |
| Community-Based Child Abuse Prevention Grants   | 93.590                    | G-1901MNBCAP                     | 5,871               | -                                     |
| Stephanie Tubbs Jones Child Welfare Services Program  | 93.645                    | G-1701MNCWSS                     | 2,635               | -                                     |
| Foster Care Title IV-E  | 93.658                    | 1901MNFOS                        | 145,307             | -                                     |
| Social Services Block Grant   | 93.667                    | G-1901MNSOSR                     | 168,213             | -                                     |
| Chafee Foster Care Independence Program   | 93.674                    | G-1901MNCILP                     | 825                 | -                                     |
| Children's Health Insurance Program   | 93.767                    | 2005MN5021                       | 155                 | -                                     |
| Medical Assistance Program (Part of Medicaid Cluster)<br>(Total Medical Assistance \$1,065,157)                                   | 93.778                    | 1905MNSADM                       | 952,695             | -                                     |
|   |                           | 1905MNSMAP                       | <u>21,404</u>       | -                                     |
| Block Grants for Prevention and Treatment of Substance Abuse  | 93.959                    | 2B08TI010027                     | 1,850               | -                                     |
| Total Department of Health and Human Services   |                           |                                  | <u>2,485,840</u>    | -                                     |
| U.S. Department of Homeland Security  |                           |                                  |                     |                                       |
| Passed Through Minnesota Department of Natural Resources  |                           |                                  |                     |                                       |
| Boating Safety Financial Assistance   | 97.012                    | 3319FAS190217                    | 27,513              | -                                     |
| Passed Through Minnesota Department of Public Safety  |                           |                                  |                     |                                       |
| Emergency Management Performance Grant  | 97.042                    | EMC-2019-EP-00002                | <u>20,134</u>       | -                                     |
| Total Department of Homeland Security   |                           |                                  | <u>47,647</u>       | -                                     |
| Total Cash Type Federal Awards  |                           |                                  | <u>\$ 3,166,523</u> | <u>\$ -</u>                           |

Notes to the Schedule of Expenditures of Federal Awards

- The schedule of expenditures of federal awards presents the federal award programs expended by Todd County (County). The County's reporting entity is defined in Note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.
- Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Todd County has elected to not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
- Clusters of programs are groupings of closely related programs that share common compliance requirements. Total expenditures by cluster are:

|   |            |
|---|------------|
| SNAP Cluster                              | \$ 270,728 |
| Highway Planning and Construction Cluster | 205,202    |
| Highway Safety Cluster                    | 5,536      |
| TANF Cluster                              | 271,842    |
| CCDF Cluster                              | 2,657      |
| Medicaid Cluster                          | 1,065,157  |
- Reconciliation to the Schedule of Intergovernmental Revenue:

|   |                     |
|---|---------------------|
| Federal Grant Revenue per Schedule of Intergovernmental Revenue:  | \$ 3,168,818        |
| Expenditures above, not included as revenues on the Schedule of Intergovernmental Revenues                        | 125,135             |
| Revenues included on the Schedule of Intergovernmental Revenue that are not considered Federal Grant Expenditures | <u>(127,430)</u>    |
| Expenditures per Schedule of Expenditures of Federal Awards   | <u>\$ 3,166,523</u> |

The Notes to the Schedule of Expenditures of Federal Awards are an integrated part of this schedule.

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## INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of County Commissioners  
Todd County  
Long Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Todd County, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's financial statements as listed in the table of contents and have issued our report thereon dated April 23, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that Todd County failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. §6.65, insofar as they relate to accounting matters, except as described in the Schedule of findings and questioned costs as items 2019-005 through 2019-007. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

Todd County's written responses to the legal compliance findings identified in our audit are described in the schedule of findings and questioned costs. Todd County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Counties* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
April 23, 2020