

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison 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 (asset), the schedule of the County pension contributions, and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information listed in the table of contents and 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* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**TODD COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

3. Correctional Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. 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. 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.

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 2022 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, 2022, were \$961,174. The County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2022 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2022, were \$268,561. 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 2022. The County's contributions to the Correctional Fund for the year ended December 31, 2022, were \$55,858. The County's contributions were equal to the required contributions as set by state statute.

TODD COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 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 2022. 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.

NOTE 8 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.

**TODD COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

B. Construction Commitments

The County had the following construction commitments as of December 31, 2022.

	Spent-to-Date	Remaining Commitment
Road Construction	\$ 4,149,510	\$ 218,411
Bridge Replacement	601,522	31,659
Building	220,668	372,832
Total	\$ 4,971,700	\$ 622,902

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, 2022, as shown below:

City	Captured Net Tax Capacity	Tax Increment	Adjoining County Values	Adjusted Tax Cap	County Tax Rate	Abated County Tax
City of Clarissa	\$ 237,522	\$ (8,314)	\$ -	\$ 228,908	81%	\$ 14,852
City of Long Prairie	1,848,554	(164,538)	-	1,684,016	59%	229,549
City of Eagle Bend	230,017	(10,788)	-	219,229	102%	19,997
City of Staples	1,258,949	(165,067)	Wadena 403,764	1,497,646	71%	269,110
City of Bertha	164,558	(10,734)	-	153,824	93%	18,895
Total						\$ 552,403

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.

**TODD COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

D. Joint Ventures (Continued)

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 2022 was \$603,851. There is no accumulation of significant financial resources or fiscal stress for this entity.

Complete financial information can be obtained from:

Todd-Wadena Community Corrections Office
221 1st Avenue S. #200
Long Prairie, Minnesota 56347

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, Minnesota 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 Collaborative in 2022. There is no accumulation of significant financial resources or fiscal stress for this entity.

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

**TODD COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

D. Joint Ventures (Continued)

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 Task Force. Members provide officers to the Task Force in lieu of appropriations; Todd County provided no cash funding to this organization during 2022. 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. The county did not make any payments to the task force in 2022. There is no accumulation of significant financial resources or fiscal stress for this entity.

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

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.

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.

**TODD COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

D. Joint Ventures (Continued)

Prairie Lakes Municipal Solid Waste Authority (Continued)

Each charter member county's annual contribution is determined as part of the annual operating budget. The County was not required to contribute during 2022. 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%. The county did not make any payments to PLMSWA in 2022. There is no accumulation of significant financial resources or fiscal stress for this entity.

Complete financial statements for the PLMSWA may be obtained from its fiscal agent at 510 Fir Ave W, Fergus Falls, Minnesota 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 2022, the County contributed \$13,060 to Rainbow Rider. There is no accumulation of significant financial resources or fiscal stress for this entity.

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

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.

**TODD COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

D. Joint Ventures (Continued)

Central Minnesota Emergency Services Board (Continued)

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 2022, the County contributed \$5,471 to the Central Minnesota Emergency Services Board. There is no accumulation of significant financial resources or fiscal stress for this entity. 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 2022, the County did not contribute funding to the Counties Providing Technology. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from Counties Providing Technology office at 400 Colorado Avenue, Suite 303, Morris, Minnesota 56267.

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.

**TODD COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

D. Joint Ventures (Continued)

Mid-State Computer Collaborative (Continued)

In 2022, the County had no contributions to Mid-State Computer Collaborative. There is no accumulation of significant financial resources or fiscal stress for this entity. 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, Minnesota 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 12 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. The county did not make any payments to Region V+ in 2022. There is no accumulation of significant financial resources or fiscal stress for this entity.

Complete financial information can be obtained from:

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

**TODD COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

D. Joint Ventures (Continued)

Central Minnesota Emergency Medical Services Region (CMEMS)

The Central Minnesota Emergency Medical Services Region (CMEMS) was established by a joint powers agreement among Benton, Cass, Crow Wing, Kanabec, Mille Lacs, Morrison, Pine, Stearns, Todd, Wadena, and Wright Counties. The purpose of establishing a joint powers board is to govern a regional emergency medical services system. The joint powers agreement remains in force until it is terminated by the mutual consent of the parties to the agreement, suspended by a subsequent agreement between the members, or terminated by operation of law.

The board consists of one member 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 a two-year term and may be reappointed by their respective County Boards. In 2022, the County had no contributions to the CMEMS. There is no accumulation of significant financial resources or fiscal stress for this entity.

Stearns County is the fiscal host and complete financial information can be obtained from the fiscal host.

E. Jointly-Governed Organizations

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. The county did not make any payments to the Consortium in 2022. There is no accumulation of significant financial resources or fiscal stress for this entity.

Minnesota Rural Counties Caucus

The Minnesota Rural Counties Caucus was established in 1997 and includes Aitkin, Becker, Big Stone, Clay, Cottonwood, Douglas, Grant, Kittson, Koochiching, Lake of the Woods, Mahnomen, Marshall, McLeod, Mille Lacs, Mower, Murray, Norman, Pennington, Pine, Pipestone, Polk, Pope, Red Lake, Redwood, Roseau, Stevens, Todd, Traverse, Wadena, Watonwan, Wilkin, and Wright Counties. Control of the Caucus is vested in the Minnesota Rural Counties Caucus Executive Committee, which is composed of 12 appointees, each with an alternate, who are appointed annually by each respective County Board they represent. Each County also appoints a delegate and alternate to the board of directors. The County's responsibility does not extend beyond making these appointments. The county did not make any payments to the Minnesota Rural Counties Caucus in 2022. There is no accumulation of significant financial resources or fiscal stress for this entity.

**TODD COUNTY, MINNESOTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

E. Jointly-Governed Organizations (Continued)

Minnesota Criminal Justice Data Communications Network

The Minnesota Criminal Justice Data Communications Network Joint Powers Agreement exists to create access for the County Sheriff and County Attorney to systems and tools available from the state of Minnesota, Department of Public Safety, and the Bureau of Criminal Apprehension to carry out criminal justice. During the year, the County made no payments to the joint powers. There is no accumulation of significant financial resources or fiscal stress for this entity.

F. Related Organization – Todd County Housing and Redevelopment Authority

The County Board is responsible for appointing two nonvoting members of the Todd County Housing and Redevelopment Authority's governing body, but the County's responsibility does not extend beyond making the appointments.

REQUIRED SUPPLEMENTARY INFORMATION

TODD COUNTY, MINNESOTA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY, RELATED RATIOS, AND NOTES
LAST TEN MEASUREMENT DATES

	Measurement Date January 1, 2022	Measurement Date January 1, 2021	Measurement Date January 1, 2020	Measurement Date January 1, 2019	Measurement Date January 1, 2018
Total OPEB Liability					
Service Cost	\$ 103,899	\$ 131,397	\$ 108,684	\$ 93,471	\$ 99,836
Interest	61,308	85,277	117,998	103,729	102,782
Assumption Changes	(218,153)	108,401	99,976	(81,189)	-
Differences between Expected and Actual Experience	(315,476)	-	(344,786)	-	-
Benefit Payments	(183,647)	(161,616)	(176,344)	(162,587)	(172,473)
Net Change in Total OPEB Liability	(552,069)	163,459	(194,472)	(46,576)	30,145
Total OPEB Liability - Beginning	3,052,867	2,889,408	3,083,880	3,130,456	3,100,311
Total OPEB Liability - Ending	<u>\$ 2,500,798</u>	<u>\$ 3,052,867</u>	<u>\$ 2,889,408</u>	<u>\$ 3,083,880</u>	<u>\$ 3,130,456</u>
 Covered Employee Payroll	 \$ 12,541,559	 \$ 12,436,397	 \$ 12,044,937	 \$ 10,971,464	 \$ 10,651,907
 County's OPEB Liability as a Percentage of Covered Employee Payroll	 20%	 25%	 24%	 28%	 29%

NOTE 1: The County implement GASB Statement No. 75 in 2018, and the above table will be expanded to 10 years of information as the information becomes available.

NOTE 2: No assets are accumulated in a trust.

TODD COUNTY, MINNESOTA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LAST TEN MEASUREMENT PERIODS

	Measurement Date <u>June 30, 2022</u>	Measurement Date <u>June 30, 2021</u>	Measurement Date <u>June 30, 2020</u>	Measurement Date <u>June 30, 2019</u>	Measurement Date <u>June 30, 2018</u>	Measurement Date <u>June 30, 2017</u>	Measurement Date <u>June 30, 2016</u>	Measurement Date <u>June 30, 2015</u>
General Employees Plan								
County's Proportion of the Net Pension Liability	0.1673%	0.1665%	0.1576%	0.1536%	0.1566%	0.1539%	0.1532%	0.1630%
County's Proportionate Share of the Net Pension Liability	\$ 11,991,445	\$ 6,385,046	\$ 8,485,059	\$ 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 the County	351,544	194,890	261,714	237,440	257,551	123,569	162,458	-
County's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability	\$ 12,342,989	\$ 6,579,936	\$ 8,746,773	\$ 7,880,420	\$ 8,111,074	\$ 9,948,443	\$ 12,601,538	\$ 8,447,506
County's Covered Payroll	\$ 12,459,668	\$ 11,969,378	\$ 11,203,961	\$ 10,858,016	\$ 10,513,048	\$ 9,880,737	\$ 9,505,400	\$ 9,584,963
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	96.24%	53.34%	75.73%	70.39%	74.70%	99.43%	130.86%	88.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.67%	87.00%	79.10%	80.20%	75.90%	75.90%	68.90%	78.20%
Police and Fire Plan								
County's Proportion of the Net Pension Liability	0.123%	0.124%	0.117%	0.114%	0.111%	0.105%	0.108%	0.112%
County's Proportionate Share of the Net Pension Liability	\$ 5,348,123	\$ 959,464	\$ 1,542,185	\$ 1,212,581	\$ 1,181,014	\$ 1,417,625	\$ 4,334,228	\$ 1,272,582
State's Proportionate Share of the Net Pension Liability Associated with the County	233,692	43,139	36,344	-	-	-	-	-
County's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability	\$ 5,581,815	\$ 1,002,603	\$ 1,578,529	\$ 1,212,581	\$ 1,181,014	\$ 1,417,625	\$ 4,334,228	\$ 1,272,582
County's Covered Payroll	\$ 1,490,241	\$ 1,466,914	\$ 1,377,214	\$ 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 of Its Covered Payroll	358.88%	65.41%	111.98%	101.48%	101.11%	132.09%	415.47%	123.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.53%	93.70%	87.20%	89.30%	88.80%	85.40%	63.90%	86.60%
Correctional Plan								
County's Proportion of the Net Pension Liability	0.257%	0.444%	0.421%	0.417%	0.357%	0.320%	0.310%	0.330%
County's Proportionate Share of the Net Pension Liability	\$ 852,606	\$ (72,957)	\$ 114,152	\$ 57,734	\$ 58,666	\$ 912,003	\$ 1,132,473	\$ 51,018
County's Covered Payroll	\$ 632,186	\$ 956,551	\$ 879,510	\$ 867,246	\$ 728,499	\$ 613,675	\$ 580,326	\$ 594,879
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	134.87%	-7.63%	12.98%	6.66%	8.05%	148.61%	195.14%	8.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.58%	101.60%	96.70%	98.20%	97.60%	67.90%	58.20%	96.90%

NOTE: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying Notes to Required Supplementary Information.

**TODD COUNTY, MINNESOTA
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Employees Plan									
Contractually Required Contribution	\$ 961,174	\$ 893,755	\$ 886,129	\$ 827,957	\$ 804,319	\$ 766,203	\$ 722,477	\$ 685,477	\$ 658,386
Contributions in Relation to the Contractually Required Contribution	(961,174)	(893,755)	(886,129)	(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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 12,815,653	\$ 11,916,733	\$ 11,815,053	\$ 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%	7.50%	7.50%	7.50%	7.25%
Police and Fire Plan									
Contractually Required Contribution	\$ 268,561	\$ 259,441	\$ 252,574	\$ 210,892	\$ 193,471	\$ 182,691	\$ 169,600	\$ 161,104	\$ 145,374
Contributions in Relation to the Contractually Required Contribution	(268,561)	(259,441)	(252,574)	(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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 1,517,294	\$ 1,465,768	\$ 1,490,112	\$ 1,244,201	\$ 1,194,265	\$ 1,127,722	\$ 1,046,910	\$ 994,470	\$ 950,157
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	16.95%	16.95%	16.20%	16.20%	16.20%	16.20%	15.30%
Correctional Plan									
Contractually Required Contribution	\$ 55,858	\$ 69,243	\$ 84,264	\$ 78,112	\$ 72,460	\$ 57,710	\$ 51,454	\$ 49,389	\$ 52,824
Contributions in Relation to the Contractually Required Contribution	(55,858)	(69,243)	(84,264)	(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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 638,377	\$ 791,349	\$ 963,017	\$ 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%	8.75%	8.75%	8.75%

NOTE: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying Notes to Required Supplementary Information.

**TODD COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 10,238,370	\$ 10,238,370	\$ 10,129,007	\$ (109,363)
Special Assessments	-	-	28,504	28,504
Licenses and Permits	166,665	166,665	212,479	45,814
Intergovernmental	2,603,809	2,603,809	3,771,299	1,167,490
Charges for Services	560,865	560,865	927,912	367,047
Fines and Forfeits	-	-	41,842	41,842
Gifts and Contributions	-	-	3,586	3,586
Investment Earnings	90,000	90,000	166,029	76,029
Insurance Dividend	38,000	38,000	78,732	40,732
Miscellaneous	810,325	810,325	837,136	26,811
Total Revenues	<u>14,508,034</u>	<u>14,508,034</u>	<u>16,196,526</u>	<u>1,688,492</u>
EXPENDITURES				
Current:				
General Government:				
Administrator	446,709	446,709	446,685	24
Commissioners	318,052	318,052	354,570	(36,518)
Courts	165,000	165,000	139,926	25,074
Law Library	-	-	18,489	(18,489)
County Auditor-Treasurer	667,903	667,903	594,142	73,761
County Assessor	557,601	557,601	533,778	23,823
Elections	103,368	118,368	118,941	(573)
Data Processing	440,703	440,703	418,653	22,050
Attorney	824,223	824,223	877,947	(53,724)
Recorder	303,701	303,701	307,229	(3,528)
GIS/Surveyor	201,614	201,614	203,496	(1,882)
Planning and Zoning	522,944	634,582	589,433	45,149
Buildings and Plant	692,856	692,856	848,532	(155,676)
Veterans Service Officer	271,924	271,924	255,398	16,526
Central Services/Motor Pool	85,000	85,000	103,931	(18,931)
Other General Government	349,950	349,950	312,184	37,766
Clean Water Partnership	-	-	105,716	(105,716)
Pandemic	-	-	376,791	(376,791)
Total General Government	<u>5,951,548</u>	<u>6,078,186</u>	<u>6,605,841</u>	<u>(527,655)</u>
Public Safety:				
Sheriff	3,611,671	3,647,125	3,335,976	311,149
Boat and Water Safety	9,625	9,625	12,625	(3,000)
Emergency Services	61,497	61,497	60,974	523
E-911	100,000	100,000	190,025	(90,025)
Coroner	34,000	34,000	33,500	500
County Jail	1,264,514	1,270,029	1,201,762	68,267
Community Corrections	603,851	603,851	603,851	-
Total Public Safety	<u>5,685,158</u>	<u>5,726,127</u>	<u>5,438,713</u>	<u>287,414</u>

See accompanying Notes to Required Supplementary Information.

**TODD COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued):				
Culture and Recreation:				
Regional Library	\$ 335,373	\$ 335,373	\$ 335,372	\$ 1
Culture and Recreation	250	250	-	250
Rainbow Rider	35,656	35,656	13,060	22,596
Parks and Trails	9,000	9,000	9,000	-
Total Culture and Recreation	<u>380,279</u>	<u>380,279</u>	<u>357,432</u>	<u>22,847</u>
Conservation of Natural Resources:				
County Extension	208,134	208,134	188,169	19,965
Soil and Water Conservation	264,374	264,374	269,975	(5,601)
Agricultural Society/County Fair	40,036	40,036	40,704	(668)
Land Use	637,110	637,110	531,033	106,077
Wetland Challenge	43,282	43,282	43,282	-
Aquatic Invasive Species Grant	153,563	153,563	152,372	1,191
Total Conservation of Natural Resources	<u>1,346,499</u>	<u>1,346,499</u>	<u>1,225,535</u>	<u>120,964</u>
Economic Development:				
Community Development	<u>3,800</u>	<u>3,800</u>	<u>2,047</u>	<u>1,753</u>
Capital Outlay				
General Government	656,500	656,500	610,187	46,313
Public Safety	205,000	205,000	67,095	137,905
Conservation of Natural Resources	1,000	1,000	1,470	(470)
Total Capital Outlay	<u>862,500</u>	<u>862,500</u>	<u>678,752</u>	<u>183,748</u>
Debt Service:				
Principal	-	-	15,949	(15,949)
Total Expenditures	<u>14,229,784</u>	<u>14,397,391</u>	<u>14,324,269</u>	<u>73,122</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	278,250	110,643	1,872,257	1,761,614
OTHER FINANCING SOURCES (USES)				
Transfers In	5,000	5,000	663,928	658,928
Transfers Out	(74,500)	(74,500)	(98,322)	(23,822)
Proceeds from Sale of Assets	5,000	5,000	11,258	6,258
Proceeds from Clean Water Partnership Loans	-	-	105,716	105,716
Proceeds from Lease	-	-	29,337	29,337
Proceeds from Insurance	5,000	5,000	16,445	11,445
Total Other Financing Sources (Uses)	<u>(59,500)</u>	<u>(59,500)</u>	<u>728,362</u>	<u>787,862</u>
NET CHANGE IN FUND BALANCE	<u>\$ 218,750</u>	<u>\$ 51,143</u>	2,600,619	<u>\$ 2,549,476</u>
Fund Balance - Beginning of Year			<u>15,896,042</u>	
FUND BALANCE - END OF YEAR			<u>\$ 18,496,661</u>	

See accompanying Notes to Required Supplementary Information.

**TODD COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
PUBLIC WORKS SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,705,630	\$ 2,705,630	\$ 2,630,181	\$ (75,449)
Transit Sales and Use Tax	1,019,000	1,019,000	1,297,844	278,844
Intergovernmental	5,415,801	5,415,801	8,083,554	2,667,753
Charges for Services	220,000	220,000	892,863	672,863
Interest on Investments	-	-	231	231
Insurance Dividend	-	-	54,585	54,585
Miscellaneous	-	-	69,792	69,792
Total Revenues	<u>9,360,431</u>	<u>9,360,431</u>	<u>13,029,050</u>	<u>3,668,619</u>
EXPENDITURES				
Current:				
Highway and Streets:				
Administration	465,705	498,605	409,477	89,128
Construction and Engineering	5,700,580	5,700,580	6,912,996	(1,212,416)
Maintenance	2,338,800	2,354,698	2,509,007	(154,309)
Equipment and Maintenance Shops	999,010	999,010	1,135,592	(136,582)
Other	38,300	38,300	498,975	(460,675)
Total Highways and Streets	<u>9,542,395</u>	<u>9,591,193</u>	<u>11,466,047</u>	<u>(1,874,854)</u>
Intergovernmental	-	-	972,255	(972,255)
Capital Outlay	449,036	486,719	164,820	321,899
Total Expenditures	<u>9,991,431</u>	<u>10,077,912</u>	<u>12,603,122</u>	<u>(2,525,210)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (631,000)</u></u>	<u><u>\$ (717,481)</u></u>	425,928	<u><u>\$ 1,143,409</u></u>
Fund Balance - Beginning of Year			<u>5,522,104</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 5,948,032</u></u>	

See accompanying Notes to Required Supplementary Information.

**TODD COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,323,195	\$ 3,323,195	\$ 3,234,774	\$ (88,421)
Intergovernmental	4,481,697	4,481,697	4,711,219	229,522
Charges for Services	601,000	601,000	724,618	123,618
Investment Earnings	500	500	43,524	43,024
Insurance Dividend	4,494	4,494	7,903	3,409
Miscellaneous	373,500	373,500	628,953	255,453
Total Revenues	<u>8,784,386</u>	<u>8,784,386</u>	<u>9,350,991</u>	<u>566,605</u>
EXPENDITURES				
Current:				
Human Services:				
Income Maintenance	3,554,263	3,554,263	3,489,596	64,667
Social Services	5,230,123	5,230,123	5,201,927	28,196
Capital Outlay	-	-	12,781	(12,781)
Total Human Services	<u>8,784,386</u>	<u>8,784,386</u>	<u>8,704,304</u>	<u>80,082</u>
Debt Service:				
Principal	-	-	6,115	(6,115)
Total Expenditures	<u>8,784,386</u>	<u>8,784,386</u>	<u>8,710,419</u>	<u>73,967</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	-	-	640,572	640,572
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	23,822	23,822
Transfers Out	-	-	(368,644)	(368,644)
Proceeds from Lease	-	-	12,781	12,781
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(332,041)</u>	<u>(332,041)</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ -</u>	<u>\$ -</u>	308,531	<u>\$ 308,531</u>
Fund Balance - Beginning of Year			<u>4,480,580</u>	
FUND BALANCE - END OF YEAR			<u>\$ 4,789,111</u>	

See accompanying Notes to Required Supplementary Information.

**TODD COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY HEALTH SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 542,066	\$ 542,066	\$ 527,511	\$ (14,555)
Intergovernmental	1,246,835	1,246,835	1,413,138	166,303
Charges for Services	1,123,950	1,123,950	1,211,096	87,146
Investment Earnings	-	-	33,871	33,871
Insurance Dividend	12,000	12,000	18,291	6,291
Miscellaneous	2,250	2,250	464,626	462,376
Total Revenues	<u>2,927,101</u>	<u>2,927,101</u>	<u>3,668,533</u>	<u>741,432</u>
EXPENDITURES				
Current:				
Health:				
Nursing Service	<u>2,927,101</u>	<u>2,927,101</u>	<u>2,872,118</u>	<u>54,983</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	796,415	796,415
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>-</u>	<u>(289,649)</u>	<u>(289,649)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>506,766</u>	<u>\$ 506,766</u>
Fund Balance - Beginning of Year			<u>1,720,165</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,226,931</u>	

See accompanying Notes to Required Supplementary Information.

**TODD COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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 County Ditch, Energy Assistance, Forfeited Tax Sale, Parks and Trails, Revolving Loan, and Todd County Development 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. 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:

General Employees Fund

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2022 to Scale MP-2021.

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.

**TODD COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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

General Employees Fund (Continued)

2020 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

**TODD COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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

General Employees Fund (Continued)

2018 Changes (Continued)

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and nonvested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.

**TODD COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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

General Employees Fund (Continued)

2016 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- Other assumptions were changed pursuant to the experience study 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

Changes in Plan Provisions

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

Police and Fire Fund

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.

**TODD COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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

Police and Fire Fund (Continued)

2021 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

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

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

**TODD COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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

Police and Fire Fund (Continued)

2018 Changes

Changes in Plan Provisions (Continued)

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

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00% for vested and nonvested, deferred members. The CSA has been changed to 33.00% for vested members and 2.00% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00% 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 65.00% to 60.00%.
- 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 postretirement 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 5.60% per annum to 7.50% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2037 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%.
- The single discount rate changed from 7.90% to 5.60%.

**TODD COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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

Police and Fire Fund (Continued)

2016 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2037 and 2.50% per year thereafter.

Changes in Plan Provisions

- The postretirement benefit increase to be paid after the attainment of the 90.00% funding threshold was changed from inflation up to 2.50%, to a fixed rate of 2.50%.

Correctional Fund

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate was changed from 6.50% to 5.42%.
- The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054 and 1.5% per annum thereafter.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.

**TODD COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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

Correctional Fund (Continued)

2021 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The single discount rate was changed from 5.96% per annum to 7.50% per annum.
- The morality projection scale was changed from MP-2016 to MP-2017.
- The assumed postretirement benefit increase was changed from 2.50% per year to 2.00% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

**TODD COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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

Correctional Fund (Continued)

2018 Changes (Continued)

Changes in Plan Provisions (Continued)

- Postretirement benefit increases were changed from 2.50% per year with a provision to reduce to 1.00% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 2.50%, beginning January 1, 2019. If the funding status declines to 85.00% for two consecutive years or 80.00% for one year, the maximum increase will be lowered to 1.50%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- 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 30.00% for vested and nonvested, deferred members. The CSA has been changed to 35.00% for vested members and 1.00% for nonvested members.
- The single discount rate was changed from 5.31% per annum to 5.96% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 5.31%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**TODD COUNTY, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

III. OTHER POSTEMPLOYMENT BENEFITS

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

Measurement Date January 1, 2022:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.

Measurement Date January 1, 2021:

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

Measurement Date January 1, 2020:

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

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, MINNESOTA
DESCRIPTION OF FUNDS
DECEMBER 31, 2022**

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 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, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Nonmajor Special Revenue Funds		
	Energy Assistance	Forfeited Tax Sale	Parks and Trails
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 82,966	\$ 84,870
Taxes Receivable - Delinquent	-	-	467
Loans Receivable	-	-	-
Due from Other Governments	46,557	-	-
	46,557	-	-
Total Assets	\$ 46,557	\$ 82,966	\$ 85,337
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 3,093
Salaries Payable	-	-	-
Due to Other Funds	46,557	29,330	-
Due to Other Governments	-	53,586	-
Total Liabilities	46,557	82,916	3,093
DEFERRED INFLOWS OF RESOURCES			
Unavailable Taxes	-	-	364
Property Taxes Collected for Subsequent Period	-	-	-
Total Deferred Inflows of Resources	-	-	364
FUND BALANCES			
Restricted:			
Revolving Loans	-	-	-
Debt Service	-	-	-
Forfeited Tax Sale	-	50	-
Development	-	-	-
Committed:			
Parks and Trails	-	-	81,880
Total Fund Balances	-	50	81,880
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 46,557	\$ 82,966	\$ 85,337

**TODD COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022**

Nonmajor Special Revenue Funds (Continued)				
Revolving Loan	Todd County Development	Total Special Revenue Funds	Debt Service Fund	Total Nonmajor Funds
\$ -	\$ 11,723	\$ 179,559	\$ 789,524	\$ 969,083
-	-	467	10,496	10,963
90,000	-	90,000	-	90,000
-	-	46,557	-	46,557
<u>\$ 90,000</u>	<u>\$ 11,723</u>	<u>\$ 316,583</u>	<u>\$ 800,020</u>	<u>\$ 1,116,603</u>
\$ -	\$ -	\$ 3,093	\$ -	\$ 3,093
-	3,662	3,662	-	3,662
-	-	75,887	-	75,887
-	-	53,586	-	53,586
-	3,662	136,228	-	136,228
-	-	364	8,275	8,639
-	-	-	224	224
-	-	364	8,499	8,863
90,000	-	90,000	-	90,000
-	-	-	791,521	791,521
-	-	50	-	50
-	8,061	8,061	-	8,061
-	-	81,880	-	81,880
<u>90,000</u>	<u>8,061</u>	<u>179,991</u>	<u>791,521</u>	<u>971,512</u>
<u>\$ 90,000</u>	<u>\$ 11,723</u>	<u>\$ 316,583</u>	<u>\$ 800,020</u>	<u>\$ 1,116,603</u>

**TODD COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Nonmajor Special Revenue Funds		
	Energy Assistance	Forfeited Tax Sale	Parks and Trails
REVENUES			
Taxes	\$ -	\$ 88,004	\$ 19,565
Intergovernmental	134,913	-	1,226
Miscellaneous	-	1,549	9,011
Total Revenues	<u>134,913</u>	<u>89,553</u>	<u>29,802</u>
EXPENDITURES			
Current:			
General Government	-	22,026	-
Human Services	134,913	-	-
Culture and Recreation	-	-	14,632
Economic Development	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Administrative (Fiscal) Charges	-	-	-
Total Expenditures	<u>134,913</u>	<u>22,026</u>	<u>14,632</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	67,527	15,170
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
NET CHANGE IN FUND BALANCES	-	67,527	15,170
Fund Balance (Deficit) - Beginning of Year	-	(67,477)	66,710
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 81,880</u>

**TODD COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (COMBINED)
YEAR ENDED DECEMBER 31, 2022**

Nonmajor Special Revenue Funds (Continued)				
Revolving Loan	Todd County Development	Total Special Revenue Funds	Debt Service Fund	Total Nonmajor Funds
\$ -	\$ -	\$ 107,569	\$ 403,200	\$ 510,769
-	-	136,139	17,024	153,163
-	33,087	43,647	8,977	52,624
-	33,087	287,355	429,201	716,556
-	-	22,026	-	22,026
-	-	134,913	-	134,913
-	-	14,632	-	14,632
-	112,139	112,139	-	112,139
-	-	-	335,000	335,000
-	-	-	59,180	59,180
-	-	-	500	500
-	112,139	283,710	394,680	678,390
-	(79,052)	3,645	34,521	38,166
-	74,500	74,500	-	74,500
-	(4,552)	78,145	34,521	112,666
90,000	12,613	101,846	757,000	858,846
<u>\$ 90,000</u>	<u>\$ 8,061</u>	<u>\$ 179,991</u>	<u>\$ 791,521</u>	<u>\$ 971,512</u>

**TODD COUNTY, MINNESOTA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS – CUSTODIAL FUNDS
 DECEMBER 31, 2022**

	Custodial Funds		
	Todd-Wadena Community Corrections	Prepaid Taxes	State Revenue
ASSETS			
Cash and Cash Equivalents	\$ 1,373,507	\$ 9,300	\$ 50,136
Due from Other Governments	-	-	-
Taxes For Other Governments	-	-	-
Accounts Receivable	42,107	-	-
Total Assets	1,415,614	9,300	50,136
LIABILITIES			
Due to Others	14,690	-	-
Salaries Payable	55,720	-	-
Due to Other Governments	158	-	50,136
Total Liabilities	70,568	-	50,136
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Collected for Subsequent Period	-	9,300	-
NET POSITION			
Restricted for:			
Individuals, Organizations, and			
Other Governments	\$ 1,345,046	\$ -	\$ -

**TODD COUNTY, MINNESOTA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)
 DECEMBER 31, 2022**

Custodial Funds (Continued)					
Taxes and Penalties	Jail Inmate	Estate Recoveries	Trails Association	Todd Soil and Water Conservation District	Total Custodial Funds
\$ 483,929	\$ 39,166	\$ 203,116	\$ -	\$ 604,697	\$ 2,763,851
-	-	-	-	216,305	216,305
551,194	-	-	-	-	551,194
-	-	-	-	-	42,107
1,035,123	39,166	203,116	-	821,002	3,573,457
-	-	203,116	-	-	217,806
-	-	-	-	-	55,720
483,915	-	-	-	-	534,209
483,915	-	203,116	-	-	807,735
-	-	-	-	-	9,300
-	-	-	-	-	-
\$ 551,208	\$ 39,166	\$ -	\$ -	\$ 821,002	\$ 2,756,422

**TODD COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Custodial Funds		
	Todd-Wadena Community Corrections	Prepaid Taxes	State Revenue
ADDITIONS			
Contributions:			
Individuals	\$ -	\$ -	\$ -
Property Tax Collections for Other Governments	-	42,216	-
License and Fees Collected for State	-	-	866,413
Miscellaneous	2,475,818	-	-
Total Additions	<u>2,475,818</u>	<u>42,216</u>	<u>866,413</u>
DEDUCTIONS			
Beneficiary Payments to Individuals	-	-	-
Payments of Property Tax to Other Governments	-	-	-
Payments to State	-	-	-
Payments to Other Entities	1,923,421	42,216	866,413
Total Deductions	<u>1,923,421</u>	<u>42,216</u>	<u>866,413</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	552,397	-	-
Fiduciary Net Position - Beginning of Year	<u>792,649</u>	<u>-</u>	<u>-</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 1,345,046</u>	<u>\$ -</u>	<u>\$ -</u>

TODD COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Custodial Funds (Continued)					
Taxes and Penalties	Jail Inmate	Estate Recoveries	Trails Association	Todd Soil and Water Conservation District	Total Custodial Funds
\$ -	\$ 163,260	\$ 227,506	\$ -	\$ -	\$ 390,766
18,491,390	-	-	-	-	18,533,606
-	-	-	-	-	866,413
-	-	-	73,201	1,107,755	3,656,774
<u>18,491,390</u>	<u>163,260</u>	<u>227,506</u>	<u>73,201</u>	<u>1,107,755</u>	<u>23,447,559</u>
-	160,193	-	-	-	160,193
18,474,448	-	-	-	-	18,474,448
-	-	227,506	-	-	227,506
-	-	-	73,201	1,149,028	4,054,279
<u>18,474,448</u>	<u>160,193</u>	<u>227,506</u>	<u>73,201</u>	<u>1,149,028</u>	<u>22,916,426</u>
16,942	3,067	-	-	(41,273)	531,133
<u>534,266</u>	<u>36,099</u>	<u>-</u>	<u>-</u>	<u>862,275</u>	<u>2,225,289</u>
<u>\$ 551,208</u>	<u>\$ 39,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 821,002</u>	<u>\$ 2,756,422</u>

**TODD COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
YEAR ENDED DECEMBER 31, 2022**

	Total Governmental Funds	Total Enterprise Funds	Total Government
	<u> </u>	<u> </u>	<u> </u>
SHARED REVENUE			
State:			
Highway Users Tax	\$ 7,214,820	\$ -	\$ 7,214,820
Market Value Credit - Agriculture	576,087	-	576,087
PERA Rate Reimbursement	22,122	1,567	23,689
PERA Rate Indirect Aid	23,502	-	23,502
Disparity Reduction Aid	72,750	-	72,750
Police Aid	162,767	-	162,767
County Program Aid	1,561,707	-	1,561,707
Aquatic Invasive Species	152,372	-	152,372
Riparian Protection Aid	111,232	-	111,232
Enhanced 911	199,592	-	199,592
Total Shared Revenue	<u>10,096,951</u>	<u>1,567</u>	<u>10,098,518</u>
REIMBURSEMENT FOR SERVICES			
State:			
Minnesota Department of Human Services	1,895,493	-	1,895,493
PAYMENTS			
Local:			
Payments in Lieu of Taxes	116,226	-	116,226
GRANTS			
State:			
Minnesota Department/Board of Health	454,158	-	454,158
Human Services	978,598	-	978,598
Soil and Water Resources	92,149	-	92,149
Peace Officers	25,370	-	25,370
Pollution Control Agency	98,744	74,255	172,999
Public Safety	3,815	-	3,815
Transportation	464,120	-	464,120
Historical Society	13,854	-	13,854
Total State	<u>2,130,808</u>	<u>74,255</u>	<u>2,205,063</u>
Federal:			
Department of Agriculture	494,025	-	494,025
Education	3,150	-	3,150
Election Assistance Commission	29,706	-	29,706
Health and Human Services	2,477,973	-	2,477,973
Homeland Security	52,149	-	52,149
Treasury	547,910	-	547,910
Transportation	287,982	-	287,982
Total Federal	<u>3,892,895</u>	<u>-</u>	<u>3,892,895</u>
Total Grants	<u>6,023,703</u>	<u>74,255</u>	<u>6,097,958</u>
Total Intergovernmental Revenue	<u>\$ 18,132,373</u>	<u>\$ 75,822</u>	<u>\$ 18,208,195</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, Minnesota
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, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Todd County's basic financial statements, and have issued our report thereon dated May 1, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Todd County's internal control. Accordingly, we do not express an opinion on the effectiveness of Todd County, Minnesota'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 were not identified. We identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses as items 2022-001 to 2022-003.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Todd County’s Responses to Findings

Government Auditing Standards require the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 results 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
May 1, 2023



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, Minnesota
Long Prairie, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Todd County, Minnesota's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Todd County, Minnesota's major federal programs for the year ended December 31, 2022. Todd County, Minnesota's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Todd County, Minnesota complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance


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

Board of County Commissioners
Todd County, Minnesota

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

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

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



CliftonLarsonAllen LLP

Brainerd, Minnesota
May 1, 2023

**TODD COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

Section I – Summary of the Auditors' Results

Basic Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to basic financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes x no

Identification of Major Federal Programs

Assistance Listing Numbers

20.205
93.778
93.563

Name of Federal Program or Cluster

Highway Planning and Construction Cluster
Medicaid Cluster
Child Support Enforcement

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, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Section II – Financial Statement Findings

2022-001 **Segregation of Duties**

Type of Finding **Material Weakness in Internal Control over Financial Reporting**

Criteria or Specific Requirement: 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: 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: Yes, 2021-001

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.

**TODD COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section II – Financial Statement Findings (Continued)

2022-002 Audit Adjustments

Type of Finding Material Weakness in Internal Control over Financial Reporting

Criteria or Specific Requirement: 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: As part of the audit, we proposed material adjustments to properly state accruals, net pension liability and related deferred inflows and outflows of resources, other postemployment benefits liability and related deferred inflows and outflows of resources, construction in progress, and unearned revenues. Material adjustments were also made to gross up, or net revenues and expenditures, where appropriate, reclassify revenues and expenditures between funds and for reclasses of fund balances or net position between categories.

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: Yes, 2021-002

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.

**TODD COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section II – Financial Statement Findings (Continued)

2022-003 **Financial Reporting Process**

Type of Finding **Material Weakness in Internal Control over Financial Reporting**

Criteria or Specific Requirement: 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: 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 completeness, presentation and valuation of both net pension liability and other postemployment benefits. 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: Yes, 2021-003

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.

Section III – Major Program Findings and Compliance

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**TODD COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section IV – Other Items for Consideration – Minnesota Legal Compliance

DITCH SPECIAL REVENUE FUND - CASH DEFICITS (2022-004)

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

Condition and Context: The County reported 16 of the 44 active ditch systems as having deficit cash balances as of December 31, 2022.

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: Yes, 2021-004.

Recommendation: We recommend the County continue to try to eliminate the deficit cash balances in the active ditch systems or make appropriate transfers in accordance with Minnesota Statute §103E.655.

CLIENT'S RESPONSE:

There is no disagreement with the audit finding.

PUBLISHING OF DISBURSEMENTS (2022-005)

Criteria or Specific Requirement: 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 its 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: Yes, 2021-005.

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

CLIENT'S RESPONSE:

There is no disagreement with the audit finding.

**TODD COUNTY, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section V – Previously Reported Items Resolved

No prior year findings were resolved in 2022.

**TODD COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Numbers	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Morrison County:				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	222MN004W1003	\$ 157,391	\$ -
Passed Through Minnesota Department of Human Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Part of SNAP Cluster)	10.561	222MN101S2514	<u>342,100</u>	<u>-</u>
Total Department of Agriculture			499,491	-
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction (Total Highway Planning and Construction Cluster and 20.205 \$276,836)	20.205	077-070-015	\$ 177,006	-
Highway Planning and Construction (Total Highway Planning and Construction Cluster and 20.205 \$276,836)	20.205	077-070-014	<u>99,830</u>	<u>-</u>
Passed Through Wadena County				
State and Community Highway Safety (Part of Highway Safety Cluster) (Total Highway Safety Cluster \$8,570)	20.600	A-ENFRC22-2022-WADENASD-074	3,633	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC22-2022-WADENASD-074	5,483	-
National Priority Safety Programs (Part of Highway Safety Cluster) (Total Highway Safety Cluster \$8,570)	20.616	A-ENFRC22-2022-WADENASD-074	<u>4,937</u>	<u>-</u>
Total Department of Transportation			290,889	-
U.S. Department of the Treasury				
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>547,910</u>	<u>-</u>
U.S. Department of Education				
Passed Through Morrison County				
Special Education - Grants for Infants and Families	84.181	H181A190029	<u>2,100</u>	<u>-</u>
U.S. Election Assistance Commission				
Passed Through Minnesota Secretary of State				
Election Security Grants	90.404	G53HAVA2020	<u>29,706</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed Through Morrison County				
Public Health Emergency Preparedness	93.069	NU90TP922026	29,573	-
Universal Newborn Hearing Screening	93.251	H6100035	975	-
COVID-19 Immunization Cooperative Agreements	93.268	NH23IP922628	28,669	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	NH23IP922628	126,742	-
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922089	33,817	-
Temporary Assistance for Needy Families (Total Temporary Assistance of Needy Families 93.558 \$254,638)	93.558	2201MNTANF	34,190	-
Maternal and Child Health Services Block Grant to the States	93.994	B0433847	34,806	-
Passed Through Morrison County				
Medical Assistance Program (Part of Medicaid Cluster) (Total Medicaid Cluster and 93.778 \$937,977)	93.778	2205MN5MAP	68,144	-
Passed Through Minnesota Department of Human Services				
Promoting Safe and Stable Families	93.556	2101MNFPS	1,670	-
Temporary Assistance for Needy Families (Total Temporary Assistance of Needy Families 93.558 \$254,638)	93.558	2201MNTANF	220,448	-

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**TODD COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Numbers	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed Through Minnesota Department of Human Services (Continued)				
Child Support Enforcement	93.563	2201MNCSES	\$ 104,795	\$ -
	93.563	2201MNCCEST	<u>417,504</u>	-
Refugee and Entrant Assistance State Administered Programs	93.566	2201MNRCSMA	567	-
Low-Income Home Energy Assistance	93.568	2202MNLIEA	27,917	-
Covid-19 Low-Income Home Energy Assistance	93.568	2202MNLIEA	<u>106,996</u>	134,913
Child Care and Development Block Grant (Part of CCDF Cluster)	93.575	2201MNCDCF	2,727	-
Community-Based Child Abuse Prevention Grants	93.590	2102MNBCAP	3,231	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2101MNCWSS	1,872	-
Foster Care Title IV-E	93.658	2201MNFOST	129,608	-
Social Services Block Grant	93.667	2201MNSOSR	178,416	-
Child Abuse and Neglect State Grants	93.669	2101MNNCAN	2,535	-
Chafee Foster Care Independence Program	93.674	2101MNCILC	723	-
	93.674	2201MNCILP	<u>1,921</u>	2,644
Children's Health Insurance Program	93.767	2105MN5021	2,098	-
Medical Assistance Program (Part of Medicaid Cluster)	93.778	2205MN5ADM	857,494	-
(Total Medicaid Cluster and 93.778 \$937,977)	93.778	2205MN5MAP	<u>12,339</u>	<u>-</u>
Total Department of Health and Human Services			2,429,777	-
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	TODD SBG-071822	39,433	-
Hazard Mitigation Grant	97.039	DR4658 PW65	<u>12,716</u>	<u>-</u>
Total Department of Homeland Security			52,149	-
Total Cash Type Federal Awards			<u>\$ 3,852,022</u>	<u>\$ -</u>

Notes to the Schedule of Expenditures of Federal Awards

1. 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.

2. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Todd County under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) from the Office of Management and Budget (OMB). Because the schedule presents only a selected portion of the operations of Todd County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Todd County.

3. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Todd County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4. Reconciliation to the Schedule of Intergovernmental Revenue:

Federal Grant Revenue per Schedule of Intergovernmental Revenue:	\$ 3,892,895
Expenditures above, not included as revenues on the Schedule of Intergovernmental Revenues	103,876
Revenues included on the Schedule of Intergovernmental Revenue that are not considered Federal Grant Expenditures	<u>(144,749)</u>
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 3,852,022</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of County Commissioners
Todd County, Minnesota
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, 2022, 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 May 1, 2023.

In connection with our audit, we noted that Todd County, Minnesota failed to comply with provisions of the miscellaneous provisions and claims and disbursements sections of *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, in so far as they relate to accounting matters as described in the schedule of findings and questioned costs as items 2022-004 through 2022-005. Also, in connection with our audit, nothing came to our attention that caused us to believe that Todd County, Minnesota failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, and public indebtedness 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. 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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit. Todd County's responses were not subjected to the other 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
May 1, 2023