BECKER COUNTY
DETROIT LAKES, MINNESOTA
YEAR ENDED DECEMBER 31, 2022

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BECKER COUNTY
DETROIT LAKES, MINNESOTA
ORGANIZATION
DECEMBER 31, 2022

Office	Name	Term Expires
Commissioners		
1st District	Larry Knutson*	January 2023
2nd District	Ben Grimsley	January 2023
3rd District	John Okeson**	January 2025
4th District	Richard Vareberg	January 2025
5th District	Barry Nelson	January 2025
Officers		
Elected		
Attorney	Brian McDonald	January 2027
Auditor-Treasurer	Mary Hendrickson	January 2027
Sheriff	Todd Glander	January 2027
Appointed		
Administrator	Pat Oman	Indefinite
Assessor	Lisa Will	Appointed
Highway Engineer	Jim Olson	Indefinite
Coroner	Knute Thorsgard	Appointed
Human Services Director	Denise Warren	Indefinite
Human Resources Director	Carrie Smith	Indefinite
Recorder/ Registrar of Titles	Susan Syvertson	Indefinite
Land Use Director	Steve Skoog	Indefinite
Surveyor	Roy Smith	Appointed

*2022 Chair
**2022 Vice Chairman

FINANCIAL SECTION

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Becker County
Detroit Lakes, Minnesota

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 schedules, schedule of changes in the County's total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset) and schedule of pension contributions 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 GAAS, 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 combining and individual nonmajor fund financial statements and schedules, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, schedule of intergovernmental revenue, and 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 combining and individual nonmajor fund financial statements and schedules, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, schedule of intergovernmental revenue, and schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Alexandria, Minnesota
September 11, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

The management of Becker County offers readers of the County's financial statements this narrative overview and analysis of the financial activities of Becker County for the fiscal year ended December 31, 2022. The Management's Discussion and Analysis provides comparisons with the previous year and is designed to focus on the current year's activities, resulting changes, and currently known facts, and should be read in conjunction with the County's basic financial statements that follow this section.

FINANCIAL HIGHLIGHTS

The total net position of governmental activities is $141,071,071 of which $114,977,871 is net investment in capital assets, $5,584,374 is restricted for specific purposes, and $20,508,826 is unrestricted. The total net position of governmental activities increased by $16,071,947 for the year ended December 31, 2022.

The total net position of business-type activities is $903,174, of which $330,496 is net investment in capital assets, $11,274 is restricted for capital projects, and $561,404 is unrestricted. The total net position of business-type activities increased by $247,683 for the year ended September 30, 2022.

At the close of 2022, the County's governmental funds reported combined ending fund balances of $39,089,919 an increase of $10,693,343 from the prior year. Of the total fund balance amount, $1,554,352 is nonspendable, $5,036,996 is legally or contractually restricted, $339,279 is formally committed for specific purposes, $13,964,373 is assigned for specific purposes, and $18,194,919 is noted as unassigned fund balance. Maintaining an adequate fund balance is necessary to provide County services throughout the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Becker County's basic financial statements, which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the full accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

In the Statement of Net Position and the Statement of Activities, we divide the County into two kinds of activities:

- Governmental activities--Most of the County's basic services are reported here, including general government, public safety, public transportation, highways and streets, sanitation, human services, health, culture and recreation, and conservation of natural resources. Property taxes and state and federal grants finance most of these activities.

- Business-type activities--The County charges fees to cover the costs of certain services it provides. Included here are the operations of the Sunnyside Care Center.

- Component unit--The County includes one separate legal entity in its report. The Becker County Economic Development Authority is presented in a separate column. Although legally separate, this "component unit" is important because the County is financially accountable for it. Complete financial statements of the Becker County Economic Development Authority can be obtained from the Becker County Auditor-Treasurer's Office located at 915 Lake Avenue, Detroit Lakes, Minnesota 56501.

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

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Becker County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund-level financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The County reports three governmental fund types: General, Special Revenue, and Debt Service. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, Public Safety Special Revenue Fund, Road and Bridge Special Revenue Fund, Human Services Special Revenue Fund, and the Environmental Affairs Special Revenue Fund, all of which are considered to be major funds. Data from the other five special revenue funds and the Debt Service Fund are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in combining statements after the notes to the financial statements.

Becker County adopts annual budgets for its general, special revenue and debt service funds. Budgetary comparisons have been provided for these funds to demonstrate compliance with their budgets.

Proprietary Funds: Becker County maintains one proprietary fund. The Sunnyside Care Center Enterprise Fund is used to account for the operations of the Sunnyside Care Center. Financing is provided by charges to residents for services. Proprietary funds provide the same type of information as the government-wide financial statements and are included in the Statement of Net Position and the Statement of Activities as business-type activities.

Fiduciary Funds: Fiduciary funds are used to account for assets held by the County as an agent for others. Fiduciary Funds are not reflected in the government-wide financial statements because those resources are not available to support the County's programs. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes and by those to whom the assets belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 38 of this report.

Other Information--In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The County also provides supplementary information and other schedules, including combining statements, budgetary comparison schedules, a schedule of intergovernmental revenue, and a schedule of expenditures of federal awards.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position serves as a useful indicator of the County's financial position. The County's assets and deferred outflows of resources exceeded liabilities, and deferred inflows of resources by $141,974,245 at the close of 2022. The largest portion of the County's net position (approximately 81.2%) reflects its net investment in capital assets (land, right-of-way, construction in progress, infrastructure, buildings and improvements, land improvements, machinery, furniture and equipment), less any related outstanding debt or contracts payable used to acquire those assets. It should be noted that this amount is not available for future spending. Approximately 3.9%% of the County's net position is restricted, and 14.8%% of the County's net position is unrestricted. The unrestricted net position amount of $21,070,230 as of December 31, 2022, may be used to meet the County's ongoing obligations to citizens.

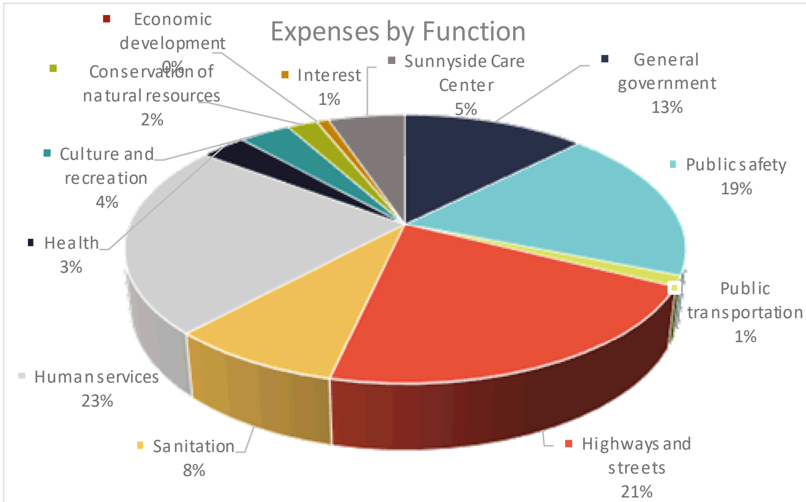
The County's overall financial position increased $16,319,630 from last year. Total assets increased by $25,984,712 from the prior year as a result of various road projects that were added to infrastructure and from the construction of two buildings in 2022.

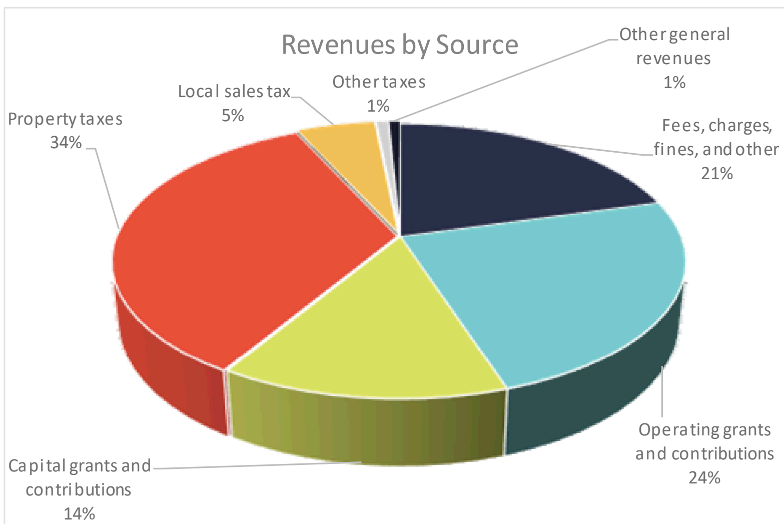
Net Position

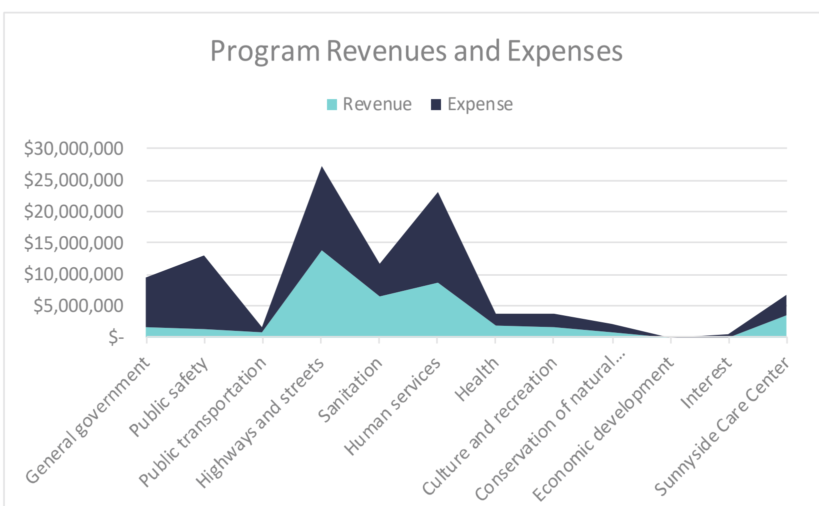
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	$ 48,196,269	$ 42,529,936	$ 1,221,605	$ 853,301	$ 49,417,874	$ 43,383,237
Capital assets	136,217,617	116,268,259	1,067,374	1,066,657	137,284,991	117,334,916
Total Assets	184,413,886	158,798,195	2,288,979	1,919,958	186,702,865	160,718,153
Deferred Outflows of Resources	11,382,917	9,248,023	379,362	495,897	11,762,279	9,743,920
Liabilities						
Other liabilities	6,415,358	7,569,812	188,273	218,246	6,603,631	7,788,058
Long-term liabilities outstanding	47,351,971	23,423,470	1,513,419	772,411	48,865,390	24,195,881
Total Liabilities	53,767,329	30,993,282	1,701,692	990,657	55,469,021	31,983,939
Deferred Inflows of Resources	958,403	12,053,812	63,475	769,707	1,021,878	12,823,519
Net Position						
Net investment in capital assets	114,977,871	105,264,929	330,496	311,147	115,308,367	105,576,076
Restricted	5,584,374	9,052,622	11,274	12,999	5,595,648	9,065,621
Unrestricted	20,508,826	10,681,573	561,404	331,345	21,070,230	11,012,918
Total Net Position	$ 141,071,071	$ 124,999,124	$ 903,174	$ 655,491	$ 141,974,245	$ 125,654,615

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Fees, charges, fines, and other	$ 11,107,420	$ 10,451,912	$ 3,310,707	$ 2,614,605	$ 14,418,127	$ 13,066,517
Operating grants and contributions	16,627,311	15,572,491	225,540	151,613	16,852,851	15,724,104
Capital grants and contributions	9,625,723	4,733,356	1,106	710	9,626,829	4,734,066
General Revenues:						
Property taxes	23,913,855	22,778,949	-	-	23,913,855	22,778,949
Local sales tax	3,715,405	3,349,776	-	-	3,715,405	3,349,776
Other taxes	577,569	642,143	-	-	577,569	642,143
Grants and contributions, not restricted to specific programs	8,261,976	1,654,753	-	-	8,261,976	1,654,753
Other general revenues	1,222,079	367,949	683	85	1,222,762	368,034
Total Revenues	75,051,338	59,551,329	3,538,036	2,767,013	78,589,374	62,318,342
Expenses						
General government	7,823,699	6,825,201	-	-	7,823,699	6,825,201
Public safety	11,491,735	9,294,054	-	-	11,491,735	9,294,054
Public transportation	795,086	815,445	-	-	795,086	815,445
Highways and streets	13,257,371	10,925,856	-	-	13,257,371	10,925,856
Sanitation	5,232,485	4,894,952	-	-	5,232,485	4,894,952
Human services	14,411,621	13,942,121	-	-	14,411,621	13,942,121
Health	1,959,614	1,859,584	-	-	1,959,614	1,859,584
Culture and recreation	2,201,168	1,021,784	-	-	2,201,168	1,021,784
Conservation of natural resources	1,273,320	1,387,568	-	-	1,273,320	1,387,568
Economic development	24,380	869,222	-	-	24,380	869,222
Interest	508,912	287,038	-	-	508,912	287,038
Sunnyside Care Center	-	-	3,290,353	2,805,268	3,290,353	2,805,268
Total Expenses	58,979,391	52,122,825	3,290,353	2,805,268	62,269,744	54,928,093
Increase (decrease) in net position	16,071,947	7,428,504	247,683	(38,255)	16,319,630	7,390,249
Net Position, January 1	124,999,124	117,570,620	655,491	693,746	125,654,615	118,264,366
Net Position, December 31	$ 141,071,071	$ 124,999,124	$ 903,174	$ 655,491	$ 141,974,245	$ 125,654,615


Expenses by Function
Economic development 0%
Conservation of natural resources 2%
Interest 1%
Sunnyside Care Center 5%
General government 13%
Culture and recreation 4%
Public safety 19%
Health 3%
Public transportation 1%
Human services 23%
Sanitation 8%
Highways and streets 21%


Revenues by Source
Other general revenues 1%
Other taxes 1%
Local sales tax 5%
Property taxes 34%
Fees, charges, fines, and other 21%
Operating grants and contributions 24%
Capital grants and contributions 14%


Program Revenues and Expenses
Revenue
Expense
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
General government
Public safety
Public transportation
Highways and streets
Sanitation
Human services
Health
Culture and recreation
Conservation of natural...
Economic development
Interest
Sunnyside Care Center

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, with a focus on short-term inflows, outflows, and balances of spendable resources. In particular, unrestricted fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

Governmental Funds

At the end of 2022, the County's governmental funds reported combined ending fund balances of $39,089,919. Of this amount, approximately 4.0% constitutes nonspendable fund balance, 12.9% constitutes legally or contractually restricted fund balance, 0.9% constitutes formally committed fund balance, 35.7% constitutes specifically assigned fund balance, and 46.5% constitutes unassigned fund balance.

The General Fund is the operating fund of the County. At the end of the current fiscal year, the General Fund's total fund balance was $20,533,871. The General Fund's nonspendable fund balance was $1,056,365, restricted fund balance was $807,356, committed fund balance was $339,279, and unassigned fund balance was $18,670,150. As a measure of the General Fund's liquidity, it is useful to compare both unrestricted fund balance and total fund balance to total fund expenditures for 2022. Unassigned fund balance represents 162.4% of total General Fund expenditures, while total fund balance represents 178.6% of that same amount.

In 2022, the fund balance in the General Fund increased by $6,737,061 due to intergovernmental revenues coming in higher than budget.

The fund balance of the Public Safety Special Revenue Fund increased $425,142 from the prior year balance. Ending fund balance totals $2,375,030.

The fund balance of the Road and Bridge Special Revenue Fund increased $743,112 in 2022, due to an increase in sales tax revenue and the timing of the highway user revenue receipts.

The fund balance of the Human Services Special Revenue Fund increased $1,963,832 from the prior year, due mainly to expenditures coming in under budget.

The fund balance of the Environmental Affairs Special Revenue Fund increased $663,027 due to bond proceeds issued in excess of bonded project expenditures in 2022.

Proprietary Fund

The Sunnyside Care Center Enterprise Fund's total operating revenues decreased $696,102, or approximately 26.6%. Nursing facility occupancy for fiscal year 2021 was 69.8% compared to 2.6% in fiscal year 2022. Operating expenses increased $485,291, or 17.4%. This resulted in operating income of $43,750. When the nonoperating revenues and expenses and capital contributions are added to the analysis, the total change in net position was a positive $247,683.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were amendments to the original budget as approved for 2022.

Actual revenues were more than overall final budgeted revenues by $8,254,474, due to a higher amount of intergovernmental revenue. The County met the eligibility criteria to recognize the State and Local Fiscal recovery Funds as revenues in 2022.

Actual expenditures were more than overall final budgeted expenditures by $1,663,026, as a result of a large grant passed through for the historical society.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2022, and business-type activities, amounted to (net of accumulated depreciation and amortization). The total increase in the County's investment in capital assets for the current fiscal year was approximately . This was primarily due to building projects for both highway and environmental services.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	$ 1,829,715	$ 1,809,396	$ 118,625	$ 118,625	$ 1,948,340	$ 1,928,021
Right-of-way	1,360,166	1,308,656	-	-	1,360,166	1,308,656
Construction in progress	15,836,798	515,155	-	-	15,836,798	515,155
Infrastructure	80,402,136	75,136,541	-	-	80,402,136	75,136,541
Buildings and improvements	30,637,586	31,538,011	854,726	876,427	31,492,312	32,414,438
Land improvements	1,056,039	1,122,809	26,919	31,771	1,082,958	1,154,580
Machinery, furniture, and equipment	4,962,624	4,837,691	33,125	39,834	4,995,749	4,877,525
Right-to-Use Assets	132,553	-	33,979	-	166,532	-
Total Capital Assets	$ 136,217,617	$ 116,268,259	$ 1,067,374	$ 1,066,657	$ 137,284,991	$ 117,334,916

Additional information on the County's capital assets can be found in the notes to the financial statements.

Long-Term Debt

At the end of the current fiscal year, the County had total debt outstanding of $20,373,076 which is backed by the full faith and credit of the government.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
General obligation bonds	$ 18,970,000	$ 10,455,000	$ -	$ -	$ 18,970,000	$ 10,455,000
General obligation revenue notes	-	-	-	8,000	-	8,000
Advanced from other fund	701,538	-	701,538	747,510	1,403,076	747,510
Total Long-Term Debt	$ 19,671,538	$ 10,455,000	$ 701,538	$ 755,510	$ 20,373,076	$ 11,210,510

The County's long-term debt increased due to the issuance of Series 2022A bonds totaling $9,315,000 during 2022.

Minnesota Statutes limit the amount of debt that a county may have to three percent of its total market value, excluding revenue bonds. At the end of 2022, overall debt of the County is below the 3% debt limit.

Becker County's bond rating is "AA+" from Standard and Poor's.

Additional information on the County's long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The County depends on financial resources flowing from, or associated with, both the Federal Government and the State of Minnesota. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.
- The unemployment rate for Becker County was 4.1% as of December 31, 2022. This is higher than statewide rate of 2.6%.
- Becker County's 2022 population estimation was 35,738, an increase of 703 since 2018.
- On December 20, 2022, Becker County set its 2023 revenue and expenditure budgets.

REQUESTS FOR INFORMATION

This annual financial report is designed to provide a general overview of Becker County for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Becker County Auditor-Treasurer's Office, 915 Lake Avenue, Detroit Lakes, Minnesota 56501.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF NET POSITION – EXHIBIT 1
DECEMBER 31, 2022

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and pooled investments	$ 40,694,337	$ 1,661,461	$ 42,355,798	$ 1,342,980
Restricted cash	-	-	-	1,231,766
Petty cash and change funds	8,900	-	8,900	-
Taxes receivable	476,745	-	476,745	4,844
Special assessments receivable	96,653	-	96,653	-
Accounts receivable, net	1,618,589	208,219	1,826,808	6,726
Accrued interest receivable	91,295	-	91,295	-
Notes and loans receivable	319,998	-	319,998	12,849
Property held for resale	-	-	-	150,020
Internal balances	701,538	(701,538)	-	-
Due from other governments	3,529,063	-	3,529,063	109,018
Loans receivable - noncurrent	-	-	-	292,437
Prepaid items	532,816	38,816	571,632	5,907
Lease receivable	126,335	-	126,335	-
Restricted assets				
Donor restricted assets	-	11,274	11,274	-
Resident trust funds	-	3,373	3,373	-
Capital assets				
Nondepreciable	19,026,679	118,625	19,145,304	370,997
Depreciable - net of accumulated depreciation	117,190,938	948,749	118,139,687	2,703,477
Total Assets	**$ 184,413,886**	**$ 2,288,979**	**$ 186,702,865**	**$ 6,231,021**
Deferred Outflows of Resources				
Deferred pension outflows	$ 11,207,420	$ 379,362	$ 11,586,782	$ -
Deferred OPEB outflows	175,497	-	175,497	-
Total Deferred Outflows of Resources	**$ 11,382,917**	**$ 379,362**	**$ 11,762,279**	**$ -**

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF NET POSITION – EXHIBIT 1 (CONTINUED)
DECEMBER 31, 2022

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
Liabilities				
Accounts payable	$ 1,604,226	$ 100,415	$ 1,704,641	$ 15,054
Salaries payable	1,376,872	39,383	1,416,255	-
Contracts payable	2,102,889	-	2,102,889	-
Due to other governments	865,436	-	865,436	12,899
Deposits	157,566	-	157,566	-
Other liabilities	-	-	-	18,542
Accrued interest payable	246,538	1,870	248,408	-
Unearned revenue	61,831	46,119	107,950	-
Security deposits	-	-	-	26,047
Customer deposits	-	486	486	-
Long-term liabilities				
Due within one year	2,488,655	88,076	2,576,731	-
Due in more than one year	19,548,018	31,416	19,579,434	2,417,300
Other postemployment benefits - current	74,325	-	74,325	-
Other postemployment benefits	907,835	-	907,835	-
Net pension liability	24,333,138	1,393,927	25,727,065	-
Total Liabilities	**$ 53,767,329**	**$ 1,701,692**	**$ 55,469,021**	**$ 2,489,842**
Deferred Inflows of Resources				
Deferred pension inflows	$ 776,476	$ 63,475	$ 839,951	$ -
Lease related	123,724	-	123,724	-
Deferred OPEB inflows	58,203	-	58,203	-
Total Deferred Inflows of Resources	**$ 958,403**	**$ 63,475**	**$ 1,021,878**	**$ -**
Net Position				
Net investment in capital assets	$ 114,977,871	$ 330,496	$ 115,308,367	$ 657,174
Restricted for				
General government	358,213	-	358,213	-
Highways and streets	1,695,561	-	1,695,561	-
Capital projects	-	11,274	11,274	-
Opioid endemic response	1,366,705	-	1,366,705	-
Conservation of natural resources	1,453,316	-	1,453,316	-
Debt service	710,579	-	710,579	-
Housing	-	-	-	1,608,803
Unrestricted	20,508,826	561,404	21,070,230	1,475,202
Total Net Position	**$ 141,071,071**	**$ 903,174**	**$ 141,974,245**	**$ 3,741,179**

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF ACTIVITIES – EXHIBIT 2
YEAR ENDED DECEMBER 31, 2022

		Program Revenues		
	Expenses	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Governmental activities				
General government	$ 7,823,699	$ 1,321,886	$ 335,503	$ -
Public safety	11,491,735	644,781	796,477	-
Public transportation	795,086	81,880	717,750	-
Highways and streets	13,257,371	1,507,922	2,799,442	9,625,723
Sanitation	5,232,485	5,582,865	875,767	-
Human services	14,411,621	1,258,421	7,479,727	-
Health	1,959,614	394,904	1,433,862	-
Culture and recreation	2,201,168	8,080	1,638,432	-
Conservation of natural resources	1,273,320	306,681	550,351	-
Economic development	24,380	-	-	-
Interest	508,912	-	-	-
Total governmental activities	**$ 58,979,391**	**$ 11,107,420**	**$ 16,627,311**	**$ 9,625,723**
Business-type activities				
Sunnyside Care Center	3,290,353	3,310,707	225,540	1,106
Total Primary Government	**$ 62,269,744**	**$ 14,418,127**	**$ 16,852,851**	**$ 9,626,829**
Component unit				
Economic Development Authority	$ 990,840	$ 355,247	$ 313,257	$ -

General Revenues
Property taxes
Gravel taxes
Mortgage registry and deed tax
Taxes - other
Taxes - local sales tax
Grants and contributions not restricted to specific programs
Payments in lieu of tax
Investment earnings
Miscellaneous
Gain on sale of capital assets

Total general revenues

Change in Net Position

Net Position - Beginning

Net position - Ending

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF ACTIVITIES – EXHIBIT 2 (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Net (Expense) Revenue and Change in Net Position			
Primary Government			Discretely Presented Component Unit
Governmental Activities	Business-Type Activities	Total	
$ (6,166,310)	$ -	$ (6,166,310)	
(10,050,477)	-	(10,050,477)	
4,544	-	4,544	
675,716	-	675,716	
1,226,147	-	1,226,147	
(5,673,473)	-	(5,673,473)	
(130,848)	-	(130,848)	
(554,656)	-	(554,656)	
(416,288)	-	(416,288)	
(24,380)	-	(24,380)	
(508,912)	-	(508,912)	
$ (21,618,937)	**$ -**	**$ (21,618,937)**	
-	247,000	247,000	
$ (21,618,937)	**$ 247,000**	**$ (21,371,937)**	
			$ (322,336)
$ 23,402,256	$ -	$ 23,402,256	$ 124,162
447,990	-	447,990	-
63,609	-	63,609	-
74,256	-	74,256	-
3,715,405	-	3,715,405	-
8,261,976	-	8,261,976	1,388
503,313	-	503,313	-
192,938	683	193,621	9,632
345,326	-	345,326	1,717
683,815	-	683,815	-
$ 37,690,884	**$ 683**	**$ 37,691,567**	**$ 136,899**
$ 16,071,947	**$ 247,683**	**$ 16,319,630**	**$ (185,437)**
124,999,124	**655,491**	**125,654,615**	**3,926,616**
$ 141,071,071	**$ 903,174**	**$ 141,974,245**	**$ 3,741,179**

See accompanying Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS – EXHIBIT 3
DECEMBER 31, 2022

	General	Public Safety	Road and Bridge
Assets			
Cash and pooled investments	$ 20,469,081	$ 3,168,107	$ 1,914,941
Petty cash and change funds	7,550	200	100
Taxes receivable			
Current	52,371	113,607	34,440
Delinquent	26,287	57,526	20,711
Special assessments receivable			
Delinquent	-	-	-
Deferred	50,400	-	-
Accounts receivable, net	4,020	27,575	33,887
Accrued interest receivable	91,295	-	-
Notes and loans receivable	319,998	-	-
Due from other funds	5,990	-	47,356
Due from other governments	124,286	72,604	1,730,937
Lease receivable	126,335	-	-
Prepaid items	34,829	14,554	350,038
Advance to other funds	701,538	-	-
Total Assets	**$ 22,013,980**	**$ 3,454,173**	**$ 4,132,410**
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	$ 431,742	$ 147,015	$ 209,478
Salaries payable	424,703	342,151	98,827
Contracts payable	-	-	1,912,895
Due to other funds	8,203	9,895	162
Due to other governments	184,960	281,347	3,559
Deposits	157,566	-	-
Unearned revenue	-	61,831	-
Total Liabilities	**$ 1,207,174**	**$ 842,239**	**$ 2,224,921**
Deferred Inflows of Resources			
Unavailable revenues	$ 149,211	$ 236,904	$ 909,620
Lease related	123,724	-	-
Total Deferred Inflows of Resources	**272,935**	**236,904**	**909,620**

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS – EXHIBIT 3 (CONTINUED)
DECEMBER 31, 2022

Human Services	Environmental Affairs	Other Governmental Funds	Total Governmental Funds
$ 8,429,848	$ 3,325,881	$ 3,386,479	$ 40,694,337
200	850	-	8,900
96,125	-	15,141	311,684
52,509	-	8,028	165,061
-	32,471	-	32,471
-	13,782	-	64,182
1,280,137	206,335	66,635	1,618,589
-	-	-	91,295
-	-		319,998
-	792	-	54,138
1,573,666	27,570	-	3,529,063
-	-	-	126,335
120,569	-	12,826	532,816
-	-	-	701,538
$ 11,553,054	**$ 3,607,681**	**$ 3,489,109**	**$ 48,250,407**
$ 329,597	$ 465,343	$ 22,092	$ 1,605,267
448,221	53,415	9,555	1,376,872
-	189,994	-	2,102,889
1,795	3,642	30,441	54,138
116,850	51,730	225,949	864,395
-	-	-	157,566
-	-	-	61,831
$ 896,463	**$ 764,124**	**$ 288,037**	**$ 6,222,958**
$ 1,422,633	$ 72,269	$ 23,169	$ 2,813,806
-	-	-	123,724
1,422,633	**72,269**	**23,169**	**2,937,530**

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS – EXHIBIT 3 (CONTINUED)
DECEMBER 31, 2022

Liabilities, Deferred Inflows of Resources, and Fund Balances (continued)	General	Public Safety	Road and Bridge
Fund Balances			
Nonspendable			
Advances to other funds	$ 701,538	$ -	$ -
Notes and loans receivable	319,998	-	-
Prepaid items	34,829	14,554	350,038
Restricted			
Debt service	-	-	-
Law library	42,479	-	-
Recorder's technology equipment	141,952	-	-
Enhancements	149,400	-	-
E-911	109,864	-	-
Missing heirs	24,382	-	-
Road projects - sales tax	-	-	1,123,062
Gravel pit closure	-	-	-
Conservation of natural resources	-	-	-
Opioid Settlement	-	-	-
Disposal system	-	-	-
Committed			
Museum building project	266,000	-	-
Attorney contingencies	73,279	-	-
Assigned			
Environmental affairs	-	-	-
Public safety	-	2,360,476	-
Human services	-	-	-
Culture and recreation	-	-	-
Unassigned	18,670,150	-	(475,231)
Total Fund Balances	**$ 20,533,871**	**$ 2,375,030**	**$ 997,869**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 22,013,980**	**$ 3,454,173**	**$ 4,132,410**

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS – EXHIBIT 3 (CONTINUED)
DECEMBER 31, 2022

Human Services	Environmental Affairs	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 701,538
-	-	-	319,998
120,569	-	12,826	532,816
-	-	934,563	934,563
-	-	-	42,479
-	-	-	141,952
-	-	-	149,400
-	-	-	109,864
-	-	-	24,382
-	-	-	1,123,062
-	-	344,970	344,970
-	-	1,108,346	1,108,346
287,420	-	-	287,420
-	770,558	-	770,558
-	-	-	266,000
-	-	-	73,279
-	2,000,730	-	2,000,730
-	-	-	2,360,476
8,825,969	-	-	8,825,969
-	-	777,198	777,198
-	-	-	18,194,919
$ 9,233,958	**$ 2,771,288**	**$ 3,177,903**	**$ 39,089,919**
$ 11,553,054	**$ 3,607,681**	**$ 3,489,109**	**$ 48,250,407**

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES – EXHIBIT 4
YEAR ENDED DECEMBER 31, 2022

Fund balances - total governmental funds (Exhibit 3)		**$ 39,089,919**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		136,217,617
Deferred outflows of resources resulting from pension and OPEB obligations are not available resources and, therefore, are not reported in governmental funds.		11,382,917
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		2,813,806
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General obligation bonds	$ (18,970,000)	
Bond premiums	(420,493)	
Other postemployment benefits	(982,160)	
Accrued interest payable	(246,538)	
Compensated absences	(2,512,333)	
Lease liability	(133,847)	
Net pension liability	(24,333,138)	(47,598,509)
Deferred inflows resulting from pension and OPEB obligations are not due and payable in the current period and, therefore, are not reported in governmental funds.		(834,679)
Net Position of Governmental Activities (Exhibit 1)		**$ 141,071,071**

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – EXHIBIT 5
YEAR ENDED DECEMBER 31, 2022

	General	Public Safety	Road and Bridge
Revenues			
Taxes	$ 4,098,514	$ 8,456,845	$ 2,733,362
Sales tax	-	-	3,715,405
Special assessments	-	-	-
Licenses and permits	367,068	42,597	15,450
Intergovernmental	11,322,593	771,917	16,009,172
Charges for services	1,125,024	716,374	807,138
Fines and forfeits	19,140	34,706	-
Gifts and contributions	-	6,175	-
Investment earnings	169,433	-	19,306
Miscellaneous	287,688	75,260	687,472
Total Revenues	**$ 17,389,460**	**$ 10,103,874**	**$ 23,987,305**
Expenditures			
Current			
General government	$ 6,243,347	$ -	$ -
Public safety	-	9,584,152	-
Public transportation	637,768	-	-
Highways and streets	-	-	19,375,232
Sanitation	-	-	-
Human services	-	-	-
Health	18,431	-	-
Culture and recreation	2,041,485	-	-
Conservation of natural resources	905,964	-	-
Economic development	20,115	-	-
Intergovernmental			
General government	-	-	-
Highways and streets	-	-	1,052,603
Conservation of natural resources	-	-	-
Capital outlay			
General government	1,618,338	-	-
Road and bridge	-	-	10,733,807
Public safety	-	150,370	-
Sanitation	-	-	-
Debt service			
Principal	12,480	6,025	27,030
Interest	687	466	117,962
Total Expenditures	**$ 11,498,615**	**$ 9,741,013**	**$ 31,306,634**
Excess of Revenues Over (Under) Expenditures	**$ 5,890,845**	**$ 362,861**	**$ (7,319,329)**
Other Financing Sources			
Sale of capital assets	$ 839,537	$ 62,281	$ -
Proceeds from leases	6,679	-	67,043
Proceeds of debt	-	-	7,650,000
Premium on bonds/notes issued	-	-	345,398
Total Other Financing Sources	**$ 846,216**	**$ 62,281**	**$ 8,062,441**

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS – EXHIBIT 5 (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Human Services	Environmental Affairs	Other Governmental Funds	Total
$ 7,159,497	$ -	$ 1,390,274	$ 23,838,492
-	-	-	3,715,405
-	1,508,500	-	1,508,500
-	1,855	-	426,970
8,946,455	875,767	204,466	38,130,370
1,250,515	3,455,448	5,031	7,359,530
-	-	-	53,846
28,137	-	3,055	37,367
-	4,199	-	192,938
622,130	616,532	372,240	2,661,322
$ 18,006,734	**$ 6,462,301**	**$ 1,975,066**	**$ 77,924,740**
$ -	$ -	$ -	$ 6,243,347
-	-	-	9,584,152
-	-	-	637,768
-	-	-	19,375,232
-	4,890,040	-	4,890,040
14,161,232	-	-	14,161,232
1,878,026	-	-	1,896,457
-	-	148,154	2,189,639
-	-	314,737	1,220,701
-	-	-	20,115
-	-	235,460	235,460
-	-	-	1,052,603
-	-	40,758	40,758
-	-	-	1,618,338
-	-	-	10,733,807
-	-	-	150,370
-	2,622,242	-	2,622,242
8,636	1,068	800,000	855,239
655	26,019	274,788	420,577
$ 16,048,549	**$ 7,539,369**	**$ 1,813,897**	**$ 77,948,077**
$ 1,958,185	**$ (1,077,068)**	**$ 161,169**	**$ (23,337)**
$ -	$ -	$ -	$ 901,818
5,647	-	-	79,369
-	1,665,000	-	9,315,000
-	75,095	-	420,493
$ 5,647	**$ 1,740,095**	**$ -**	**$ 10,716,680**

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – EXHIBIT 5 (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	General	Public Safety	Road and Bridge
Net Change in Fund Balances	$ 6,737,061	$ 425,142	$ 743,112
Fund Balances - January 1	13,796,810	1,949,888	254,757
Fund Balances - December 31	$ 20,533,871	$ 2,375,030	$ 997,869

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – EXHIBIT 5 (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Human Services	Environmental Affairs	Other Governmental Funds	Total
$ 1,963,832	$ 663,027	$ 161,169	$ 10,693,343
7,270,126	2,108,261	3,016,734	28,396,576
$ 9,233,958	$ 2,771,288	$ 3,177,903	$ 39,089,919

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES – EXHIBIT 6
YEAR ENDED DECEMBER 31, 2022

Net change in fund balances - total governmental funds (Exhibit 5)		**$ 10,693,343**
Amounts reported for governmental activities in the statement of activities are different because:		
In the funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenue between the fund statements and the statement of activities is the increase or decrease in revenue deferred as unavailable.		
Unavailable revenue - December 31	$ 2,813,806	
Unavailable revenue - January 1	(6,476,516)	(3,662,710)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.		
Expenditures for general capital assets and infrastructure	$ 27,191,910	
Net book value of assets disposed	(218,003)	
Current year depreciation and amortization	(7,134,266)	19,839,641
Issuing long-term debt provides current financial resources to governmental funds, while the repayment of debt consumes current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued; whereas, those amounts are deferred and amortized over the life of the debt in the statement of net position.		
Proceeds of new debt	$ (9,315,000)	
Premium on bonds issued	(420,493)	
Principal repayments	800,000	
Lease proceeds	(79,369)	
Lease repayments	55,239	(8,959,623)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable	$ (205,529)	
Change in compensated absences	87,392	
Change in other postemployment benefits	(84,696)	
Change in net pension liability	(14,989,898)	
Change in deferred outflows of resources	2,134,894	
Change in deferred inflows of resources	11,219,133	(1,838,704)
Change in Net Position of Governmental Activities (Exhibit 2)		**$ 16,071,947**

See accompanying Notes to Financial Statements.

PROPRIETARY FUND

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF NET POSITION – SUNNYSIDE CARE CENTER ENTERPRISE FUND – EXHIBIT 7
SEPTEMBER 30, 2022

Assets

Current assets		
Cash and equivalents	$	1,661,461
Accounts receivable		208,219
Prepaid items		38,816
Total current assets	$	1,908,496
Restricted assets		
Donor restricted assets	$	11,274
Resident trust funds		3,373
Total restricted assets	$	14,647
Noncurrent assets		
Capital assets		
Nondepreciable	$	118,625
Depreciable - net		948,749
Total noncurrent assets	$	1,067,374
Total Assets	$	2,990,517

Deferred outflows of resources

Deferred pension outflows	$	379,362

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF NET POSITION – SUNNYSIDE CARE CENTER ENTERPRISE FUND – EXHIBIT 7 (CONTINUED)
SEPTEMBER 30, 2022

Liabilities		
Current liabilities		
Accounts payable	$	100,415
Salaries payable		39,383
Compensated absences payable		84,152
Lease liablity - current		3,924
Accrued interest payable		1,870
Resident trust funds payable		486
Unearned revenue		46,119
Total current liabilities	$	276,349
Noncurrent liabilities		
Lease liability	$	31,416
Advance from other funds		701,538
Net pension liability		1,393,927
Total noncurrent liabilities	$	2,126,881
Total Liabilities	$	2,403,230
Deferred inflows of resources		
Deferred pension inflows	$	63,475
Net Position		
Net investment in capital assets		330,496
Restricted for capital acquisitions		11,274
Unrestricted		561,404
Total Net Position	$	903,174

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – SUNNYSIDE CARE CENTER ENTERPRISE FUND – EXHIBIT 8
YEAR ENDED SEPTEMBER 30, 2022

Operating Revenues		
Charges for services	$	3,288,635
Other operating revenue		22,072
Total Operating Revenues	$	3,310,707
Operating Expenses		
Employee benefits	$	592,929
Ancillary services		92,360
Nursing		1,191,198
Social services and activities		111,120
Plant operations		199,709
Administrative		505,635
Medical care surcharge		84,450
Laundry and linen		46,871
Dietary		299,861
Housekeeping		52,522
Amortization		5,034
Depreciation		85,268
Total Operating Expenses	$	3,266,957
Operating Income (Loss)	$	43,750
Nonoperating Revenues (Expenses)		
Noncapital grants and contributions	$	225,540
Interest income		951
Interest expense		(23,396)
Total Nonoperating Revenues (Expenses)	$	203,095
Income (loss) before contributions and transfers	$	246,845
Interest loss		(268)
Capital grants and contributions		1,106
Change in Net Position	$	247,683
Net Position - October 1		655,491
Net Position - September 30	$	903,174

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF CASH FLOWS – SUNNYSIDE CARE CENTER ENTERPRISE FUND – EXHIBIT 9
YEAR ENDED SEPTEMBER 30, 2022

Cash Flows from Operating Activities		
Receipts from residents	$	3,268,048
Payments to suppliers		(2,256,645)
Payments to employees		(882,791)
Changes in pension related liabilities		39,819
Net cash provided by operating activities	$	168,431
Cash Flows from Noncapital Financing Activities		
Noncapital grants and contributions	$	225,540
Cash Flows from Capital and Related Financing Activities		
Principal paid on long-term debt	$	(53,972)
Interest paid on long-term debt		(23,283)
Contributions received for capital expenses		1,106
Financing long-term lease obligations		(3,673)
Purchases of capital assets		(52,006)
Net cash used in capital and related financing activities	$	(131,828)
Cash Flows from Investing Activities		
Interest received	$	683
Net Increase in Cash and Cash Equivalents		262,826
Cash and Cash Equivalents at October 1	$	1,398,635
Cash and Cash Equivalents at September 30	$	1,661,461

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF CASH FLOWS – SUNNYSIDE CARE CENTER ENTERPRISE FUND – EXHIBIT 9 (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022

Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	$	43,750
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense	$	85,268
Amortization expense		5,034
Provision for bad debts		4,427
Effect of changes in assets, deferred inflows, liabilities and deferred outflows:		
Accounts receivable		(52,324)
Deferred outflows of resources		116,535
Prepaid items and other assets		(15,624)
Accounts payable		21,783
Accrued liabilities		31,060
Deferred inflows of resources		(706,232)
Net pension liability		629,516
Unearned revenue		5,238
Total adjustments	$	124,681
Net Cash Provided by Operating Activities	$	168,431

See accompanying Notes to Financial Statements.

FIDUCIARY FUNDS

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION – EXHIBIT 10
DECEMBER 31, 2022

	Social Welfare Private Purpose Trust Fund	Custodial Funds
Assets		
Cash and pooled investments	$ 10,891	$ 1,442,307
Taxes receivable for other governments	-	755,871
Due from other governments	-	56,606
Accounts receivable	-	2,341
Total Assets	$ 10,891	$ 2,257,125
Liabilities		
Due to other governments	$ -	$ 1,183,128
Deferred Inflows of Resources		
Taxes Levied for Subsequent Period	$ -	$ 75,274
Net Position		
Restricted for:		
Individuals, Organizations and Other Governments	$ 10,891	$ 998,723

See accompanying Notes to Financial Statements.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – EXHIBIT 11
YEAR ENDED DECEMBER 31, 2022

	Social Welfare Private Purpose Trust Fund	Custodial Funds
Additions		
Contributions:		
Individuals	$ 91,225	$ 251,135
Taxes for other governments	-	37,790,706
Licenses and fees collected for state	-	4,480,870
Miscellaneous	-	222,164
Total Additions	91,225	42,744,875
Deductions		
Beneficiary payments	$ 80,334	$ 290,340
Payments to state	-	4,480,870
Payment to the collaborative	-	221,176
Payments to other governments	-	37,829,129
Total Deductions	80,334	42,821,515
Net Increase (Decrease) in Fiduciary Net Position	$ 10,891	$ (76,640)
Fiduciary Net Position - Beginning of Year	-	1,075,363
Fiduciary Net Position - End of Year	$ 10,891	$ 998,723

See accompanying Notes to Financial Statements.

1. Summary of Significant Accounting Policies

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America as of and for the year ended December 31, 2022. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

Becker County was established March 18, 1858, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Becker County (primary government) and its component unit for which the County is financially accountable. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year.

Discretely Presented Component Unit

While part of the reporting entity, the discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. The following component unit of Becker County is discretely presented:

Component Unit	Component Unit is Included in Reporting Entity Because	Separate Financial Statements
The Becker County Economic Development Authority (EDA) provides services pursuant to Minn. Stat. §§ 469.090 to 469.1081 and Minn. Stat. §§ 469.001 to 469.047.	County appoints members and the Economic Development Authority is a financial burden.	Becker County Auditor-Treasurer's Office 915 Lake Avenue Detroit Lakes, Minnesota 56501

Joint Ventures and Jointly-governed Organizations

The County participates in several joint ventures described in Note 6.B. The County also participates in the jointly-governed organizations described in Note 6.C.

B. Basic Financial Statements

1. Government-Wide Statements

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

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

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

2. Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

The Public Safety Special Revenue Fund is used to account for all funds to be used for public safety. Some of the activities covered under this fund include County Sheriff, County Jail, Sentence to Serve, Probation and Parole, County Coroner, Emergency Services, and Boat and Water Safety. Financing is provided by an annual property tax levy and special appropriations from the State of Minnesota.

The Road and Bridge Special Revenue Fund is used to account for revenues and expenditures of the County Highway Department, which is responsible for the construction and maintenance of roads, bridges, and other projects affecting County roadways. Revenues include property taxes, intergovernmental assistance, and charges for services.

The Human Services Special Revenue Fund is used to account for economic assistance and community social services programs. Revenues include property taxes, intergovernmental assistance, and charges for services.

The Environmental Affairs Special Revenue Fund is used to account for the operations of a solid waste transfer station. Revenues are provided by charges for services and a special assessment against property owners.

The County reports the following major enterprise fund:

The Sunnyside Care Center Enterprise Fund is used to account for the operations of the Sunnyside Care Center, which operates a 30-bed licensed long-term health care facility in Lake Park, Minnesota, and is managed by Ecumen Services Inc. The Care Center is under an agreement through July 1, 2023, with monthly management fees of $8,333 through July 31, 2023. The Care Center's financial position and operations are presented as of and for the year ended September 30, 2022.

Additionally, the County reports the following fund types:

The Debt service fund is used to account for and report the accumulation of resources for, and payment of, principal and interest on the long-term debt.

The Private-purpose trust fund is used to report trust agreements other than pension or investment trusts, under which principal and income benefit individuals, private organizations, or other governments. The County reports one private-purpose trust fund, the Social Welfare Fund, which accounts for the activity related to income received and payments on behalf of individuals for whom the county is responsible to assist.

Custodial funds are custodial in nature. These funds are used for a variety of purposes. Some of the activities include collecting taxes for other governments, state revenues and amounts collected and held on behalf of inmates.

C. Measurement Focus and Basis of Accounting

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

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

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

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

1. Cash and Cash Equivalents

The County has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, each fund's equity in the County's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Cash and cash equivalents, for the enterprise fund, include cash on hand and all restricted and unrestricted pooled investments.

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor-Treasurer for the purpose of increasing earnings through investment activities. Investments are reported at their fair value at December 31, 2022. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2022 were $192,938.

Becker County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which was created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The MAGIC Fund is not registered with the Securities and Exchange Commission. The County's investment in the pool is measured at the amortized cost per share provided by the pool. More information including the most recent audited financial statement is available on their website www.magicfund.org.

The Sunnyside Care Center Enterprise Fund had a $268 investment loss for the year ended September 30, 2022.

3. Receivables and Payables

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

Activities between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

All receivables are shown net of an allowance for uncollectible accounts which is calculated on a case by case basis. As of December 31, 2022, the allowance for doubtful accounts is $1,068,203.

The Care Center provides an allowance for doubtful accounts which is offset against the gross amount of receivables. The allowance for doubtful accounts is an estimate of collection losses that may be incurred in the collection of all receivables. The allowance is based upon historical experience, coupled with management’s review of the current status of the existing receivables. Payment for services is required upon receipt of invoice or claim submitted. Accounts more than 30 days old are considered past due and individually analyzed for collectability. As of September 30, 2022, the allowance for doubtful accounts is $7,335.

4. Special Assessments Receivable

   Special assessments receivable consist of delinquent special assessments payable in the years 2017 through 2022 and deferred special assessments payable in 2022 and after. Unpaid special assessments at December 31 are classified in the financial statements as delinquent special assessments.

5. Prepaid Items

   Prepaid items consist of prepaid supplies held for consumption. Certain payments to vendors reflect costs applicable to future account periods and are recorded as prepaid items in both government-wide and fund level financial statements. The cost of prepaid items is recorded as expenditures during the periods benefited.

6. Restricted Assets

   Certain funds of the County are classified as restricted assets on the statement of net position because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations.

7. Capital Assets

   Capital assets, which include land, right-of-way, construction in progress, infrastructure (roads, bridges, and similar items), buildings and improvements, land improvements, machinery, furniture, equipment and right-to-use assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Governmental activities capital assets have initial useful lives extending beyond one year and a dollar amount for capitalization per asset of $25,000, except all land, buildings and improvements, construction in progress, and infrastructure, which are capitalized regardless of cost. Business-type activities capital assets have a dollar amount for capitalization per asset of $2,000. Capital assets are recorded at cost if purchased or at fair market value on the date received, if donated.

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

Infrastructure, buildings and improvements, land improvements, and machinery, furniture, and equipment of the governmental activities are depreciated or amortized using the straight-line method over the following estimated useful lives:

Infrastructure	25 to 50 Years
Buildings and improvements	5 to 40 Years
Land improvements	8 to 22 Years
Machinery, furniture, and equipment	4 to 12 Years

All capital assets other than land and construction in progress of business-type activities are depreciated or amortized using the straight-line of method over the following estimated useful lives:

Land improvements	5 to 15 Years
Buildings	13 to 35 Years
Building improvements	5 to 19 Years
Equipment	5 to 20 Years
Vehicles	5 Years

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

8. Unearned Revenue

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

9. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for amounts is reported in the governmental funds for up to the annual accrual of vacation and vested sick leave if matured, for example, as a result of employee resignations and retirements. The government-wide statement of net position reports both current and noncurrent portions of compensated absences.

The current portion consists of the earned balances of vacation and vested sick leave for all full-time employees during the year calculated at an overall average rate of pay. For the governmental activities, compensated absences are liquidated by the General Fund, Public Safety Special Revenue Fund, the Road and Bridge Special Revenue Fund, the Natural Resource Management Fund, the Environmental Affairs Special Revenue Fund, and the Human Services Special Revenue Fund. For the business-type activities, compensated absences are liquidated by the Sunnyside Care Center Enterprise Fund.

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The County has two items, deferred pension and deferred OPEB outflows that qualify for reporting in this category. These outflows arise only under the full accrual basis of accounting and consist of pension plan and OPEB contributions paid subsequent to the measurement date, differences between expected an actual pension plan economic experience, changes in actuarial assumptions, pension plan changes in proportionate share, and also the differences between projected and actual earnings on pension plan investments and, accordingly, are reported only in the statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has different types of deferred inflows. The governmental funds report lease related deferred inflows and unavailable revenue from delinquent taxes receivable, delinquent and noncurrent special assessments receivable and for amounts that are not considered to be available to liquidate liabilities of the current period. The fiduciary funds report taxes collected for subsequent year tax levy.

Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. The unavailable revenue amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The County also has deferred pension and OPEB inflows. These inflows arise only under the full accrual basis of accounting and consist of differences between expected and actual pension plan economic experience and also pension or OPEB plan changes in proportionate share and, accordingly, are reported only in the statement of net position. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

11. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

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

12. Pension Plan

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

13. Leases

The County determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position when the County is the lessor, and as right-to-use assets and lease liabilities when the County is the lessee.

Lessor **-** Lease receivables represent the County's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required, and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

Lessee **-** Right-to-use assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange like transaction. Right-to-use assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to eliminate the price of such components, the County treats the components as a single lease unit.

14. Classification of Net Position

Net position in the government-wide and proprietary fund financial statements are classified in the following categories:

Net investment in capital assets - the portion of net position representing capital assets, net of accumulated depreciation and amortization, and reduced by outstanding debt or lease liability attributed to the acquisition, construction, or improvement of the assets.

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

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

15. Classification of Fund Balances

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

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

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

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

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

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

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

16. Minimum Fund Balance

The County will maintain an unrestricted fund balance in the General Fund of an amount not less than 35 to 50 percent of next year's budgeted expenditures of the General Fund. Unrestricted fund balance can be "spent down" if there is an anticipated budget shortfall in excess of $150,000. If spending unrestricted funds in designated circumstances has reduced unrestricted fund balance to a point below the minimum targeted level, as noted above, the County Administrator shall create a plan to restore fund balance to an appropriate level and provide this to the County Board for action. The plan for replenishment should not be longer than three years.

17. Use of Estimates

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

18. Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The County adopted the requirements of the guidance effective January 1, 2022, and has applied the provisions of this standard to the beginning of the earliest period presented.

19. Net Resident Service Revenue

Net resident service revenues include room charges to residents and are recorded at established billing rates, net of contractual adjustments, resulting from agreements with third-party payors.

Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and subsequent settlements are recorded in revenues in the year of settlement.

Following is a reconciliation of gross resident service revenues to net resident service revenues as of September 30:

	2022
Gross Residential Service Revenues	$ 3,562,011
Adjustments and Allowances	(268,949)
Provision for Bad Debts	(4,427)
Net Resident Service Revenues	$ 3,288,635

20. Charity Care

The Care Center does not provide charity care to its residents.

21. Third-Party Reimbursement Agreements

Medicaid

The Care Center participates in the Medicaid program which is administered by the Minnesota Department of Human Services (DHS). Medicaid and private paying residents are classified into one of 48 Resource Utilization Groups (RUG) for purposes of establishing payment rates.

Nursing facilities are paid under the Value Based Nursing Facility Reimbursement System (VBR). Under the VBR system, care related costs are reimbursed at actual cost subject to certain limitations. Other operating costs are reimbursed using a pricing model, which results in the rates of these costs being the same for all nursing facilities in the state. Certain other costs, such as qualifying employer health insurance costs, are reimbursed at an external fixed payment rate and will be cost based with no limitations. Reimbursement for historic property related costs is a separate component of the rate that has been frozen since 2010. Additional reimbursement for new property related costs is possible under certain conditions.

The VBR system includes a hold harmless provision which protects nursing home facilities from being paid at rates lower than those in effect December 31, 2015.

Nursing facilities are also protected from significant decreases in rates in a single year due to changes in care related costs.

By Minnesota Statute, a nursing facility may not charge private paying residents in multiple occupancy rooms per diem rates in excess of the approved Medicaid rates for similar services.

Medicare

The Organization participates in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The Organization is paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing facility services (SNFs). The PPS is a per diem price-based system. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement. CMS recently finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident’s length of stay.

Nursing facilities licensed for participation in the Medicare and Medicaid programs are subject to annual surveys. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance, which would have a negative impact on the revenues of the nursing facility.

2. Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Budget

The following is a table of the individual funds with expenditures in excess of budget for the year ended December 31, 2022:

	Expenditures	Final Budget	Excess
General Fund	$ 11,498,615	$ 9,835,589	$ 1,663,026
Road and Bridge	31,306,634	14,415,337	16,891,297
Debt Service	1,074,788	1,069,438	5,350
Gravel Tax	235,460	-	235,460

B. Land Management

The County manages approximately 74,085 acres of state-owned tax-forfeited land. This land generates revenues primarily from recreational land leases and land and timber sales. Land management costs, including forestry costs such as site preparation, seedlings, tree planting, and logging roads are accounted for as current operating expenditures. Revenues in excess of expenditures are distributed to the County and cities, towns, and school districts within the County according to state statute.

3. Detailed Notes on All Funds

A. Assets and Deferred Outflows of Resources

1. Deposits and Investments

Governmental Activities

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

Governmental Activities	
Cash and pooled investments	$ 40,694,337
Petty cash and change funds	8,900
Business-Type Activities	
Cash and pooled investments	1,661,461
Restricted cash	
Donor-restricted cash	11,274
Resident trust funds	3,373
Fiduciary funds	
Cash and pooled investments	1,453,198
Total Cash and Investments	$ 43,832,543

a. Deposits

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

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. It is the County's policy to obtain collateral or surety bond for all uninsured amounts on deposit and obtain necessary documentation to show compliance with state law and a perfected security interest under federal law. As of December 31, 2022, the County's deposits were not exposed to custodial credit risk.

b. Investments

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

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

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

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

(4) bankers' acceptances of United States banks;

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County has a formal investment policy that limits investment maturities to meet cash requirements for ongoing operations as a means of managing its exposure to fair value losses arising from increasing interest rates or the need to sell securities on the open market prior to maturity.

Credit Risk

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

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party. It is the County's policy to allow brokers to hold County investments to the extent there is SIPC and excess SIPC coverage available.

At December 31, 2022, the County's investments were not exposed to custodial credit risk.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. The County policy minimizes concentration of credit risk by diversifying the investment portfolio. The following table represents the County's deposit and investment balances at December 31, 2022, and information relating to potential investment risks:

Investment Type	Credit Risk: Credit Rating	Credit Risk: Rating Agency	Concentration Risk: Over 5 Percent of Portfolio	Interest Rate Risk: Maturity Date	Carrying Fair Value
U.S. government agency securities					
Federal National Mortgage Association	N/R	N/A	<5.0%	6/29/2026	$ 489,785
U.S. Treasury Notes	N/R	N/A	N/A	4/30/2027	312,725
U.S. Treasury Notes	N/R	N/A	N/A	1/15/2023	1,998,520
U.S. Treasury Notes	N/R	N/A	N/A	4/30/2023	994,410
Federal Home Loan Bank	N/R	N/A	<5.0%	3/16/2026	405,951
Federal Farm Credit Bank	AAA	Moody's	<5.0%	11/30/2023	479,450
Total U.S. government agency securities					$ 4,680,841
Local government securities					
Connecticut State Taxable General Obligation Bond	Aa3	S&P	<5.0%	1/15/2026	$ 480,650
Lake Park Audubon General Obligation Bonds	AA	S&P	<5.0%	2/1/2026	506,800
Montgomery County Revenue Bonds	AAA	S&P	<5.0%	4/1/2025	276,564
Alcoa Tenn, Taxable General Obligation	AA-	S&P	<5.0%	3/1/2026	216,428
Total local government securities					$ 1,480,442
Negotiable certificates of deposit	N/R	N/A	<5.0%	< 1 year	$ 1,494,282
Negotiable certificates of deposit	N/R	N/A	<5.0%	1-5 years	1,675,399
Total negotiable certificates of deposit					$ 3,169,681
MAGIC Fund					
Portfolio	N/R	N/A	N/A	N/A	$ 17,236,150
Term	N/R	N/A	N/A	3/10/2023	5,000,000
Total MAGIC Fund					$ 22,236,150
Total Investments					$ 31,567,114
Deposits					12,445,829
Change funds					8,900
Restricted cash at Sunnyside Care Center					14,647
Change in Enterprise Fund cash from September 30 to December 31, 2022					(203,947)
Total Cash and Investments					$ 43,832,543

N/R - Not Rated; N/A - Not Applicable

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

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

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

		Fair Value Measurements Using		
	December 31 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. agencies	$ 4,680,841	$ -	$ 4,680,841	$ -
Local government securities	1,480,442	-	1,480,442	-
Negotiable certificates of deposit	3,169,681	-	3,169,681	-
Total Investments included in the Fair value hierarchy	$ 9,330,964	$ -	$ 9,330,964	$ -
Investments at amortized cost				
MAGIC portfolio external investment pool	$ 17,236,150			
Investments measured at the net asset value (NAV)				
MAGIC Term	$ 5,000,000			
Total investments	$ 31,567,114			

Debt securities classified in Level 2 are valued using matrix pricing based on the securities' relationship to benchmark quoted prices.

The MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The MAGIC Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the

Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

The MAGIC term investment pool is valued at net asset value (NAV) as it does not meet the liquidity criteria to be valued at amortized cost. The County would face penalties if early redemptions were made from the term investment pool. There are no unfunded commitments relating to this investment. The County reports its investment in the term investment pool at the NAV per share, the fair value established by the pool.

The Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its NAV not reasonably practical.

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

2. Receivables

Receivables as of December 31, 2022, for the County's governmental activities and as of September 30, 2022, for the County's business-type activities, including any applicable allowances for uncollectible accounts, are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Taxes	$ 476,745	$ -
Special assessments	96,653	42,000
Accounts, net	1,618,589	1,029,393
Interest	91,295	-
Notes and loans	319,998	293,244
Due from other governments	3,529,063	-
Total Governmental Activities	$ 6,132,343	$ 1,364,637
Business-Type Activities		
Accounts	$ 208,219	$ -

The Care Center is located in Lake Park, Minnesota. The Care Center grants credit without collateral to its residents, most of who are local individuals and are insured under third-party payor agreements. The mix of receivables from residents and third-party payors was as follows:

	2022
Medicare	$ 492
Medicaid	166,136
Residents	40,046
Third-Party Payors and Other	1,545
	$ 208,219

3. Lease Receivable

The County, acting as lessor, leases land under a long-term, non-cancelable lease agreement. The lease term is 99 years commencing on May 1, 2006. During the year ended December 31, 2022, the County recognized $- and $2,756 in lease revenue and interest revenue, respectively, pursuant to this contract.

	Governmental Activities	
Year Ending December 31,	Principal	Interest
2023	$ -	$ 1,680
2024	-	1,714
2025	-	1,748
2026	-	1,783
2027	-	1,819
2028-2032	-	9,654
2033-2037	-	10,659
2038-2042	-	11,769
2043-2047	-	12,994
2048-2052	-	14,346
2053-2057	-	15,839
2058-2062	-	17,488
2063-2067	-	19,308
2068-2072	-	21,317
2073-2077	-	23,536
2078-2082	5,797	20,189
2083-2087	16,464	12,226
2088-2093	21,548	10,129
2093-2097	27,552	7,421
2098-2102	34,618	3,995
2103-2107	20,356	454
Total	$ 126,335	$ 220,068

4. Capital Assets

Capital asset activity for the governmental activities for the year ended December 31, 2022, and for the business-type activities for the year ended September 30, 2022 was as follows:

Governmental Activities

	*Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	$ 1,809,396	$ 22,319	$ (2,000)	$ 1,829,715
Right-of-way	1,308,656	51,510	-	1,360,166
Construction in progress	515,155	15,321,643	-	15,836,798
Total capital assets not depreciated	3,633,207	15,395,472	(2,000)	19,026,679
Capital assets depreciated				
Building and improvements	45,365,150	117,420	(497,110)	44,985,460
Land improvements	2,191,227	41,400	-	2,232,627
Machinery, furniture, and equipment	13,987,109	1,263,111	(865,642)	14,384,578
Infrastructure	150,723,951	10,295,138	-	161,019,089
Total capital assets depreciated	212,267,437	11,717,069	(1,362,752)	222,621,754
Less: accumulated depreciation for				
Buildings and improvements	13,827,139	930,171	(409,436)	14,347,874
Land improvements	1,068,418	108,170	-	1,176,588
Machinery, furniture, and equipment	9,149,418	1,009,849	(737,313)	9,421,954
Infrastructure	75,587,410	5,029,543	-	80,616,953
Total accumulated depreciation	99,632,385	7,077,733	(1,146,749)	105,563,369
Total capital assets depreciated, net	112,635,052	4,639,336	(216,003)	117,058,385
Intangible Right-to-Use Assets:				
Leased Equipment	109,717	79,369	-	189,086
Less Accumulated Amortization	-	56,533	-	56,533
Net Intangible Right-to-Use Assets	109,717	22,836	-	132,553
Governmental Activities Capital Assets, Net	$ 116,377,976	$ 20,057,644	$ (218,003)	$ 136,217,617

Business-Type Activities

	*Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	$ 118,625	$ -	$ -	$ 118,625
Capital assets depreciated				
Land improvements	213,345	-	-	213,345
Buildings and improvements	2,721,982	49,996	-	2,771,978
Equipment	471,316	2,010	-	473,326
Total capital assets depreciated	3,406,643	52,006	-	3,458,649
Less: accumulated depreciation for				
Land improvements	181,574	4,852	-	186,426
Buildings and improvements	1,845,555	71,697	-	1,917,252
Equipment	431,482	8,719	-	440,201
Total accumulated depreciation	2,458,611	85,268	-	2,543,879
Total capital assets depreciated, net	948,032	(33,262)	-	914,770
Intangible Right-to-Use Assets:				
Leased Equipment	39,013	-	-	39,013
Less Accumulated Amortization	-	5,034	-	5,034
Net Intangible Right-to-Use Assets	39,013	(5,034)	-	33,979
Business-Type Activities Capital assets, Net	$ 1,105,670	$ (38,296)	$ -	$ 1,067,374

* The beginning balance was restated due to the implementation of GASB Statement No. 87. See Note 1.D.18.

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

Governmental Activities		
General government	$	458,618
Public safety		782,927
Highways and streets		5,440,591
Human services		50,648
Health		1,351
Sanitation		302,572
Public transportation		69,733
Culture and recreation		21,379
Conservation of natural resources		6,447
Total Depreciation/Amortization Expense	$	7,134,266
Business-Type Activities		
Sunnyside Care Center	$	90,302

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2022 is as follows:

1. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Sunnyside Care Center Enterprise Fund	$ 701,538

The Sunnyside Care Center Enterprise Fund advance is a result of Becker County calling and redeeming the Care Center's Series 2004 General Obligation Nursing Home bonds with an outstanding balance of $1,190,000 in February 2010. The County then advanced $1,102,184 to the Care Center which bears interest of 3 percent and is to be paid back by March 2035 with semi-annual principal and interest payments.

2. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Human Services Special Revenue Fund	$ 1,271
	Public Safety Special Revenue Fund	1,387
	Gravel Tax Fund	3,332
Total due to General Fund		$ 5,990
Road and Bridge Special Revenue Fund	General Fund	$ 8,203
	Public Safety Special Revenue Fund	7,968
	Human Services Special Revenue Fund	524
	Environmental Affairs Special Revenue Fund	3,642
	Natural Resource Management Special Revenue Fund	115
	Gravel Tax Special Revenue Fund	26,904
Total due to Road and Bridge Special Revenue Fund		$ 47,356
Environmental Affairs Special Revenue Fund	Public Safety Special Revenue Fund	$ 540
	Road and Bridge Special Revenue Fund	162
	Natural Resource Management Special Revenue Fund	90
Total due to Environmental Affairs Special Revenue Fund		$ 792
Total Due To/From Other Funds		$ 54,138

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

C. Liabilities

1. Payables

Payables at December 31, 2022, were as follows:

	Governmental Activities	Business-Type Activities
Accounts	$ 1,604,226	$ 100,415
Salaries	1,376,872	39,383
Contracts	2,102,889	-
Due to other governments	865,436	-
Customer deposits	-	486
Interest	246,538	1,870
Total Payables	$ 6,195,961	$ 142,154

2. Construction Commitments

The government has active construction projects as of December 31, 2022.

	Remaining Commitment
Governmental Activities	
Various Road Projects	$ 572,210
HVAC Projects - Human Services	114,507
Building Construction Project - Public Works	3,573,328
Building Construction Project - Environmental Services	692,071
Total	$ 4,952,116

3. Long-Term Debt

Governmental Activities

The payments on the General Obligation Bonds are being made from the Debt Service Fund.

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (Percent)	Original Issue Amount	Outstanding Balance December 31 2022
General obligation bonds					
2012 Capital Improvement Bonds	2027	$ 195,000	2.00%	$ 5,340,000	$ 1,840,000
		425,000	3.00%		
2017 Jail Bonds	2037	260,000	2.00%	9,670,000	7,815,000
		620,000	3.00%		
2022 Bonds	2042	355,000	2.00%	9,315,000	9,315,000
		615,000	4.00%		
					$ 18,970,000

Business-Type Activities

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (Percent)	Original Issue Amount	Outstanding Balance September 30, 2022
Notes Payable*	2035	33,859	3.00%	1,102,184	$ 701,538

*See Note 3.B.1., this note is payable to the General Fund and is reported on the government-wide statement of net position as internal balances.

4. Debt Service Requirements

Debt service requirements at December 31, 2022, for governmental activities and September 30, 2022, for business-type activities were as follows:

Governmental Activities

	General Obligation Bonds		Lease Liability	
Year Ending December 31,	Principal	Interest	Principal	Interest
2023	$ 825,000	$ 613,372	$ 76,088	$ 1,989
2024	1,205,000	484,861	30,105	856
2025	1,245,000	447,521	16,115	398
2026	1,285,000	408,330	8,204	151
2027	1,080,000	370,680	3,335	27
2028-2032	7,010,000	1,778,483	-	-
2033-2037	5,705,000	540,625	-	-
2038-2042	615,000	7,688	-	-
Total	$ 18,970,000	$ 4,651,559	$ 133,847	$ 3,421

Business-Type Activities

	Notes		Lease Liability	
Year Ending December 31,	Principal	Interest	Principal	Interest
2023	$ 47,022	$ 22,076	$ 3,924	$ 1,369
2024	48,443	20,696	4,328	1,202
2025	49,907	19,275	4,768	1,011
2026	51,416	17,811	5,234	804
2027	52,970	16,302	5,740	555
2028-2032	289,854	57,240	11,346	424
2033-2035	161,926	13,602	-	-
Total	$ 701,538	$ 167,002	$ 35,340	$ 5,365

5. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2022, for governmental activities and September 30, 2022, for business-type activities was as follows:

Governmental Activities

	*Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General obligation bonds	$ 10,455,000	$ 9,315,000	$ 800,000	$ 18,970,000	$ 825,000
Bond premium	-	420,493	-	420,493	-
Lease Liability	109,717	79,369	55,239	133,847	76,088
Compensated absences	2,599,725	1,520,548	1,607,940	2,512,333	1,587,567
Governmental Activities Long-Term Liabilities	$ 13,164,442	$ 11,335,410	$ 2,463,179	$ 22,036,673	$ 2,488,655

* The beginning balance was restated due to the implementation of GASB Statement No. 87. See Note 1.D.18.

Business-Type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation revenue					
Notes	$ 8,000	$ -	$ 8,000	$ -	$ -
Lease Liability	-	39,013	3,673	35,340	3,924
Note payable*	747,510	-	45,972	701,538	47,022
Business-Type Activities Long-Term Liabilities	$ 755,510	$ 39,013	$ 57,645	$ 736,878	$ 50,946

*Reported in the government-wide statements as internal balance and in the Enterprise Fund statements as an advance from other funds.

Compensated absences are paid by the applicable fund where each employee is regularly paid primarily the General Fund, Public Safety, Road and Bridge Fund, and Human Services Fund.

The County has several long-term, noncancelable lease agreements with for copiers, printers mail machines, propane tank, and tower or facility space with commencement dates ranging from January 1, 2018 to July 1, 2022. The leases will expire on various dates through 2026.

During 2022, the County issued 2022A General Obligation Bonds totaling $9,315,000, maturing in 2042 to finance the highway facility, transit facility and the environmental facility disposal system.

6. Unearned Revenues/Deferred Inflows of Resources

Deferred inflows of resources - unavailable revenues consist of state and/or federal grants, taxes, special assessments, and state highway users tax allotments, and other receivables not collected soon enough after year-end to pay liabilities of the current period. The governmental funds reported $61,831 in unearned revenues at December 31, 2022. Business-type activities reported unearned revenues of $807 for rent paid in advance. The fiduciary funds reported deferred inflows of resources of $75,274 for taxes collected as prepayments for taxes levied for the subsequent year.

Unavailable revenue at December 31, 2022 is summarized below by fund.

	Taxes	Special Assessments	Grants and Allotments	Other	Total
Major governmental funds					
General	$ 78,658	$ 50,400	$ -	$ 20,153	$ 149,211
Public Safety	171,133	-	-	65,771	236,904
Road and Bridge	55,151	-	854,469	-	909,620
Human Services	148,634	-	194,714	1,079,285	1,422,633
Environmental Affairs	-	46,253	-	26,016	72,269
Nonmajor governmental funds					
Parks and Recreation	615	-	-	-	615
Debt Service	22,554	-	-	-	22,554
Total	$ 476,745	$ 96,653	$ 1,049,183	$ 1,191,225	$ 2,813,806

The Care Center has a contract with the Minnesota Department of Health to earn performance incentive Medicaid Assistance payments. Certain performance-based criteria needs to be met in order to keep the payments. At September 30, 2022 approximately $46,100 is reported as unearned revenue and included in current liabilities. These payments will be recognized into revenue as noncapital grants and contributions on the statement of revenues, expenses, and changes in net position as the Care Center meets certain criteria in accordance with the contract.

4. Pension Plans

A. Defined Benefit Plans

1. Plan Description

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

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

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

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

2. Benefits Provided

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

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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

Police and Fire Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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

Benefit increases are provided to benefit recipients each January. The postretirement increase 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.

3. Contributions

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

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 and Care Center were 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 $1,050,680. The Care Center's contributions for the year ended September 30, 2022, were $98,922. The County and Care Center's contributions were equal to the required contributions as set by state statute.

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 $348,549. The contributions were equal to the required contributions as set by state statute.

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 $158,823. The County's contributions were equal to the required contributions as set by state statute.

4. Pension Costs

General Employees Retirement Plan

At December 31, 2022, the governmental activities reported a liability of $14,715,421 and as of September 30, 2022 the business-type activities reported a liability of $1,393,927 for its proportionate share of the General Employees Retirement Plan's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled $472,331.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1858% at the end of the measurement period and 0.1933% for the beginning of the period.

County's proportionate share of the net pension liability	$	16,109,348
State of Minnesota's proportionate share of the net pension liability associated with the County		472,331
Total	$	16,581,679

For the year ended December 31, 2022, the governmental activities recognized pension expense of $1,792,960 for its proportionate share of the General Employees Plan's pension expense. In addition, the governmental activities recognized an additional $64,481 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

For the year ended September 30, 2022, the business-type activities recognized pension expense (revenue) of $155,100 for its proportionate share of the General Employees Plan's pension expense. In addition, the business-type activities recognized an additional $6,100 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At December 31, 2022 and September 30, 2022, the County reported its proportionate share of the General Employees Retirement Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 134,556	$ 172,088
Changes in actuarial assumptions	3,645,838	65,519
Net difference between projected and actual investment earnings	279,430	
Changes in proportion	203,314	355,682
Contributions paid to PERA subsequent to the measurement date	552,716	-
Total	$ 4,815,854	$ 593,289

The $524,652 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. $28,064 will be recognized by Sunnyside Care Center as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2023	$ 1,397,947
2024	1,436,836
2025	(621,795)
2025	1,456,861

Public Employees Police and Fire Plan

At December 31, 2022, the County reported a liability of $6,953,865 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1598% at the end of the measurement period and 0.1576% for the beginning of the period.

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation. The $9 million direct state was paid on October 1, 2021. Thereafter, by October 1 of each year, the state will pay $9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The $9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled $303,818.

liability	$ 6,953,865
State of Minnesota's proportionate share of the net pension liability associated with the County	303,818
Total	$ 7,257,683

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the $9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2022, the County recognized pension expense (revenue) of $527,864 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized $58,933 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of $9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the $9 million in supplemental state aid. The County recognized $14,382 for the year ended December 31, 2022 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2022, the County reported its proportionate share of the Public Employees Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 424,731	$ -
Changes in actuarial assumptions	4,093,420	41,803
Net difference between projected and actual investment earnings	93,205	-
Changes in proportion	68,478	113,067
Contributions paid to PERA subsequent to the measurement date	181,987	
Total	$ 4,861,821	$ 154,870

The $181,987 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2023	$ 888,442
2024	870,030
2025	772,668
2026	1,410,158
2027	583,666

Public Employees Correctional Plan

At December 31, 2022, the County reported a liability of $2,663,852 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was .8014% at the end of the measurement period and 0.7794% for the beginning of the period.

For the year ended December 31, 2022, the County recognized pension expense (revenue) of $947,167 for its proportionate share of the Public Employees Correctional Plan's pension expense.

At December 31, 2022, the County reported its proportionate share of the Public Employees Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 87,830
Changes in actuarial assumptions	1,725,189	3,960
Net difference between projected and actual investment earnings	73,634	-
Changes in proportion	25,453	2
Contributions paid to PERA subsequent to the measurement date	84,831	-
Total	$ 1,909,107	$ 91,792

The $84,831 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2023	$ 787,305
2024	803,182
2025	(72,007)
2025	214,004

5. Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the City's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated.

Description	Public Employees Retirement Plan	Public Employees Police and Fire Plan	Public Employees Correctional Plan	Total
Net Pension Liability	$ 16,109,348	$ 6,953,865	$ 2,663,852	$ 25,727,065
Deferred Outflows of Resources Related to Pensions	4,815,854	4,861,821	1,909,107	11,586,782
Deferred Inflows of Resources Related to Pensions	593,289	154,870	91,792	839,951
Pension Expense	2,018,641	542,246	947,167	3,508,054

6. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5 %	5.10 %
Private markets	25	5.90
Fixed income	25	.75
International equity	16.5	5.30
Total	100%	

7. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan, 2.25% for the Police and Fire Plan, and 2.25% for the Correctional Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 2% for the Correction Plan. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0% at age 20 to 3.0% at age 60.

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

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

The following changes in actuarial assumptions and plan provisions occurred in 2022:

<u>General Employees Fund</u>

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

<u>Police and Fire Fund</u>

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.

Correctional Fund

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 5.42%.
- 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.

8. Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Police and Fire Fund and Correctional Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060 and June 30, 2061 respectively. Beginning in fiscal year ended June 30, 2061 for the Police and Fire Fund and June 30, 2062 for the Correctional Fund, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40% for the Police and Fire Fund and 5.42% for the Correctional Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5% applied to all years of projected benefits through the point of asset depletion and 3.69% thereafter.

9. Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	Proportionate Share of the					
	Public Employees Retirement Plan		Public Employees Police and Fire Plan		Public Employees Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
One Percent Decrease	5.50 %	$ 25,445,558	4.40 %	$ 10,523,782	4.42 %	$ 4,692,245
Current	6.50	16,109,347	5.40	6,953,865	5.42	2,663,854
One Percent Increase	7.50	8,452,214	6.40	4,067,800	6.42	1,069,084

10. Pension Plan Fiduciary Net Position

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

B. Defined Contribution Plan

Six employees of Becker County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (0.25%) of the assets in each member's account annually.

Total contributions by dollar amount and percentage of covered payroll made by County during the year ended December 31, 2022 were:

	Employee	Employer
Contribution amount	$ 10,038	$ 10,038
Percentage of covered payroll	5%	5%

C. Other Postemployment Benefits (OPEB)

Plan Description

Becker County provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical insurance benefits. The County provides benefits for retirees as required by Minn. Stat. § 471.61, subd. 2b. As of December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	7
Spouses receiving benefit payments	1
Active plan members	252
Total participants	260

As of December 31, 2022, the County had no inactive plan members entitled to but not yet receiving benefits.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. There are no inactive employees entitled to benefit payments but not yet receiving them.

The contribution requirements of the plan members and the County are established and may be amended by the Becker County Board of Commissioners. Retirees are required to pay 100 percent of the total premium cost. The County's total OPEB liability was measured as of January 1, 2022 was determined by an actuarial valuation as of January 1, 2022. Updating procedures were performed to roll forward the total OPEB liability to the measurement date.

Actuarial assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.0%
Salary Increase	Service Graded Table
20-Year Municipal Bond Yield	2.0%
Inflation Rate	2.0%
Medical Trend Rate	6.50% grading to 5.00% over 6 years and then 4.00% over the next 48 years
Mortality	Pub-2010 tables with MP-2021 Generational Improvement Scale

The assumptions used in the January 1, 2022 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well for consistency with the other economic assumptions.

The discount rate used to measure the total OPEB liability was 2.0%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

Summary of Changes in the Actuarial Assumptions

The following assumption changes were reflected in the 2022 measurement:

- 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 the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%

Total OPEB Liability

OPEB Liability as of January 1, 2022	$ 897,464
Service Cost	76,716
Interest Cost	19,068
Assumption Changes	(5,281)
Differences between Expected and Actual Experience	35,950
Benefit Payments	(41,757)
Net Changes	$ 84,696
OPEB Liability as of December 31, 2022	$ 982,160

Discount rate sensitivity

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	One Percent Decrease in Discount Rate	Current Discount Rate	One Percent Increase in Discount Rate
Total OPEB Liability	$ 1,048,230	$ 982,160	$ 919,756

Healthcare trend rate sensitivity

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current discount rate:

	One Percent Decrease in Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	One Percent Increase in Healthcare Cost Trend Rates
Total OPEB Liability	$ 892,673	$ 982,160	$ 1,086,046

Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the County recognized OPEB expense of $101,196.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefits paid subsequent to measurement date	$ 74,325	$ -
Changes in actuarial assumptions	70,358	14,047
Liability Gains/(Losses)	30,814	44,156
Total	$ 175,497	$ 58,203

At December 31, 2022, the County reported $74,325 in deferred outflows of resources resulting from benefits paid subsequent to the measurement date, which will be recognized as a reduction of the OPEB liability in the year ending December 31, 2023.

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

Year ending	OPEB Expense
2023	$ 5,412
2024	5,412
2025	5,416
2026	8,587
2027	8,585
Thereafter	9,557

5. 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. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. For other risk, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

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

6. 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, in connection with the normal conduct of its affairs, is involved in various judgments, claims, and litigation. The County Attorney identified no potential claims against the County that would materially affect the financial statements.

B. Joint Ventures

Prairie Lakes Municipal Solid Waste Authority

The Prairie Lakes Municipal Solid Waste Authority Joint Powers Board was established in 2010, under the authority conferred upon the member parties by Minn. Stat. § 471.59 and chs. 115A and 400, and includes the Counties of Becker, Clay, Otter Tail, Todd, and Wadena. The original Joint Powers Agreement was amended effective October 21, 2014, to include Clay County.

The purpose of the Prairie Lakes Municipal Solid Waste Authority Joint Powers Board is to jointly exercise powers common to each participating party dealing with the ownership and operation of the Perham Resource Recovery Facility, as well as cooperation with efforts in other solid waste management activities that affect the operations of the Perham Resource Recovery Facility. The Prairie Lakes Municipal Solid Waste Authority Joint Powers Board is composed of one Commissioner each from Becker, Todd, and Wadena Counties and two members from Otter Tail County. Each party may appoint alternate Board members and shall represent one vote on the Board. Becker County paid $1,591,905 in 2022 for services purchased through this entity.

In the event of dissolution of the Prairie Lakes Municipal Solid Waste Authority Joint Powers Board, all assets and liabilities of the Board shall be distributed and/or retired based on the contracted debt obligation of each of the parties of the agreement providing such entity is a party to the agreement at the time of the discharge of assets and liabilities.

Financial information can be obtained from:

Otter Tail County Solid Waste
1115 Tower Road North
Fergus Falls, Minnesota 56537

Partnership4Health Community Health Board

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

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

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

The financial activities of Partnership4Health are accounted for in a custodial fund by Clay County. The individuals who administer the activity of Partnership4Health are considered to be employees of Clay County Public Health. During 2022, Becker County did not contribute to Partnership4Health Community Health Board.

West Central Area Agency on Aging/Land of the Dancing Sky Area Agency on Aging

The West Central Area Agency on Aging was established June 2, 1992, by a joint powers agreement among Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, and Wilkin Counties. In 2005, The Area Agency on Aging became part of a larger planning and service area covering 21 counties. This is a partnership between the Northwest Regional Development Commission, the 5-county service area of Region 2, and the West Central Area Agency on Aging.

The combined area on aging, known as the Land of the Dancing Sky Area on Aging, was established to administer all aspects of the Older Americans Act by providing programs to meet the needs of the elderly in the 21-county area. Each county may be assessed a proportional share of the 25% of the administrative costs incurred in carrying out this agreement. Each county's proportional share of this 25% of the administrative costs will be based upon the number of persons age 60 or older living within that county. In 2022, the County paid $6,698 to the Northwest Regional Development Commission for Land of the Dancing Sky Area Agency on Aging as its share of the 2022 assessment.

The Land of the Dancing Sky umbrella board meets quarterly to discuss and approve major items such as the area plan and dollar allocations, while the advisory councils and joint powers boards continue to meet monthly to make decisions affecting their local counties.

Control is vested in the West Central Board on Aging. The Board consists of one Commissioner from each of the counties. Each member of the Board is appointed by the County Commissioners of the county he or she represents.

Any county may withdraw by providing notice to the chair of the Board 90 days prior to the beginning of the fiscal year. The chair shall forward a copy to each of the counties. Withdrawal shall not act to discharge any liability incurred or chargeable to any county prior to the effective date of withdrawal.

Complete financial information can be obtained from:
Land of the Dancing Sky
109 S Minnesota St
Warren, Minnesota 56762

<u>West Central Minnesota Drug and Violent Crimes Task Force</u>

The West Central Minnesota Drug and Violent Crime Task Force was established in 1996 under the authority of the Joint Powers Act, pursuant to Minnesota Statutes § 471.59, and includes Becker, Douglas, Grant, Otter Tail, Pope, and Wadena Counties, and the Cities of Alexandria, Fergus Falls, Glenwood, Starbuck, and Wadena. The Task Force's objectives are to detect, investigate, and apprehend controlled substance offenders in the six-county area.

Control of the Task Force is vested in a Board of Directors. The Board of Directors consists of department heads or a designee from each participating full-time member agency. In the event of dissolution of the Task Force, the equipment will be divided and returned to the appropriate agencies. However, if only one agency terminates its agreement and the unit continues, all equipment will remain with the Task Force. The Task Force is reported as a custodial fund in Douglas County's financial statements. Financing and equipment will be provided by the full-time and associate member agencies. Becker County provided $1,000 to this organization in 2022.

Northwest Minnesota Regional Emergency Communication Board

The Northwest Minnesota Regional Emergency Communication Board (formerly known as the Northwest Minnesota Regional Radio Board) was formed in 2008, pursuant to the authority conferred upon the member parties by Minn. Stat. §§ 471.59 and 403.39, and includes the City of Moorhead and the Counties of Becker, Beltrami, Clay, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau; and the White Earth Reservation.

The purpose of the Northwest Minnesota Regional Emergency Communications 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 and to enhance and improve interoperable public safety communications along with coordination of 911 and public safety broadband data services within the region.

The Northwest Minnesota Regional Emergency Communications Board is composed of one Commissioner of each county appointed by their respective County Board, one City Council member from the city appointed by their City Council, and one representative appointed by the Tribal Council from each tribal entity party to the agreement, as provided in the Northwest Minnesota Regional Emergency Communications Board's bylaws.

In the event of dissolution of the Northwest Minnesota Regional Emergency Communications 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, county or tribal entity 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 Northwest Minnesota Regional Emergency Communications Board has no long-term debt. Financing is provided by appropriations from member parties and by state and federal grants. Becker County had no contributions to this entity for 2022.

Complete financial information can be obtained from:

Headwaters Regional Development Commission
403 - 4th Street Northwest, Suite 310
Bemidji, Minnesota 56601.

Northwestern Counties Data Processing Security Association

The Northwestern Counties Data Processing Security Association (NCDPSA) was formed in 1994 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes Becker, Beltrami, Clay, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Pennington, Polk, Roseau, and Wadena Counties. Mahnomen County withdrew from the NCDPSA in 2017. The purpose of the NCDPSA is to provide a mechanism whereby the counties may cooperatively provide for a data processing disaster recovery plan and backup system.

Control of the NCDPSA is vested in the NCDPSA Joint Powers Board, which is composed of one County Commissioner appointed by each member County Board. In the event of dissolution, the net position of the NCDPSA at that time shall be distributed to the respective member counties in proportion to their contributions.

The NCDPSA has no long-term debt. Financing is provided by grants from the State of Minnesota and appropriations from member counties. The County did not contribute to the NCDPSA in 2022. Clearwater County, in a custodial capacity, reports the cash transactions of the NCDPSA as a custodial fund on its financial statements.

Complete financial information can be obtained from: Clearwater County, Auditor/Treasurer's Office, 213 North Main Avenue, Bagley, Minnesota 56621.

C. Jointly-Governed Organizations

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

Minnesota Rural Counties

The Minnesota Rural Counties Caucus was established in 1997 and includes Aitkin, Becker, Beltrami, Big Stone, Clay, Clearwater, Cottonwood, Douglas, Grant, Itasca, Kittson, Koochiching, Lake of the Woods, Mahnomen, Marshall, McLeod, Mille Lacs, Morrison, Norman, Pennington, Polk, Pope, Red Lake, Renville, Roseau, Stevens, Todd, Traverse, Wadena, Watonwan, and Wilkin 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.

Becker County Airport Commission

Becker County and the City of Detroit Lakes created the Becker County Airport Commission. The County and the City each appoint two members to the Commission.

The County and the City alternately appoint the fifth Commission member for a three-year term. The Commission is reported as a special revenue fund in the financial statements of the City of Detroit Lakes. Becker County had no contributions to this entity for 2022.

Lake Agassiz Regional Library

The Lake Agassiz Regional Library was formed pursuant to Minn. Stat. §§ 134.20 and 471.59, effective January 1, 1961, and includes Becker, Clay, Clearwater, Mahnomen, Norman, Polk, and Wilkin Counties. Control of the Library is vested in the Agassiz Regional Library Board, with 23 members with staggered terms made up of the following: one member appointed by each Board of County Commissioners who may be a member of the Board of Commissioners; one member appointed by each participating city; and one additional member appointed by each county and city for each 6,000 of population or major percentage (85 percent) thereof. In 2022, Becker County provided $402,750 in the form of an appropriation.

Lakeland Mental Health Center

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

The management of Lakeland Mental Health Center is vested in a Board of Directors consisting of one Commissioner and one community-at-large representative from each member county, plus one human service director, or equivalent position, rotated between the member counties. Services are provided to the member counties through purchase of service agreements. A member county may lose its membership, by action of the Board of Directors, if it fails to have a signed contract with Lakeland Mental Health Center. Becker County paid $373,959 in 2022 for services purchased through Lakeland Mental Health Center.

D. Related Organizations

Buffalo-Red River Watershed District

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

Wild Rice Watershed District

The Wild Rice Watershed District was established in 1969, pursuant to Minn. Stat. ch. 103D, and includes Becker, Clay, Clearwater, Mahnomen, Norman, and Polk Counties. The purpose of the Wild Rice Watershed District is to oversee watershed projects, conduct studies for future project planning, administration of legal drainage systems, issuance of applications and permits, public education on conservation issues, and dispute resolution. Control of the Watershed District is vested in the Board of Managers, which is composed of seven members appointed by the County Commissioners of Becker, Clay, Mahnomen, and Norman Counties. Norman County appoints three members, Clay County appoints two members, and Mahnomen and Becker Counties each appoint one member.

Pelican River Watershed District

The Pelican River Watershed District was formed pursuant to Minn. Stat. § 103D.201 includes land within Becker County. Control of the District is vested in the Pelican River Watershed District Board of Managers, which is composed of seven members having staggered terms of three years each, appointed by the Becker County Board of Commissioners.

Cormorant Lakes Watershed District

The Cormorant Watershed District was formed pursuant to Minn. Stat. § 103D.201 includes land within Cormorant and Lake Eunice Townships in Becker County. Control of the District is vested in the Cormorant Lakes Watershed District Board of Managers, which is composed of five members having staggered terms of three years each, appointed by the Becker County Board of Commissioners.

E. Regulation

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, regulatory activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for resident services previously billed.

7. Becker County Economic Development Authority (EDA)

A. Summary of Significant Accounting Policies

The Becker County Economic Development Authority's (EDA) financial statements are prepared in accordance with generally accepted accounting principles (GAAP) for the year ended December 31, 2022. In addition to those identified Note 1, the EDA has the following significant policies.

1. Financial Reporting Entity

The EDA was established May 27, 1997, having all of the powers and duties of an economic development authority under Minn. Stat. §§ 469.090 to 469.1081.

The Housing Department was added May 1, 1999, and has all of the powers and duties of a housing and redevelopment authority under Minn. Stat. §§ 469.001 to 469.047. The EDA is governed by a seven-member Board appointed by the Becker County Board of Commissioners.

The EDA is a component unit of Becker County because Becker County is financially accountable for the EDA. The EDA's financial statements are discretely presented in the Becker County financial statements.

2. Measurement Focus and Basis of Accounting

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

The EDA has no employees; it purchases employee services from Becker County and contracts for services from Midwest Minnesota Community Development Corporation.

3. Assets, Liabilities, and Net Position

   A. Property Held for Resale

   Real property acquired for subsequent resale for redevelopment purposes and not as an investment program is recorded at the lesser of cost or net realizable value.

   B. Capital Assets

   Capital assets are defined by the EDA as assets with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value (entry price) at the date of donation.

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

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

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

Buildings	40 Years
Building improvements	40 Years
Furniture, equipment, and vehicles	3 to 7 Years

B. Detailed Notes on All Funds

1. Assets

A. Deposits and Investments

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

Cash and pooled investments	$	1,342,980
Restricted cash		1,231,766
Total Cash and Investments	$	2,574,746

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the EDA's deposits may not be returned to it. The EDA does not have a deposit policy for custodial credit risk. As of December 31, 2022, the EDA's deposits were not exposed to custodial credit risk.

B. Receivables

No allowance for uncollectable accounts has been made.

Contract for Deed (Loans Receivable)

The following is a summary of contracts for deed receivable resulting from the sale of Minnesota Urban and Rural Homesteading (MURL) homes to individuals for the year ended December 31, 2022.

Balance - January 1, 2022	$	536,286
Payments		(132,667)
Cancelled Contracts		(98,333)
Balance - December 31, 2022	$	305,286
Less: current portion		(12,849)
Long-Term Portion	$	292,437

Contract for Deed	Date	Interest Rate (%)	Due Date	Monthly Payment	Balance December 31
Federal Home Funds					
MURL #02	October 1, 1999	-	October 1, 2029	$ 212	$ 28,986
MURL #08	May 1, 2010	-	May 1, 2026	319	33,940
MURL #11	October 1, 2013	-	October 1, 2034	379	60,150
MURL #07	May 27, 2016	-	July 1, 2021	145	61,942
Total Federal Home Funds					$ 185,018
State Nonhome Funds					
MURL #17	May 1, 2009	-	May 1, 2039	300	$ 120,268
Total Contracts for Deed					$ 305,286

C. Capital Assets

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

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated				
Land	$ 370,997	$ -	$ -	$ 370,997
Capital assets being depreciated				
Buildings	5,073,125	30,905	-	5,104,030
Equipment	180,478	-	-	180,478
Total capital assets being depreciated	5,253,603	30,905	- -	5,284,508
Less: accumulated depreciation for				
Buildings	2,284,287	134,807	-	2,419,094
Equipment	161,729	208	-	161,937
Total accumulated depreciation	2,446,016	135,015	-	2,581,031
Total capital assets depreciated, net	2,807,587	(104,110)	-	2,703,477
Capital Assets, Net	$ 3,178,584	$ (104,110)	$ -	$ 3,074,474

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

Housing	$ 135,015

2. Liabilities and Deferred Inflows of Resources

A. Payables

Payables at December 31, 2022, were as follows:

Accounts	$	15,054
Due to other governments		12,899
Other liabilities		18,542
Security deposits		26,047
Total Payables	$	72,542

B. Long-Term Debt

The EDA entered into an $800,000 mortgage loan agreement with the Minnesota Housing Finance Agency in 2004 for the modernization of rental units of low-income persons. The principal sum is due and payable on December 1, 2032. However, the Minnesota Housing Finance Agency has passed a resolution that the maturity date of the loan shall be co-terminus with the Annual Contribution Contract (ACC), with payments deferred until maturity, and with annual renewals thereafter for so long as the U.S. Department of Housing and Urban Development allows renewals of the ACC.

The EDA entered into a loan with the Greater Minnesota Housing Fund of $217,300 on December 20, 2007, to start construction for a 12-unit supportive housing project. This loan is payable in full on December 20, 2037. The loan is secured by the supportive housing property. The loan agreement contains a provision that in the event of default the timing of repayment of outstanding amounts become immediately due. In addition, the Mortgagee may foreclose on the property pursuant to the statutes of Minnesota.

In 2008, the EDA received a deferred loan of $1,400,000 from the Minnesota Housing Finance Agency (Publicly Owned Housing Program), which will be forgiven in 20 years if the EDA is in compliance with all covenants. This loan will remain a liability until January 1, 2028, at which time it will be recorded as revenue or repaid.

The loan is secured by the West River Townhomes. In the event of default, failing to comply with the provisions of the loan agreement, the borrower may be required to pay Minnesota Housing Finance Agency the amount of the loan balance.

The following is a schedule of long-term debt for at December 31, 2022.

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (Percent)	Original Issue Amount	Outstanding Balance December 31 2022
MHFA mortgage loan	N/A	N/A	-	$ 800,000	$ 800,000
Greater Minnesota Housing Fund	2037	N/A	-	217,300	217,300
Minnesota Housing Finance	2028	N/A	-	1,400,000	1,400,000
Total Long-Term Debt					$ 2,417,300

C. Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
MHFA mortgage loan	$ 800,000	$ -	$ -	$ 800,000	$ -
Greater Minnesota Housing Fund	217,300	-	-	217,300	-
Minnesota Housing Finance	1,400,000	-	-	1,400,000	-
Business-Type Activity Long-Term Liabilities	$ 2,417,300	$ -	$ -	$ 2,417,300	$ -

C. Summary of Significant Contingencies and Other Items

1. Risk Management

The EDA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; or natural disasters. The EDA is covered under Becker County's membership in the Minnesota Counties Intergovernmental Trust and through the purchase of 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.

2. 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 EDA expects such amounts, if any, to be immaterial.

3. Liens Receivable

Community Development Block Grant programs provided funds for economic development and rehabilitation of residences of qualifying low-income individuals. Provisions of the rehabilitation contracts resulted in loans to the homeowners secured by liens against the property. Those not requiring repayment until the property is sold or the owner dies are not recorded in the financial statements.

4. Minnesota Housing Trust Fund Loans

The EDA received loans from the Minnesota Housing Finance Agency Housing Trust Fund Program, the proceeds of which are for rental units for low-income persons. After ten years, these loans are forgiven by the state at a rate of five percent annually. The loans are for 30 years at zero percent interest. A summary of these loans which are not shown on the balance sheet are as follows:

Loan dated December 30, 1994 with a final maturity of December 30, 2024	$ 6,114
Loan dated May 29, 2003 with a final maturity of May 29, 2033	15,946
Total	$ 22,060

5. Minnesota Housing Revolving Fund Programs

The EDA received grants from the Minnesota Housing Finance Agency (MHFA) to be used to construct homes for low-income residents of Becker County. When the houses are sold, the grant amounts become revolving funds to build additional housing. The EDA chose to discontinue these programs, and the revolving funds were returned to the MHFA. The amounts received and balances on hand at December 31, 2022 are as follows:

	Original Grant	Revolving Fund Cash	Contract for Deed Receivable
Federal Home Minnesota Urban and Rural Homestead Loan	$ 1,810,100	$ 741,747	$ 185,018
State Home Minnesota Urban and Rural Homesteading Loan	196,185	93,063	120,379
Total	$ 2,006,285	$ 834,810	$ 305,397

6. Housing Program

The EDA has 74 units of Section 8 existing housing assistance payments (C-4101E). The EDA also has a contract with the U.S. Department of Housing and Urban Development to operate 25 dwelling units for lower-income housing (C-4161).

REQUIRED SUPPLEMENTARY INFORMATION

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – EXHIBIT A-1
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 4,078,145	$ 4,078,145	$ 4,098,514	$ 20,369
Licenses and permits	321,904	321,904	367,068	45,164
Intergovernmental	3,210,747	3,210,747	11,322,593	8,111,846
Charges for services	1,086,433	1,086,433	1,125,024	38,591
Fines and forfeits	11,500	11,500	19,140	7,640
Investment earnings	225,000	225,000	169,433	(55,567)
Miscellaneous	201,257	201,257	287,688	86,431
Total Revenues	**$ 9,134,986**	**$ 9,134,986**	**$ 17,389,460**	**$ 8,254,474**
Expenditures				
Current				
General government				
Commissioners	$ 324,763	$ 324,763	$ 337,536	$ (12,773)
Courts	50,250	50,250	32,703	17,547
County administrator	229,352	229,352	218,455	10,897
Auditor-Treasurer	810,918	810,918	699,339	111,579
License bureau	249,695	249,695	238,482	11,213
County assessor	486,659	486,659	400,498	86,161
Data processing	856,000	856,000	781,728	74,272
Elections	167,438	167,438	155,785	11,653
Human resources management	193,888	193,888	278,032	(84,144)
Attorney	1,223,887	1,223,887	1,106,114	117,773
Contracted legal services	123,200	123,200	123,200	-
Law library	41,000	41,000	37,815	3,185
Recorder	456,143	456,143	387,327	68,816
Surveyor	-	-	9,070	(9,070)
Planning and zoning	500,123	500,123	452,629	47,494
Buildings and plant	677,209	677,209	672,960	4,249
Veterans service officer	235,044	235,044	206,548	28,496
Unallocated	(7,500)	(7,500)	105,126	(112,626)
Total general government	**$ 6,618,069**	**$ 6,618,069**	**$ 6,243,347**	**$ 374,722**

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – EXHIBIT A-1 (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Expenditures				
Current (Continued)				
Public transportation				
Transit	$ 608,028	$ 608,028	$ 546,795	$ 61,233
Airport	245,000	245,000	90,973	154,027
Total public transportation	**$ 853,028**	**$ 853,028**	**$ 637,768**	**$ 215,260**
Health				
Nursing service	**$ 19,000**	**$ 19,000**	**$ 18,431**	**$ 569**
Culture and recreation				
Historical society	$ 82,500	$ 82,500	$ 1,605,282	$ (1,522,782)
Senior citizens	6,698	6,698	6,698	-
Agassiz Regional Library	402,750	402,750	429,505	(26,755)
Total culture and recreation	**$ 491,948**	**$ 491,948**	**$ 2,041,485**	**$ (1,549,537)**
Conservation of natural resources				
County extension	$ 233,390	$ 233,390	$ 158,556	$ 74,834
Aquatic Invasive Species	342,585	342,585	326,470	16,115
Soil and water conservation	311,824	311,824	326,322	(14,498)
Agricultural society/county fair	20,000	20,000	20,000	-
Water planning	13,071	13,071	26,142	(13,071)
Wetland challenge	24,237	24,237	48,474	(24,237)
Total conservation of natural resources	**$ 945,107**	**$ 945,107**	**$ 905,964**	**$ 39,143**

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE –
GENERAL FUND – EXHIBIT A-1 (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Expenditures (Continued)				
Economic development				
Administration	$ 14,752	$ 14,752	$ (4,265)	$ 19,017
Small business grants	-	-	24,380	(24,380)
Total economic development	**$ 14,752**	**$ 14,752**	**$ 20,115**	**$ (5,363)**
Capital outlay				
General government	**$ 893,685**	**$ 893,685**	**$ 1,618,338**	**$ (724,653)**
Debt service				
Principal	$ -	$ -	$ 12,480	$ (12,480)
Interest	-	-	687	(687)
Total debt service	**$ -**	**$ -**	**$ 13,167**	**$ (13,167)**
Total Expenditures	**$ 9,835,589**	**$ 9,835,589**	**$ 11,498,615**	**$ (1,663,026)**
Excess of Revenues (Under) Expenditures	**$ (700,603)**	**$ (700,603)**	**$ 5,890,845**	**$ 6,591,448**
Other Financing Sources				
Transfers in	$ 358,600	$ 358,600	$ -	$ (358,600)
Transfers out	(490,600)	(490,600)	-	490,600
Sale of capital assets	-	-	839,537	839,537
Proceeds from leases	-	-	6,679	6,679
Total Other Financing Sources	**$ (132,000)**	**$ (132,000)**	**$ 846,216**	**$ 978,216**
Net Change in Fund Balance	**$ (832,603)**	**$ (832,603)**	**$ 6,737,061**	**$ 7,569,664**
Fund Balance - January 1			**13,796,810**	
Fund Balance - December 31			**$ 20,533,871**	

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – PUBLIC SAFETY
SPECIAL REVENUE FUND – EXHIBIT A-2
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 8,549,241	$ 8,549,241	$ 8,456,845	$ (92,396)
Licenses and permits	52,000	52,000	42,597	(9,403)
Intergovernmental	552,322	552,322	771,917	219,595
Charges for services	814,000	814,000	716,374	(97,626)
Fines and forfeits	30,000	30,000	34,706	4,706
Gifts and contributions	-	-	6,175	6,175
Miscellaneous	128,000	128,000	75,260	(52,740)
Total Revenues	**$ 10,125,563**	**$ 10,125,563**	**$ 10,103,874**	**$ (21,689)**
Expenditures				
Current				
Public safety				
Sheriff	$ 4,762,101	$ 4,762,101	$ 4,653,444	$ 108,657
Boat and water safety	91,687	91,687	40,016	51,671
Emergency services	71,977	71,977	84,650	(12,673)
Coroner	93,469	93,469	80,789	12,680
Jail	4,334,436	4,334,436	4,243,448	90,988
Probation and parole	342,383	342,383	395,708	(53,325)
Sentence to serve	94,709	94,709	86,097	8,612
Total public safety	**$ 9,790,762**	**$ 9,790,762**	**$ 9,584,152**	**$ 206,610**
Capital Outlay				
Public safety	$ 415,750	$ 415,750	$ 150,370	$ 265,380
Total Capital Outlay	**$ 415,750**	**$ 415,750**	**$ 150,370**	**$ 265,380**
Debt service				
Principal	$ -	$ -	$ 6,025	$ (6,025)
Interest	-	-	466	(466)
Total debt service	**$ -**	**$ -**	**$ 6,491**	**$ (6,491)**
Total Expenditures	**$ 10,206,512**	**$ 10,206,512**	**$ 9,741,013**	**$ 465,499**
Excess of Revenues (Under) Expenditures	**$ (80,949)**	**$ (80,949)**	**$ 362,861**	**$ 443,810**
Other Financing Sources				
Transfer in	$ 57,000	$ 57,000	$ -	$ (57,000)
Sale of capital assets	-	-	62,281	62,281
Total Other Financing Sources	**$ 57,000**	**$ 57,000**	**$ 62,281**	**$ 5,281**
Net Change in Fund Balance	**$ (23,949)**	**$ (23,949)**	**$ 425,142**	**$ 449,091**
Fund Balance - January 1			**1,949,888**	
Fund Balance - December 31			**$ 2,375,030**	

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE
SPECIAL REVENUE FUND – EXHIBIT A-3
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 2,707,089	$ 2,707,089	$ 2,733,362	$ 26,273
Sales Tax	2,390,000	2,390,000	3,715,405	1,325,405
Licenses and permits	15,000	15,000	15,450	450
Intergovernmental	8,400,248	8,400,248	16,009,172	7,608,924
Charges for services	250,000	250,000	807,138	557,138
Investment earnings	-	-	19,306	19,306
Miscellaneous	553,000	553,000	687,472	134,472
Total Revenues	**$ 14,315,337**	**$ 14,315,337**	**$ 23,987,305**	**$ 9,671,968**
Expenditures				
Current				
Highways and streets				
Administration	$ 416,653	$ 416,653	$ 408,232	$ 8,421
Maintenance	3,254,445	3,254,445	4,123,364	(868,919)
Construction	9,246,923	9,246,923	12,771,589	(3,524,666)
Equipment maintenance and shops	1,381,855	1,381,855	1,879,951	(498,096)
Other highways and streets	115,461	115,461	192,096	(76,635)
Total highways and streets	**$ 14,415,337**	**$ 14,415,337**	**$ 19,375,232**	**$ (4,959,895)**
Intergovernmental				
Highways and streets	$ -	$ -	$ 1,052,603	$ (1,052,603)
Capital outlay				
Highways and streets	$ -	$ -	$ 10,733,807	$ (10,733,807)
Debt service				
Principal	$ -	$ -	$ 27,030	$ (27,030)
Interest	-	-	117,962	(117,962)
Total debt service	**$ -**	**$ -**	**$ 144,992**	**$ (144,992)**
Total Expenditures	**$ 14,415,337**	**$ 14,415,337**	**$ 31,306,634**	**$ (16,891,297)**
Excess of Revenues (Under) Expenditures	**(100,000)**	**(100,000)**	**(7,319,329)**	**(7,219,329)**
Other Financing Sources				
Transfers in	$ 100,000	$ 100,000	$ -	$ (100,000)
Proceeds from leases	-	-	67,043	67,043
Proceeds of debt	-	-	7,650,000	7,650,000
Premium on bonds/notes issued	-	-	345,398	345,398
Total Other Financing Sources	**$ 100,000**	**$ 100,000**	**$ 8,062,441**	**$ 7,962,441**
Net Change in Fund Balance	**$ -**	**$ -**	**$ 743,112**	**$ 743,112**
Fund Balance - January 1			**254,757**	
Fund Balance - December 31			**$ 997,869**	

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – HUMAN SERVICES
SPECIAL REVENUE FUND – EXHIBIT A-4
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 7,209,977	$ 7,209,977	$ 7,159,497	$ (50,480)
Intergovernmental	9,636,397	9,636,397	8,946,455	(689,942)
Charges for services	1,162,690	1,162,690	1,250,515	87,825
Gifts and contributions	20,500	20,500	28,137	7,637
Miscellaneous	65,000	65,000	622,130	557,130
Total Revenues	**$ 18,094,564**	**$ 18,094,564**	**$ 18,006,734**	**$ (87,830)**
Expenditures				
Current				
Human services				
Income maintenance	$ 3,954,411	$ 3,954,411	$ 3,526,932	$ 427,479
Social services	11,881,083	11,881,083	10,424,027	1,457,056
Collaborative	200,000	200,000	210,273	(10,273)
Total human services	**$ 16,035,494**	**$ 16,035,494**	**$ 14,161,232**	**$ 1,874,262**
Health				
Nursing service	$ 2,059,070	$ 2,059,070	$ 1,878,026	$ 181,044
Debt service				
Principal	$ -	$ -	$ 8,636	$ (8,636)
Interest	-	-	655	(655)
Total debt service	**$ -**	**$ -**	**$ 9,291**	**$ (9,291)**
Total Expenditures	**$ 18,094,564**	**$ 18,094,564**	**$ 16,048,549**	**$ 2,046,015**
Excess of Revenues Over (Under) Expenditures	**$ -**	**$ -**	**$ 1,958,185**	**$ 1,958,185**
Other Financing Sources				
Proceeds from lease	$ -	$ -	$ 5,647	$ (5,647)
Net Change in Fund Balance	**$ -**	**$ -**	**$ 1,963,832**	**$ 1,952,538**
Fund Balance - January 1			**7,270,126**	
Fund Balance - December 31			**$ 9,233,958**	

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – ENVIRONMENTAL AFFAIRS
SPECIAL REVENUE FUND – EXHIBIT A-5
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Special assessments	$ 1,515,000	$ 1,515,000	$ 1,508,500	$ (6,500)
Licenses and permits	2,500	2,500	1,855	(645)
Intergovernmental	1,168,000	1,168,000	875,767	(292,233)
Charges for services	3,322,000	3,322,000	3,455,448	133,448
Investment earnings	-	-	4,199	4,199
Miscellaneous	547,000	547,000	616,532	69,532
Total Revenues	**$ 6,554,500**	**$ 6,554,500**	**$ 6,462,301**	**$ (92,199)**
Expenditures				
Current				
Sanitation				
Solid waste	$ 3,323,611	$ 3,323,611	$ 3,427,926	$ (104,315)
Recycling	1,179,281	1,179,281	1,243,584	(64,303)
Hazardous waste	199,023	199,023	218,530	(19,507)
Total Current Expenditures	**$ 4,701,915**	**$ 4,701,915**	**$ 4,890,040**	**$ (188,125)**
Capital outlay				
Sanitation	$ 4,030,750	$ 4,030,750	$ 2,622,242	$ 1,408,508
Debt service				
Principal	$ -	$ -	$ 1,068	$ (1,068)
Interest	-	-	26,019	(26,019)
Total debt service	**$ -**	**$ -**	**$ 27,087**	**$ (27,087)**
Total Expenditures	**$ 8,732,665**	**$ 8,732,665**	**$ 7,539,369**	**$ 1,193,296**
Excess of Revenues Over (Under) Expenditures	**$ (2,178,165)**	**$ (2,178,165)**	**$ (1,077,068)**	**$ 1,101,097**
Other Financing Sources (Uses)				
Transfers in	$ 1,750,000	$ 1,750,000	$ -	$ (1,750,000)
Transfers out	(25,000)	(25,000)	-	25,000
Proceeds of debt	-	-	1,665,000	1,665,000
Premium on bonds/notes issued	-	-	75,095	75,095
Total Other Financing Sources (Uses)	**$ 1,725,000**	**$ 1,725,000**	**$ 1,740,095**	**$ 15,095**
Net Change in Fund Balance	**$ (453,165)**	**$ (453,165)**	**$ 663,027**	**$ 1,116,192**
Fund Balance - January 1			**2,108,261**	
Fund Balance - December 31			**$ 2,771,288**	

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS – EXHIBIT A-6
LAST TEN MEASUREMENT PERIODS

Total OPEB Liability	**2022**	**2021**	**2020**	**2019**	**2018**
Service cost	$ 76,716	$ 73,425	$ 62,650	$ 43,088	$ 45,152
Interest	19,068	24,831	30,918	26,428	26,030
Assumption changes	(5,281)	41,434	62,858	(22,221)	-
Differences between expected and actual experience	35,950	-	(70,652)	-	-
Benefit payments	(41,757)	(49,760)	(57,887)	(50,403)	(63,586)
Net change in total OPEB liability	$ 84,696	$ 89,930	$ 27,887	$ (3,108)	$ 7,596
Total OPEB liability - beginning	897,464	807,534	779,647	782,755	775,159
Total OPEB liability - ending	$ 982,160	$ 897,464	$ 807,534	$ 779,647	$ 782,755
Covered employee payroll	$ 15,740,318	$ 15,344,054	$ 14,861,069	$ 14,732,422	$ 14,352,837
Total OPEB liability as a percentage of payroll	6.2%	5.8%	5.4%	5.3%	5.5%

Note 1: No assets are accumulated in a trust.
This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY – PERA GENERAL EMPLOYEES RETIREMENT PLAN – EXHIBIT A-7
LAST TEN MEASUREMENT PERIODS

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Entity Name (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.1996%	$ 11,251,249	N/A	$ 11,251,249	$ 13,013,679	86.46%	78.19%
2016	0.2068%	16,791,134	$ 219,297	17,010,431	13,001,518	129.15%	68.91%
2017	0.2133%	13,616,931	171,227	13,788,158	13,741,547	99.09%	75.90%
2018	0.2161%	11,988,342	393,259	12,381,601	14,525,053	82.54%	79.53%
2019	0.2048%	19,822,621	351,964	20,174,585	14,737,657	134.50%	80.23%
2020	0.2063%	12,368,628	381,501	12,750,129	14,899,754	83.01%	79.06%
2021	0.2112%	9,019,187	275,380	9,294,567	15,473,652	58.29%	87.00%
2022	0.2034%	16,109,348	472,331	16,581,679	15,376,027	104.77%	76.70%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.
N/A - Not Applicable

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF PENSION CONTRIBUTIONS – PERA GENERAL EMPLOYEES RETIREMENT FUND – EXHIBIT A-8
LAST TEN YEARS

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	$ 955,719	$ 955,719	$ -	$ 13,018,606	7.34%
2016	1,036,762	1,024,025	(12,737)	13,823,489	7.41%
2017	1,038,360	1,038,360	-	13,844,800	7.50%
2018	1,073,228	1,073,228	-	14,309,712	7.50%
2019	1,092,532	1,092,532	-	14,567,093	7.50%
2020	1,121,693	1,121,693	-	14,955,907	7.50%
2021	1,140,282	1,140,282	-	15,203,760	7.50%
2022	1,149,602	1,149,602	-	15,328,027	7.50%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY – PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND – EXHIBIT A-9
LAST TEN MEASUREMENT PERIODS

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Entity Name (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.1600%	$ 1,817,974	$ -	$ 1,817,974	$ 1,464,703	124.12%	86.61%
2016	0.1590%	6,380,947	-	6,380,947	1,530,512	416.92%	63.88%
2017	0.1580%	2,133,188	-	2,133,188	1,619,229	131.74%	85.43%
2018	0.1641%	1,749,137	-	1,749,137	1,729,030	101.16%	88.84%
2019	0.1667%	4,408,403	-	4,408,403	1,762,335	250.15%	89.26%
2020	0.1678%	2,211,784	52,090	2,263,874	1,895,675	116.68%	87.19%
2021	0.1576%	1,216,505	54,696	1,271,201	1,923,675	63.24%	93.70%
2022	0.1598%	6,953,865	303,818	7,257,683	1,969,203	353.13%	70.53%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF PENSION CONTRIBUTIONS – PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND – EXHIBIT A-10
LAST TEN YEARS

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	$ 241,450	$ 241,450	$ -	$ 1,490,433	16.20%
2016	265,680	265,680	-	1,640,001	16.20%
2017	268,296	268,296	-	1,656,151	16.20%
2018	277,503	277,503	-	1,712,983	16.20%
2019	311,763	311,763	-	1,839,310	16.95%
2020	327,562	327,562	-	1,850,633	17.70%
2021	337,060	337,060	-	1,904,294	17.70%
2022	348,549	348,549	-	1,969,203	17.70%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN – EXHIBIT A-11
LAST TEN MEASUREMENT PERIODS

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.740%	$ 114,404	$ 1,337,132	8.56%	96.95%
2016	0.730%	2,666,792	1,380,245	193.21%	58.16%
2017	0.710%	2,023,507	1,428,232	141.68%	67.89%
2018	0.710%	117,800	1,444,846	8.15%	97.64%
2019	0.727%	100,627	1,567,176	6.42%	98.17%
2020	0.756%	204,997	1,643,854	12.47%	96.67%
2021	0.779%	(128,041)	1,817,264	7.05%	101.60%
2022	0.801%	2,663,852	1,815,120	146.76%	74.58%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.

See accompanying Notes to Required Supplementary Information.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF PENSION CONTRIBUTIONS – PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN – EXHIBIT A-12
LAST TEN YEARS

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	$ 117,451	$ 117,451	$ -	$ 1,342,302	8.75%
2016	129,366	129,366	-	1,478,468	8.75%
2017	120,902	120,902	-	1,381,737	8.75%
2018	126,362	126,362	-	1,444,133	8.75%
2019	142,638	142,638	-	1,630,149	8.75%
2020	148,500	148,500	-	1,697,143	8.75%
2021	153,028	153,028	-	1,748,891	8.75%
2022	158,823	158,823	-	1,815,120	8.75%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

See accompanying Notes to Required Supplementary Information.

1. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

On or before mid-August of each year, all departments and agencies submit requests for appropriations to the County Administrator so that a budget can be prepared. Before September 30, the proposed budget is presented to the County Board for review. The Board holds public hearings, and a final budget must be prepared and adopted no later than December 31.

The Board of County Commissioners adopts an annual budget for the general fund and all major special revenue funds. The expenditure budget is approved at the fund level, the legal level of budgetary control. During the year, the Board made budgetary amendments.

2. Excess of Expenditures Over Budget

The following major governmental funds had expenditures in excess of budget for the year ended December 31, 2022:

	Expenditures	Final Budget	Excess
General Fund	$ 11,498,615	$ 9,835,589	$ 1,663,026
Road and Bridge	31,306,634	14,415,337	16,891,297

3. Other Postemployment Benefits

The following changes in assumptions were reflected for the year ended December 31:

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 the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.

2021

- The discount rate was changed from 2.9% to 2.0%.

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 Tabs with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables 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%.
- The Correctional employee decrements and salary increase rates were changed to be the same as Public Safety instead of General employees.
- These changes increased the liability $62,858.

2019

- The discount rate was changed from 3.3% to 3.8%.

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-2014 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 4.50% to 3.30%.
- The post-employment medical subsidy for one pre-age 50 Police Officer injured in the line of duty was valued for two years at January 1, 2014 and for ten years at January 1, 2018.

4. 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-2020 to Scale MP-2021.

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

Changes in Plan Provisions

- There have been no changes since the prior 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.
- 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 morality 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 morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent 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 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to 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 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent 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 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- 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 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.
  Changes in Plan Provisions
- There have been no changes since the prior valuation.

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 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent 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 MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions
- There have been no changes since the prior valuation.

2020 Changes
- 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 percent 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 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 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 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and nonvested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent 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 percent 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 percent to 60.00 percent.
- 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 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

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 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent 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 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

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

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 change 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 MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability 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 percent per annum to 7.50 percent per annum.
- The morality projection scale was changed from MP-2016 to MP-2017.
- The assumed postretirement benefit increase was changed from 2.50 percent per year to 2.00 percent 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 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level, to 100 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 2.50 percent, beginning January 1, 2019. If the funding status declines to 85.00 percent for two consecutive years or 80.00 percent for one year, the maximum increase will be lowered to 1.50 percent.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 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 percent for vested and nonvested, deferred members. The CSA has been changed to 35.00 percent for vested members and 1.00 percent for nonvested members.
- The single discount rate was changed from 5.31 percent per annum to 5.96 percent 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 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 5.31 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent 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.

SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUNDS

Parks and Recreation - to provide for and report maintenance of County-owned parks and public accesses for the snowmobile trails program and the ski trails program. It is funded in part by a tax levy and by grants from the Department of Natural Resources (DNR) assigned to culture and recreation.

Resource Development - to account for the receipt and expenditure of certain state grants restricted for conservation of natural resources. The DNR funds for tax-forfeited natural resources land are to be used for resource development, forest management, recreational development, and maintenance of County-administered, tax-forfeited lands. In addition, this fund receives a share of net receipts from forfeited tax sales.

County Ditch - to account for and report financing of the construction and repair of the ditch system restricted for conservation of natural resources.

Natural Resource Management - to account for and report the sale or lease of land and sales of timber and wood restricted for conservation of natural resources. The salary and expenditures of the County Land Commissioner and clerical wages are paid from this fund. The net balance in this fund is apportioned at the end of the year.

Gravel Tax - to account for and report restricted revenues from a 21.5 cents per cubic yard or 15 cents per ton production tax on gravel removed from pits in Becker County under the provisions of Minn. Stat. § 298.75.

DEBT SERVICE FUND

Debt Service - to account for and report the accumulation of resources for, and payment of, principal and interest on the long-term debt.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS – EXHIBIT B-1
DECEMBER 31, 2022

	Special Revenue (Exhibit B-3)	Debt Service	Total (Exhibit 3)
Assets			
Cash and pooled investments	$ 2,451,916	$ 934,563	$ 3,386,479
Taxes receivable			
Current	-	15,141	15,141
Delinquent	615	7,413	8,028
Accounts receivable, net	66,635	-	66,635
Prepaid items	12,826	-	12,826
Total Assets	**$ 2,531,992**	**$ 957,117**	**$ 3,489,109**
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	$ 22,092	$ -	$ 22,092
Salaries payable	9,555	-	9,555
Due to other funds	30,441	-	30,441
Due to other governments	225,949	-	225,949
Total Liabilities	**$ 288,037**	**$ -**	**$ 288,037**
Deferred Inflows of Resources			
Unavailable revenues	**$ 615**	**$ 22,554**	**$ 23,169**
Fund Balances			
Nonspendable			
Prepaid items	$ 12,826	$ -	$ 12,826
Restricted			
Debt service	-	934,563	934,563
Gravel pit closure	344,970	-	344,970
Conservation of natural resources	1,108,346	-	1,108,346
Assigned			
Culture and recreation	777,198	-	777,198
Total Fund Balances	**$ 2,243,340**	**$ 934,563**	**$ 3,177,903**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 2,531,992**	**$ 957,117**	**$ 3,489,109**

BECKER COUNTY
DETROIT LAKES, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS – EXHIBIT B-2
YEAR ENDED DECEMBER 31, 2022

	Special Revenue (Exhibit B-4)	Debt Service	Total (Exhibit 5)
Revenues			
Taxes	$ 262,390	$ 1,127,884	$ 1,390,274
Intergovernmental	187,735	16,731	204,466
Charges for services	5,031	-	5,031
Gifts and Contributions	3,055	-	3,055
Miscellaneous	372,240	-	372,240
Total Revenues	**$ 830,451**	**$ 1,144,615**	**$ 1,975,066**
Expenditures			
Current			
Culture and recreation	$ 148,154	$ -	$ 148,154
Conservation of natural resources	314,737	-	314,737
Intergovernmental			
General government	235,460	-	235,460
Conservation of natural resources	40,758	-	40,758
Debt service			
Principal	-	800,000	800,000
Interest	-	274,788	274,788
Total Expenditures	**$ 739,109**	**$ 1,074,788**	**$ 1,813,897**
Net Change in Fund Balance	**$ 91,342**	**$ 69,827**	**$ 161,169**
Fund Balance - January 1	**2,151,998**	**864,736**	**3,016,734**
Fund Balance - December 31	**$ 2,243,340**	**$ 934,563**	**$ 3,177,903**

BECKER COUNTY
DETROIT LAKES, MINNESOTA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS – EXHIBIT B-3
DECEMBER 31, 2022

	Parks and Recreation	Resource Development	County Ditch	Natural Resource Management	Gravel Tax	Total
Assets						
Cash and pooled investments	$ 791,820	$ 1,043,415	$ 1,407	$ 140,368	$ 474,906	$ 2,451,916
Deliquent	615	-	-	-	-	615
Accounts receivable	-	-	-	-	66,635	66,635
Prepaid items	-	12,826	-	-	-	12,826
Total Assets	**$ 792,435**	**$ 1,056,241**	**$ 1,407**	**$ 140,368**	**$ 541,541**	**$ 2,531,992**
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	$ 4,886	$ 2,300	$ -	$ 14,906	$ -	$ 22,092
Salaries payable	-	-	-	9,555	-	9,555
Due to other funds	-	-	-	205	30,236	30,441
Due to other governments	9,736	-	-	49,878	166,335	225,949
Total Liabilities	**$ 14,622**	**$ 2,300**	**$ -**	**$ 74,544**	**$ 196,571**	**$ 288,037**
Deferred Inflows of Resources						
Unavailable revenues	$ 615	$ -	$ -	$ -	$ -	$ 615
Fund Balances						
Nonspendable						
Prepaid items	$ -	$ 12,826	$ -	$ -	$ -	$ 12,826
Restricted						
Gravel pit closure	-	-	-	-	344,970	344,970
Conservation of natural resources	-	1,041,115	1,407	65,824	-	1,108,346
Assigned						
Culture and recreation	777,198	-	-	-	-	777,198
Total Fund Balances	**$ 777,198**	**$ 1,053,941**	**$ 1,407**	**$ 65,824**	**$ 344,970**	**$ 2,243,340**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 792,435**	**$ 1,056,241**	**$ 1,407**	**$ 140,368**	**$ 541,541**	**$ 2,531,992**

BECKER COUNTY
DETROIT LAKES, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUE FUNDS – EXHIBIT B-4
YEAR ENDED DECEMBER 31, 2022

	Parks and Recreation	Resource Development	County Ditch	Natural Resource Management	Gravel Tax	Total
Revenues						
Taxes	$ 1,010	$ -	$ -	$ -	$ 261,380	$ 262,390
Intergovernmental	125,775	61,960	-	-	-	187,735
Charges for services	5,025	-	-	6	-	5,031
Gifts and contributions	3,055	-	-	-	-	3,055
Miscellaneous	39,152	65,638	-	267,450	-	372,240
Total Revenues	**$ 174,017**	**$ 127,598**	**$ -**	**$ 267,456**	**$ 261,380**	**$ 830,451**
Expenditures						
Current						
Culture and recreation	$ 148,154	$ -	$ -	$ -	$ -	$ 148,154
Conservation of natural resources	-	69,053	-	245,684	-	314,737
Intergovernmental						
General government	-	-	-	-	235,460	235,460
Conservation of natural resources	-	-	-	40,758	-	40,758
Total Expenditures	**$ 148,154**	**$ 69,053**	**$ -**	**$ 286,442**	**$ 235,460**	**$ 739,109**
Net Change in Fund Balance	**$ 25,863**	**$ 58,545**	**$ -**	**$ (18,986)**	**$ 25,920**	**$ 91,342**
Fund Balance - January 1	**751,335**	**995,396**	**1,407**	**84,810**	**319,050**	**2,151,998**
Fund Balance - December 31	**$ 777,198**	**$ 1,053,941**	**$ 1,407**	**$ 65,824**	**$ 344,970**	**$ 2,243,340**

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – PARKS AND RECREATION SPECIAL REVENUE FUND – EXHIBIT B-5
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 1,750	$ 1,750	$ 1,010	$ (740)
Intergovernmental	145,450	145,450	125,775	(19,675)
Charges for services	6,000	6,000	5,025	(975)
Gifts and contributions	-	-	3,055	3,055
Miscellaneous	32,100	32,100	39,152	7,052
Total Revenues	**$ 185,300**	**$ 185,300**	**$ 174,017**	**$ (11,283)**
Expenditures				
Current				
Culture and recreation				
Recreation	**$ 183,179**	**$ 183,179**	**$ 148,154**	**$ 35,025**
Net Change in Fund Balance	**$ 2,121**	**$ 2,121**	**$ 25,863**	**$ 23,742**
Fund Balance - January 1			**751,335**	
Fund Balance - December 31			**$ 777,198**	

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – RESOURCE DEVELOPMENT SPECIAL REVENUE FUND – EXHIBIT B-6
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	$ 79,218	$ 79,218	$ 61,960	$ (17,258)
Miscellaneous	32,100	32,100	65,638	33,538
Total Revenues	**$ 111,318**	**$ 111,318**	**$ 127,598**	**$ 16,280**
Expenditures				
Current				
Conservation of natural resources				
Resource development	**$ 355,000**	**$ 355,000**	**$ 69,053**	**$ 285,947**
Net Change in Fund Balance	**$ (243,682)**	**$ (243,682)**	**$ 58,545**	**$ 302,227**
Fund Balance - January 1			**995,396**	
Fund Balance - December 31			**$ 1,053,941**	

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – NATURAL RESOURCE MANAGEMENT SPECIAL REVENUE FUND – EXHIBIT B-7
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for Services	$ -	$ -	$ 6	$ 6
Miscellaneous	323,250	323,250	267,450	(55,800)
Total Revenues	**$ 323,250**	**$ 323,250**	**$ 267,456**	**$ (55,794)**
Expenditures				
Current				
Conservation of natural resources				
Tax forfeited sales	**$ 288,594**	**$ 288,594**	**$ 245,684**	**$ 42,910**
Intergovernmental				
Conservation of natural resources	**$ 60,965**	**$ 60,965**	**$ 40,758**	**$ 20,207**
Total Expenditures	**$ 349,559**	**$ 349,559**	**$ 286,442**	**$ 63,117**
Net Change in Fund Balance	**$ (26,309)**	**$ (26,309)**	**$ (18,986)**	**$ 7,323**
Fund Balance - January 1			**84,810**	
Fund Balance - December 31			**$ 65,824**	

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – GRAVEL TAX
SPECIAL REVENUE FUND – EXHIBIT B-8
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	**Final**	**Amounts**	**Final Budget**
Revenues				
Taxes	**$ 47,357**	**$ 47,357**	**$ 261,380**	**$ 214,023**
Expenditures				
Intergovernmental				
General government	-	-	235,460	(235,460)
Net Change in Fund Balance	**$ 47,357**	**$ 47,357**	**$ 25,920**	**$ (21,437)**
Fund Balance - January 1			**319,050**	
Fund Balance - December 31			**$ 344,970**	

BECKER COUNTY
DETROIT LAKES, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND – EXHIBIT B-9
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 1,135,700	$ 1,135,700	$ 1,127,884	$ (7,816)
Intergovernmental	-	-	16,731	16,731
Total Revenues	**$ 1,135,700**	**$ 1,135,700**	**$ 1,144,615**	**$ 8,915**
Expenditures				
Debt service				
Principal	800,000	800,000	800,000	-
Interest	269,438	269,438	274,788	(5,350)
Total Expenditures	**$ 1,069,438**	**$ 1,069,438**	**$ 1,074,788**	**$ (5,350)**
Net Change in Fund Balance	**$ 66,262**	**$ 66,262**	**$ 69,827**	**$ 3,565**
Fund Balance - January 1			**864,736**	
Fund Balance - December 31			**$ 934,563**	

BECKER COUNTY
DETROIT LAKES, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION – EXHIBIT C-1
FIDUCIARY FUNDS – CUSTODIAL FUNDS
DECEMBER 31, 2022

	Taxes and Penalties	State Revenue	Sheriff Inmate
Assets			
Cash and pooled investments	$ 893,785	$ 156,231	$ 19,798
Taxes receivable for other governments	755,871	-	-
Due from other governments	-	-	-
Accounts receivable	2,341	-	-
Total Assets	$ 1,651,997	$ 156,231	$ 19,798
Liabilities			
Due to other governments	$ 820,854	$ 156,229	$ -
Deferred Inflows of Resources			
Taxes Levied for Subsequent Period	$ 75,274	$ -	$ -
Net Position			
Restricted for:			
Individuals, Organizations and Other Governments	$ 755,869	$ 2	$ 19,798

BECKER COUNTY
DETROIT LAKES, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION – EXHIBIT C-1 (CONTINUED)
FIDUCIARY FUNDS – CUSTODIAL FUNDS
DECEMBER 31, 2022

Estate Recoveries	Children's Initiative	Total Custodial Funds
$ 140,248	$ 232,245	$ 1,442,307
-	-	755,871
-	56,606	56,606
-	-	2,341
$ 140,248	$ 288,851	$ 2,257,125
$ 140,248	$ 65,797	$ 1,183,128
$ -	$ -	$ 75,274
$ -	$ 223,054	$ 998,723

BECKER COUNTY
DETROIT LAKES, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – EXHIBIT C-2
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	Taxes and Penalties	State Revenue	Sheriff Inmate
Additions			
Contributions:			
Individuals	$ -	$ -	$ 251,135
Taxes for other governments	37,790,706	-	-
Licenses and fees collected for state	-	3,676,982	-
Grants for other entities	-	-	-
Total Additions	37,790,706	3,676,982	251,135
Deductions			
Beneficiary payments	$ -	$ -	$ 290,340
Payments to state	-	3,676,982	-
Payment to the collaborative	-	-	-
Payments to other governments	37,829,129	-	-
Total Deductions	37,829,129	3,676,982	290,340
Net Increase (Decrease) in Fiduciary Net Position	$ (38,423)	$ -	$ (39,205)
Fiduciary Net Position - Beginning of Year	794,294	-	59,003
Fiduciary Net Position - End of Year	$ 755,871	$ -	$ 19,798

BECKER COUNTY
DETROIT LAKES, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – EXHIBIT C-2 (CONTINUED)
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2022

Estate Recoveries	Children's Initiative	Total Custodial Funds
$ -	$ -	$ 251,135
-	-	37,790,706
803,888	-	4,480,870
-	222,164	222,164
803,888	222,164	42,744,875
$ -	$ -	$ 290,340
803,888	-	4,480,870
-	221,176	221,176
-	-	37,829,129
803,888	221,176	42,821,515
$ -	$ 988	$ (76,640)
-	222,066	1,075,363
$ -	$ 223,054	$ 998,723

OTHER SCHEDULES

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE – EXHIBIT D-1
YEAR ENDED DECEMBER 31, 2022

	Governmental Funds	Discretely Presented Component Unit	All Funds
Appropriations and Shared Revenue			
State			
Highway users tax	$ 12,674,155	$ -	$ 12,674,155
County program aid	1,306,011	-	1,306,011
PERA indirect aid	58,492	-	58,492
Police aid	213,684	-	213,684
Aquatic invasive species	341,851	-	341,851
Riparian buffer aid	107,240	-	107,240
E-911	223,185	-	223,185
Market value credit	261,894	1,388	263,282
Family preservation aid	89,615	-	89,615
Disparity reduction aid	4,124	-	4,124
Total shared revenue	**$ 15,280,251**	**$ 1,388**	**$ 15,281,639**
Reimbursement for Services			
State			
Minnesota Department of Human Services	**$ 2,189,087**	**$ -**	**$ 2,189,087**
Payments			
Local			
Payments in lieu of taxes	**$ 503,313**	**$ -**	**$ 503,313**
Grants			
State			
Minnesota Department/Board of			
Corrections	$ 81,246	$ -	$ 81,246
Employment and Economic Development	1,512,657	-	1,512,657
Public Safety	2,169	-	2,169
Transportation	1,643,492	-	1,643,492
Health	420,938	-	420,938
Supreme Court	6,889	-	6,889
Veterans Affairs	6,192	-	6,192
Natural Resources	293,562	-	293,562
Human Services	2,172,444	-	2,172,444
Water and Soil Resources	100,065	-	100,065
Secretary of State	54,877	-	54,877
Labor and Industry	3,430	-	3,430
Minnesota Pollution Control Agency	875,767	-	875,767
Total state	**$ 7,173,728**	**$ -**	**$ 7,173,728**

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE – EXHIBIT D-1 (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Governmental Funds	Discretely Presented Component Unit	All Funds
Grants (Continued)			
Federal			
Department of			
Agriculture	$ 540,215	$ -	$ 540,215
Housing and Urban Development	-	313,257	313,257
Justice	80,022	-	80,022
Election	26,293	-	26,293
Treasury	6,556,276	-	6,556,276
Transportation	2,154,673	-	2,154,673
Education	5,610	-	5,610
Health and Human Services	3,588,555	-	3,588,555
Homeland Security	32,347	-	32,347
Total federal	**$ 12,983,991**	**$ 313,257**	**$ 13,297,248**
Total state and federal grants	**$ 20,157,719**	**$ 313,257**	**$ 20,470,976**
Total Intergovernmental Revenue	**$ 38,130,370**	**$ 314,645**	**$ 38,445,015**

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – EXHIBIT D-2
YEAR ENDED DECEMBER 31, 2022

Federal Grantor Pass-Through Agency Grant Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Numbers	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Partnership4Health Community Health Board				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	32573	$ 173,643	$ -
Passed Through Minnesota Department of Human Services				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	222MN101S2514	366,572	-
Total U.S. Department of Agriculture			**$ 540,215**	**$ -**
U.S. Department of Housing and Urban Development				
Direct				
Public and Indian Housing	14.850	n/a - Direct	$ 62,978	$ -
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	n/a - Direct	250,279	-
Total U.S. Department of Housing and Urban Development			**$ 313,257**	**$ -**
U.S. Department of Justice				
Passed Through Minnesota Department of Trial Courts				
Crime Victim Assistant Grant	16.575	F-CVS-2022 -BCOA	99,495	-
Total U.S. Department of Justice			**$ 99,495**	**$ -**
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	0322238	1,564,645	-
Highway Planning and Construction	20.205	0320240	29,592	-
COVID-19 Highway Planning and Construction	20.205	N/A	247,838	-
(Total Highway Planning and Construction Cluster $1,955,025)				
Furmula Grants for Rural Areas	20.509	1048084	188,588	-
Passed Through Minnesota Department of Natural Resources				
Highway Planning and Construction Cluster				
Recreational Trails Program	20.219	0003-18-1A	112,950	-
(Total Highway Planning and Construction Cluster $1,955,025)				
Passed Through Minnesota Department of Public Safety				
E-911 Grant Program	20.615	3-15464	11,060	-
Total U.S. Department of Transportation			**$ 2,154,673**	**$ -**

See accompanying notes to the schedule of expenditures of federal awards.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – EXHIBIT D-2 (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Federal Grantor Pass-Through Agency Grant Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Numbers	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Treasury				
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A - Direct	**$ 6,556,276**	**$ -**
U.S. Department of Education				
Passed Through Partnership4Health Community Health Board				
Special Education Grant for Infants and Families	84.181	BO4MC32551	**$ 5,610**	**$ -**
U.S. Election Assistance Commission				
Passed Through MN Secretary of State				
HAVA Election Security Grants	90.404	0000197279	**$ 30,580**	**$ -**
U.S. Department of Health and Human Services				
Passed Through Partnership4Health Community Health Board				
Public Health Emergency Preparedness	93.069	90858	$ 15,511	$ -
Immunization Cooperative Agreements	93.268	58583	20,108	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	Not Provided	496	-
Public Health Emergency Response	93.354	Not Provided	7,893	-
Temporary Assistance for Needy Families	93.558	95995	14,610	-
(Total Temporary Assistance for Needy Families 93.558 $309,247)				
Medicaid Cluster				
Medical Assistance Program	93.778	2205MN5ADM	60,912	-
(Total Medical Assistance Program 93.778 $1,369,687)				
Maternal and Child Health Services Block Grant to the States	93.994	Not Provided	29,879	-
Passed Through Polk-Norman-Mahnomen Community Health Board				
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	87929	207,471	-
Passed Through Minnesota Department of Human Services				
Promoting Safe and Stable Families	93.556	2101MNFPSS	50,962	-
Temporary Assistance for Needy Families	93.558	2201MNTANF	294,637	-
(Total Temporary Assistance for Needy Families 93.558 $309,247)				
Child Support Enforcement (Total Child Support Enforcement $751,608)	93.563	2201MNCSES	673,884	-
Child Support Enforcement (Total Child Support Enforcement $751,608)	93.563	2201MNCEST	77,724	-
Refugee and Entrant Assistance - State Administered Programs	93.566	2201MNRCMA	600	-
CCDF Cluster				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.575	2201MNCCDF	9,787	-
Community-Based Child Abuse Prevention Grants	93.590	2102MNBCAP	14,910	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2101MNFPSS	1,755	-
Foster Care Title IV-E	93.658	2201MNFOST	389,839	-
Social Services Block Grant	93.667	2201MNSOSR	297,984	-
Child Abuse and Neglect State Grants	93.669	2201MNNCAN	2,668	-
Chafee Foster Care Independence Program	93.674	2201MNCILP	10,319	-
Children's Health Insurance Program	93.767	2205MN5021	1,904	-
Medicaid Cluster				
Medical Assistance Program	93.778	2205MN5ADM	1,291,433	-
Medical Assistance Program	93.778	2205MN5MAP	17,342	-
(Total Medical Assistance Program 93.778 $1,369,687)				
Total U.S. Department of Health and Human Services			**$ 3,492,628**	**$ -**

See accompanying notes to the schedule of expenditures of federal awards.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – EXHIBIT D-2 (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Federal Grantor Pass-Through Agency Grant Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Numbers	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	BECKER FBG-10-04-2022	$ 5,500	$ -
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.012	F-EMPG-2020 BECKERCO	26,847	-
Total U.S. Department of Homeland Security			**$ 32,347**	**$ -**
Total Federal Awards			**$ 13,225,081**	**$ -**

Becker County did not pass any federal awards through to subrecipients in 2022.

Totals by Cluster	
Total Expenditures for SNAP Cluster	$ 366,572
Total Expenditures for Housing Voucher Cluster	250,279
Total Expenditures for Highway Planning and Construction	1,955,025
Total Expenditures for CCDF Cluster	9,787
Total Expenditures for Medicaid Cluster	1,369,687

See accompanying notes to the schedule of expenditures of federal awards.

BECKER COUNTY
DETROIT LAKES, MINNESOTA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022

1. Reporting Entity

   The Schedule of Expenditures of Federal Awards and the EDA's presents the activities of federal award programs expended by Becker County and the Becker County Economic Development Authority (EDA), a component unit of the County. For the year ended December 31, 2022, the level of federal funding for the Becker County EDA did not require a separate single audit to be performed for the component unit. The schedule does not include the federal expenditures of the Sunnyside Side Care Center enterprise fund which issues a stand-alone financial statement. The County's reporting entity is defined in Notes 1 and 6 to the financial statements.

2. Basis of Presentation

   The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Becker 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). Because the schedule presents only a selected portion of the operations of Becker County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Becker County.

3. Summary of Significant Accounting Policies

   Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, for all awards. Under the Uniform Guidance, certain types of expenditures are not allowable or are limited as to reimbursement. Becker County has elected to not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Subrecipients

   Becker County did not pass federal funds to subrecipients.

5. Reconciliation to the Schedule of Intergovernmental Revenue:

Federal Grant Revenue per Schedule of Intergovernmental Revenue:	$	13,297,248
Expenditures above, not included as revenues on the Schedule of Intergovernmental Revenues		26,318
Revenues included on the Schedule of Intergovernmental Revenue that are not considered Federal Grant Expenditures		(98,485)
Expenditures per the Schedule of Expenditures of Federal Awards	**$**	**13,225,081**