



COMPREHENSIVE ANNUAL FINANCIAL REPORT 2021



Photo Courtesy of Michael Henderson

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021
CROW WING COUNTY, MINNESOTA

**CROW WING COUNTY
BRAINERD, MINNESOTA**

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BRAINERD, MINNESOTA**

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BRAINERD, MINNESOTA**

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DATE: May 26, 2022

TO: The Citizens of Crow Wing County, Minnesota
The Crow Wing County Board of Commissioners
All Other Interested Parties

Subject: 2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Annual Comprehensive Financial Report (ACFR) of Crow Wing County is submitted for the fiscal year ending December 31, 2021. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Internal controls are designed to safeguard assets as well as to ensure that accounting data is accurate for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Crow Wing County is audited annually, as required by Minnesota Statute § 6.481. This requirement has been complied with and CliftonLarsonAllen LLP has issued unmodified ("clean") opinions on the Crow Wing County financial statements for the year ending December 31, 2021. The independent auditors' report is located on page 9 of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Crow Wing County was established in 1857 and formally organized in 1870. The original Courthouse was built in Brainerd in 1872; it was replaced in 1920 by the building now known as the Historic Courthouse. Other structures located on the main campus include the Jail, Judicial Center, Community Services, Central Services, and Land Services buildings. The Highway Department is located off-site near the Brainerd Lakes Regional Airport, and the Solid Waste offices are on the County Landfill property.

Crow Wing County is located in north-central Minnesota, about 125 miles northwest of the Minneapolis/St. Paul metropolitan area, and covers 999 square miles. The County seat is the City of Brainerd, which is the largest community in the County with a population of 14,395 residents according to United States Census population, April 1, 2020.

The County Board of Commissioners is the governing body of Crow Wing County. There are five members of the County Board, each representing one of five Districts, elected to four-year overlapping terms. The County Board appoints a County Administrator who is the chief appointed administrative officer of the County. The Administrator is responsible for the administration of Board policy and for the management of various County divisions and departments. The Attorney and Sheriff are elected officials.

The County provides a full range of services contemplated by statute. These services include public safety, highway, health, attorney, human services, recreational, maintenance of property records, vital statistics, issuance of various permits and licenses, administration of property tax assessment and collection, and the distribution of local governments' property taxes within the County.

Our Vision: Being Minnesota's favorite place.

Our Mission: Serve well. Deliver value. Drive results.

Our Values: Be responsible. Treat people right. Build a better future.

The Crow Wing County Board of Commissioners is required by state law to annually adopt a budget for the next fiscal year for the General, Special Revenue and Debt Service Funds. The County Administrator incorporates budgetary controls which ensure that County departments comply with the annual budget. County departments are comprised of one or more sub-departments (agencies). County departments can spend their agency level budgets on any line item within that agency as long as the total agency budget is not overspent. Cost-neutral budgetary amendments or reallocations across departments are approved by the County Administrator. Authority to spend additional resources must be approved by the County Board of Commissioners.

Local Economy

The County contains a variety of commercial and industrial businesses in areas such as retail and wholesale, health care, education, manufacturing and construction, and financial and information services. Tourism is an important facet of the local economy.

Tourism

Located in the heart of the Brainerd Lakes region, Crow Wing County is one of Minnesota's most popular destinations for outdoor recreation. During the height of tourism season the County's population swells to an estimated 300,000 when tourists and seasonal residents are taken into consideration. Leisure and hospitality industries brought in over \$256 million in gross sales in 2019, the most recent year data is available, making a 9.18 percent increase in gross sales when compared to 2018. In 2020, the most current data available, 274 leisure and hospitality businesses employed an annual average of 3,385 employees. This was an decrease of 826 jobs over 2019, or 19.6 percent. The seasonality of leisure and hospitality businesses creates employment data fluctuations throughout the year.

Tourists in Crow Wing County enjoy the following:

- Water activities on over 465 lakes including Mille Lacs Lake, the Whitefish Chain, and the Gull Lake Chain
- Golfing on over two dozen golf courses
- Activities such as hiking or biking in Crow Wing State Park or Cuyuna Country State Recreation Area



Retail and Wholesale

In 2020, the most current data available, 343 retail trade businesses employed an annual average of 4,638 employees, a decrease of 161 jobs, or 3.4 percent, over the previous year. In 2020, an annual average of 561 individuals were employed by 65 wholesale trade businesses, an increase of 3 jobs, or 0.5 percent, over the prior year. One of the largest wholesale employers, Costco, employs 198 individuals.

Health Care

Crow Wing County is served by a number of first-rate medical facilities. The Cuyuna Regional Medical Center (CRMC) consists of a medical campus providing cardiovascular, optometry, long-term care, and memory loss services, among others. The campus continues to expand and is the major employer in the Crosby-Ironton-Deerwood area, employing nearly 1,000 physicians, nurses, health care professionals, and support staff.

Essentia Health currently operates the St. Joseph's Medical Center in Brainerd, an 80-bed hospital offering services in a wide variety of medical specialties. Essentia Health St. Joseph's Clinics are a group of integrated clinics throughout the lakes area. The Essentia Health System employs more than 1,500 medical professionals and support staff in Crow Wing County and is considered the largest integrated health system in north central Minnesota.

In 2020, the most current data available, 228 Crow Wing County establishments provided an annual average of 5,617 jobs in the areas of health care and social assistance. This was a decrease of 250 jobs over 2019, or 4.3 percent.

Education

The K-12 schools in the Brainerd Lakes Area educate approximately 9,900 students annually, making the combined districts the 14th largest in the state. The largest of these is Independent School District (ISD) #181, serving Brainerd and surrounding communities with enrollment over 6,800. Brainerd also hosts the campus of Central Lakes College (CLC), a comprehensive community and technical college. CLC serves about 6,000 students per year.

In 2020 the most current data available, 38 establishments provided 2,014 jobs in the area of educational services, a decrease of 250 jobs, or 11.0 percent, when compared to 2019 employment data.

Manufacturing and Construction

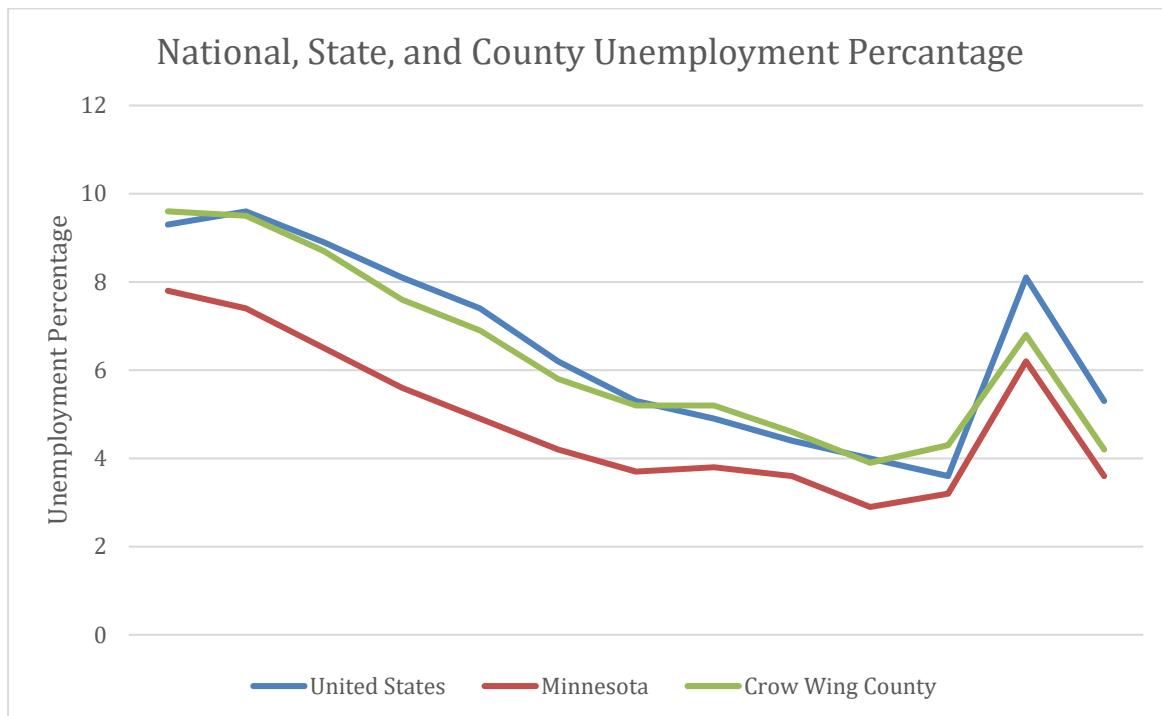
In 2020, the most current data available, 117 companies employed an annual average of 2,667 people in a variety of manufacturing arenas, from plastics to precision machining and metal fabrication. This is a decrease of 120 positions, or 4.3 percent, when compared to 2019 employment data. Clow Stamping and Bang Printing are the largest manufacturing employers in the County with approximately 545 and 200 employees, respectively. In 2020, 279 area construction firms employed 2,028 people, an increase of 38 jobs in Crow Wing County. This reflects a 1.9 percent increase when compared to 2019 employment data.

Finance and Insurance

The finance and insurance industries are well represented in the region. In 2020, the most current data available, 200 firms provided an annual average of 1,671 jobs, a decrease of 8 jobs over the prior year. This reflects a 0.5 percent decrease when compared to 2019 employment data. One of the area's largest financial services employers is Ascensus, which employs 480 people in its Brainerd and Baxter offices.

Key Population, Labor Force and Employment Trends

- The County's population changed from 62,604 residents in 2010 to 66,123 residents in 2020; the total population rank was 16th of 87 counties in Minnesota.
- The County's annual average labor force changed from 33,408 workers in 2010 to 32,904 workers in 2020, a decrease of 1.5 percent.
- In 2019, Crow Wing County had a per capita personal income (PCPI) of \$45,685. Crow Wing County's PCPI rank was 69th of the 87 counties in the state. Crow Wing County was 78 percent of the state average of \$58,834, and 81 percent of the national average of \$56,490.



Major Initiatives by Crow Wing County

The Crow Wing County government took action to reduce costs:

- The County Board approved a levy increase of 3.99 percent for taxes payable 2022. This is only the fourth time that the County Board has adopted an increased levy since 2011, with the 2019 taxes payable year being the first.
- In a 2021 comparison of four nearby counties, Crow Wing County once again had the second-lowest County tax levy per capita at \$649.
- We also strategically added almost \$12.1 million in fund balance growth, through restricting Capital Project spending in 2021 in response to the pandemic as well as implementation of programs within our Community Services area that reduced overall expenditures within the fund. With the growth in fund balances within our General Fund and Community Services fund, we have made progress to meeting minimum levels within each, yet we are still short of the goal ranges. While there is further to go on this, we made substantial progress on this in 2021.

Future Crow Wing County Plans:

- Evaluate capital planning program to add a component that would more effectively reflect ROI for significant new capital purchases which reflects best practices from both the public and private sector.
- Implement a new budgeting software package to improve the management of the budget process and provide better reporting and analysis of future forecasts for the senior leadership and other stakeholders.
- Address issues arising from continuing development and the growing County population. Continue to develop talent internally to replace positions open due to retirements in the upcoming years.

Debt Administration

The ratio of outstanding net debt per capita is a useful indicator of the County's debt position for County management, citizens, and investors. The data for Crow Wing County at the end of the 2021 fiscal year follows:

	<u>Amount</u>	<u>Net debt per capita</u>
Net General Bonded Debt Outstanding	\$92,500	\$1

The County has an AA credit rating from Standard & Poor's (S&P).

Employee Labor Contracts

The eleven collective bargaining units listed below represent approximately 90 percent of the County's employees. The status of the contracts is as of the publication date of the Comprehensive Annual Financial Report.

<u>Bargaining Unit</u>	<u>Term of Contract</u>
AFSCME	2020-2022
Assistant County Attorney Association	2021-2023
LELS Local #14 Deputies	2020-2022
LELS Local #13 Dispatchers	2020-2022
LELS Local #16 Correctional Officers	2022-2024
IUOE Local #49 Facilities	2021-2023
IUOE Local #49 Highway	2021-2023
Organization of Non-Contract Employees	2020-2022
Teamsters Local #320 Social Services	2021-2023
Teamsters Local #346 Sheriff's Licensed Supervisory	2021-2023
Teamsters Local #346 Corrections and Dispatch Supervisory	2020-2022

All contracts begin January 1 and end December 31.

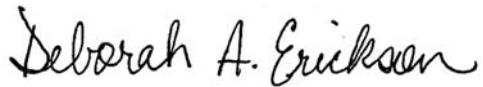
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Crow Wing County for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the eighth consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

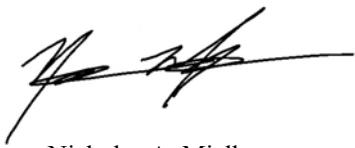
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the Financial Services Division staff. We would like to express our appreciation to members of all the departments who assisted and contributed to the preparation of this report. Credit also must be given to the County Board for their unfailing support for maintaining the highest standards of professionalism in the management of Crow Wing County finances.

Respectfully submitted,



Deborah A. Erickson
Administrative Services Director



Nicholas A. Mielke
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Crow Wing County
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Monell

Executive Director/CEO

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**LIST OF ELECTED AND APPOINTED OFFICIALS
2021**

Office	Name	Elected or Statutory Term Expires
County Board of Commissioners		
1 st District	Paul Koering	January 2025
2 nd District	Bill Brekken	January 2023
3 rd District	Steve Barrows*	January 2023
4 th District	Rosemary Franzen	January 2023
5 th District	Doug Hough **	January 2025
*Denotes 2021 Chair		
**Denotes 2022 Chair		
County Offices		
Elected		
Attorney	Donald F. Ryan	January 2023
Sheriff	Scott Goddard	January 2023
Appointed		
Administrator	Timothy J. Houle	Indefinite
Auditor/Treasurer	Deborah A. Erickson	Indefinite
Recorder	Doug Hansen	Indefinite
Land Services Director ¹	Gary Griffin	Indefinite
Environmental Services Supervisor ¹	Ryan Simonson	Indefinite
Environmental Services Supervisor ¹	Jacob Frie	Indefinite
Engineer	Timothy V. Bray	May 2023
Examiner of Titles	Glen A. Gustafson	Indefinite
Veterans Service Officer	Erik Flowers	June 2023

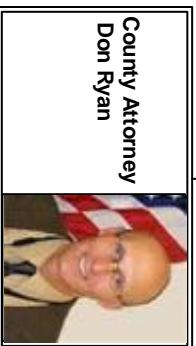
¹The Land Services Director performs the functions of the County Assessor. There are two Environmental Services Supervisors; one serves as Land Commissioner and the other serves as County Zoning Administrator and County Planner, all under the oversight of the Land Services Director.



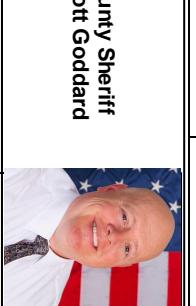
Crow Wing County Citizens



Paul Koering
District 1



County Board
of Commissioners



Rosemary Franzen
District 4



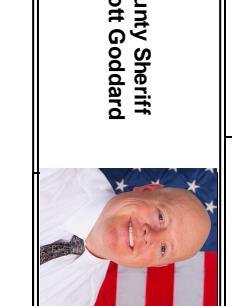
Bill Brekken
District 2



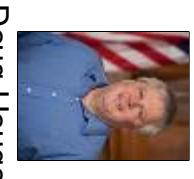
Co Administrator
Tim Houle



Human Resource
Meliene
Fontaine-Laska



Doug Houge
District 5



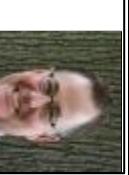
Community
Services
Kara Terry



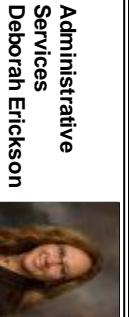
Land Services
Gary Griffin



Transportation
Services
Tim Bray



Administrative
Services
Deborah Erickson



Finance & Elections
Information Technology
Library



Extension



Facilities



HRA



Steve Barrows
District 3

Customer Services Division

Health & Social Services
Division

Environmental Services
Division

Assessing Services Division

Engineering Division

Highway Maintenance
Division

Finance & Elections
Information Technology
Library

Extension

Facilities

HRA

8

Community Corrections
Division



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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Crow Wing County
Brainerd, 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, each major fund, and the aggregate remaining fund information of Crow Wing County (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crow Wing County as of December 31, 2021, 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.

Emphasis of Matter

During the year ended December 31, 2021, the County restated fund balance in the Public Land Management and Capital Projects funds to correct errors in the previously issued financial statements (see Note V). Our opinions are not modified with respect to this matter.

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.

Responsibilities of Management for the Financial Statements (Continued)

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 Crow Wing 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 Crow Wing County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the total OPEB liability, related ratios, and notes, the schedules of proportionate share of net pension liability, the schedules of PERA contributions, and the notes to the required supplementary information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Crow Wing County's basic financial statements. The budgetary comparison schedules, combining and individual fund financial statements, 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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.

Board of County Commissioners
Crow Wing County

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022, on our consideration of Crow Wing County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Crow Wing 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 Crow Wing County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Brainerd, Minnesota
May 26, 2022

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021
(Unaudited)**

The financial management of Crow Wing County offers readers of Crow Wing County's financial statements this narrative overview and analysis of the financial activities of Crow Wing County for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Crow Wing County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$246,799,450 (net position). Of this amount, (\$5,090,302) is classified as unrestricted net position. Unrestricted net position includes \$14,076,793 of investments in joint ventures, leaving an unrestricted net position of (\$19,167,095). Total net position increased by \$16,789,229 over the prior year.
- As of the close of the 2021 fiscal year, Crow Wing County's governmental funds reported combined ending fund balances of \$54,587,113, compared to \$45,468,932 reported at the close of the 2020 fiscal year before accounting for the prior period adjustment. Approximately 61.1 percent of this amount, \$33,330,945, is reported as unrestricted fund balance in either the committed, assigned, or unassigned categories. Commitments totaling \$6,817,410 represent amounts already designated for specific purposes by the County Board. Assigned balances of \$15,392,099 are used to fund highway improvements, social programs, capital acquisition, recycling programs, and debt repayment. The remaining unassigned balance of \$11,121,436 is used for one-time expenditures, and to cash flow operations between major revenue collection periods.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$13,200,697 or 37.9 percent of total General Fund expenditures, a decrease of \$481,367 in comparison with the prior year. The unassigned amount of fund balance for the General Fund was \$11,121,436, or 31.9 percent of total General Fund expenditures. This decrease of \$644,906 is mostly due the decrease in investment earnings.
- Crow Wing County's long-term liabilities (due in more than one year) decreased by \$4,469,481, or 6.5 percent, to \$64,527,496 during the current fiscal year. This change is primarily the result of the reduction of debt principal payments in the amount of \$196,000. The decrease in outstanding debt was offset by an increase in the County's net change in total OPEB liability in the amount of \$2,113,790, for a total liability of \$44,078,606. The County also had an increase in the estimated liability for landfill closure/postclosure in the amount of \$110,297.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to Crow Wing County's basic financial statements. Crow Wing County's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

(Unaudited)

The statement of net position presents information on all of Crow Wing County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Crow Wing 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 result in cash flows in future fiscal periods (such as uncollected taxes and earned but unused paid time off and severance leave).

Both government-wide financial statements distinguish functions of Crow Wing County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of Crow Wing County include general government, public safety, highways and streets, sanitation, health and human services, culture and recreation, conservation of natural resources, economic development, and interest. The business-type activity of Crow Wing County is the Crow Wing County Landfill.

The government-wide financial statements may be found on pages 25 through 29 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. Crow Wing County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Crow Wing County can be divided into three broad 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, governmental fund 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 government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Within the governmental funds, Crow Wing County maintains five fund types: general, special revenue, debt service, capital projects, and permanent. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund; Highway, Community Services, and Public Land Management Special Revenue Funds; Debt Service Fund; and Capital Projects Fund, all of which are considered to be major funds. Data from the other four special revenue nonmajor governmental funds and the permanent fund are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Crow Wing County adopts an annual appropriated budget for the following governmental funds: General, Highway, Community Services, Public Land Management, Debt Service, Capital Projects, Solid Waste (Non-Landfill), Unorganized Townships, Small Cities Development Program, Ditch and Environmental Trust. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements may be found on pages 30 through 38 of this report.

(Unaudited)

General Fund – The General Fund is the County’s primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital assets. The special revenue funds include:

- Highway
- Community Services
- Public Land Management
- Solid Waste (Non-Landfill)
- Unorganized Townships
- Small Cities Development Program
- Ditch

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Fund – The Permanent Fund is used to report resources legally restricted to the extent that only earnings, and not principal from the Environmental Trust Permanent Fund, may be used for environmental purposes.

Proprietary funds – Crow Wing County maintains one proprietary fund, an enterprise fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. Crow Wing County uses an enterprise fund to account for its landfill operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Landfill Enterprise Fund, which is considered to be a major fund of Crow Wing County.

The basic proprietary fund financial statements can be found on pages 39 through 42 of this report.

Fiduciary funds – Fiduciary funds (trust and custodial funds) are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Crow Wing County’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 43 through 44 of this report.

Notes to the Financial Statements

The notes 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 on pages 45 through 84 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information other than MD&A that can be found on pages 87 through 108 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are in the supplementary information section and follow the required supplementary information. Budgetary comparison schedules and combining and individual fund statements can be found on pages 110 through 129 of this report.

(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Crow Wing County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$246,799,450 at the close of the most recent fiscal year.

Net investment in capital assets of \$226,534,912 represents the largest portion of net position (91.8 percent). Crow Wing County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Crow Wing County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Crow Wing County's net position, \$25,354,840, or 10.3 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is unrestricted (\$5,090,302). Unrestricted net position includes \$14,076,793 of investments in joint ventures, or 5.7% of the total net position.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 83,809,262	\$ 68,470,568	\$ 13,125,283	\$ 12,611,191	\$ 96,934,545	\$ 81,081,759
Capital assets	219,458,977	214,440,001	7,350,755	7,443,860	226,809,732	221,883,861
Total assets	\$ 303,268,239	\$ 282,910,569	\$ 20,476,038	\$ 20,055,051	\$ 323,744,277	\$ 302,965,620
 Total deferred outflows of resources	 \$ 26,906,499	 \$ 12,925,876	 \$ 90,998	 \$ 58,423	 \$ 26,997,497	 \$ 12,984,299
Noncurrent liabilities	\$ 59,498,207	\$ 64,064,718	\$ 5,029,289	\$ 4,932,259	\$ 64,527,496	\$ 68,996,977
Other liabilities	15,770,674	8,708,854	85,015	376,987	15,855,689	9,085,841
Total liabilities	\$ 75,268,881	\$ 72,773,572	\$ 5,114,304	\$ 5,309,246	\$ 80,383,185	\$ 78,082,818
 Total deferred inflows of resources	 \$ 23,502,919	 \$ 7,836,062	 \$ 56,220	 \$ 20,818	 \$ 23,559,139	 \$ 7,856,880
 Net position						
Net investment in capital assets	\$ 219,184,157	\$ 213,757,439	\$ 7,350,755	\$ 7,443,860	\$ 226,534,912	\$ 221,201,299
Restricted	23,564,153	20,445,521	1,790,687	1,766,948	25,354,840	22,212,469
Unrestricted	(11,345,372)	(18,976,149)	6,255,070	5,572,602	(5,090,302)	(13,403,547)
Total net position	\$ 231,402,938	\$ 215,226,811	\$ 15,396,512	\$ 14,783,410	\$ 246,799,450	\$ 230,010,221

In 2021, Crow Wing County's net position increased \$16,789,229 over 2020. Investment in capital assets and reduction of long-term liabilities are the major operational drivers to the change in net position.

(Unaudited)

Governmental Activities

Governmental activities increased Crow Wing County's net position by \$16,176,127, thereby accounting for the majority of total growth in the net position of Crow Wing County. Primary components of this change are an increase in net investment in capital assets of \$5,426,718 due to increased asset purchases and decreased debt related to them; and an increase in unrestricted net position of \$7,630,777 that is primarily attributable to the increase in cash and investments.

Approximately \$22,209,509 of the unrestricted net position in the government-wide statements are fund balances from governmental fund statements that are either committed by Board action for specific purposes or assigned, indicating County management's intent to use the funds for specific purposes. Unrestricted net position also includes \$14,076,793 of investments in joint ventures.

Charges for services decreased by \$225,468 from the prior year. The largest component of this change was a decrease of approximate \$316,000 related charges and services for highways and streets operations.

Operating grants and contributions decreased \$11,140,771 over the prior year. Large components of this decrease are decreases in general government and public safety for \$9,321,614 related to federal COVID-19 Coronavirus Relief grants not received in 2021.

Capital grants and contributions decreased \$1,090,636 from the prior year. The County received \$612,082 less in federal capital grants in the current year from the Minnesota Department of Transportation.

Property taxes increased \$1,711,114 related to the increase in levy from prior year and the collection of delinquent taxes in the current year.

Transportation sales and use tax increased \$1,072,839 from the prior year due to sales and use tax collections.

Total expenses decreased \$7,246,645 from 2020; of this, mostly the decrease is related to less COVID-19 Coronavirus Relief spending. Increases or decreases in expenses for general government, public safety, and health and human services were 1.0 percent or more from the prior year, or had significant dollar variances. Notable variances from the prior year include expenses for highways and streets (decreased 10.3 percent), sanitation (increased 1.0 percent), conservation of natural resources (decreased 11.5 percent), economic development (decreased 78.4 percent), and interest (decreased 59.1 percent).

Highways and streets expenses decreased \$1,440,394 from 2020 due to decreased bituminous resurfacing and construction projects that occurred during 2021.

Expenses for conservation of natural resources decreased \$414,879 from 2020. Decreased expenses are attributable to a reduction in purchases of minor capital related items.

The decrease to economic development expenses of \$4,658,643 is related to the reduction of federal COVID-19 Coronavirus Relief grants.

(Unaudited)

Business-Type Activities

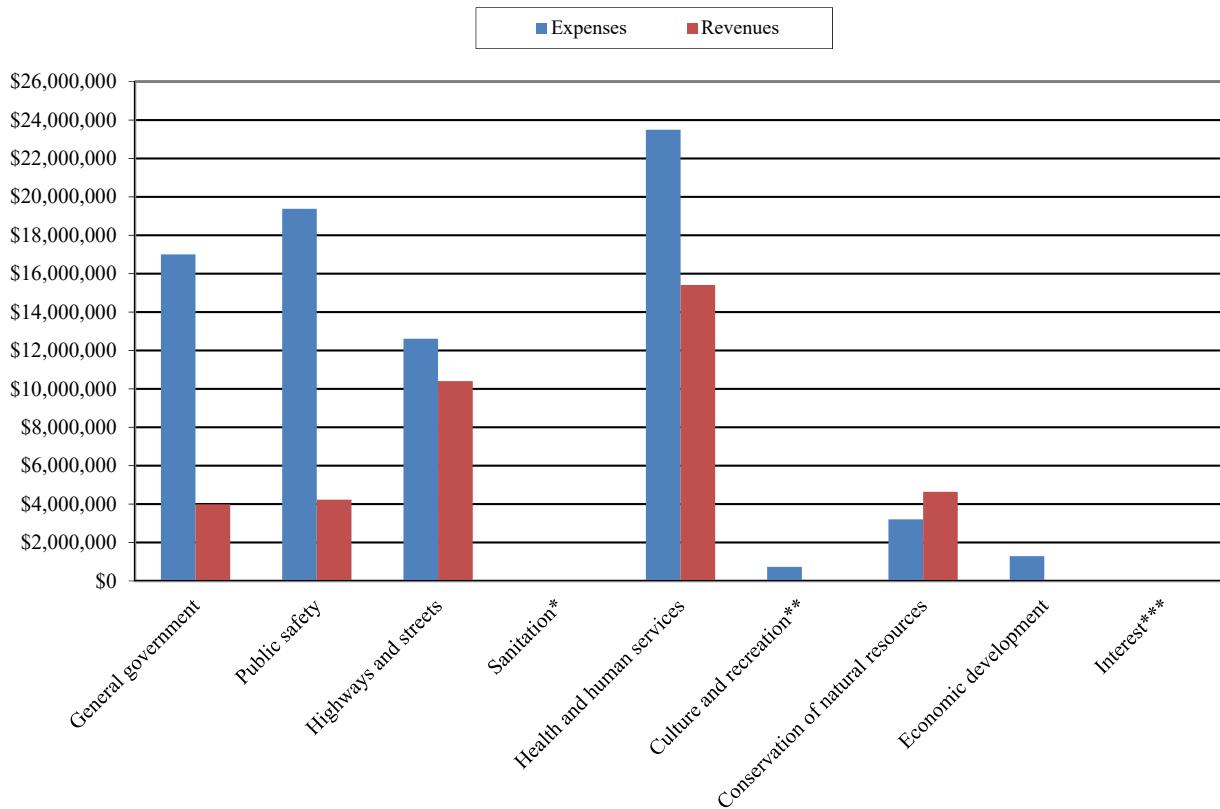
Business-type activities increased Crow Wing County's net position by \$613,102. This increase is the result of a favorable operating surplus. Investment income decreased \$14,723 from the prior year. This change is primarily due to decreased landfill cash held in investments. Expenses related to the landfill increased \$88,004 from 2020.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 12,006,044	\$ 12,231,512	\$ 3,145,104	\$ 3,196,269	\$ 15,151,148	\$ 15,427,781
Operating grants and contributions	25,278,763	36,419,534	-	-	25,278,763	36,419,534
Capital grants and contributions	1,375,822	2,466,458	-	-	1,375,822	2,466,458
General revenues						
Property taxes	42,460,710	40,749,596	-	-	42,460,710	40,749,596
Transportation sales and use tax	8,627,535	7,554,696	-	-	8,627,535	7,554,696
Mortgage registry and deed tax	182,819	152,553	-	-	182,819	152,553
Payments in lieu of tax	574,414	572,945	-	-	574,414	572,945
Grants and contributions not restricted to specific programs	3,298,719	3,295,298	-	-	3,298,719	3,295,298
Investment income	(260,361)	1,124,483	134,036	148,759	(126,325)	1,273,242
Miscellaneous	334,875	168,473	-	-	334,875	168,473
Total Revenues	\$ 93,879,340	\$ 104,735,548	\$ 3,279,140	\$ 3,345,028	\$ 97,158,480	\$ 108,080,576
Expenses						
General government	\$ 16,997,377	\$ 17,438,271	\$ -	\$ -	\$ 16,997,377	\$ 17,438,271
Public safety	19,372,688	18,124,461	-	-	19,372,688	18,124,461
Highways and streets	12,610,573	14,050,967	-	-	12,610,573	14,050,967
Sanitation	5,645	5,589	-	-	5,645	5,589
Health and human services	23,490,682	25,004,482	-	-	23,490,682	25,004,482
Culture and recreation	729,739	740,934	-	-	729,739	740,934
Conservation of natural resources	3,199,213	3,614,092	-	-	3,199,213	3,614,092
Economic development	1,286,835	5,945,478	-	-	1,286,835	5,945,478
Interest	10,461	25,584	-	-	10,461	25,584
Landfill	-	-	2,666,038	2,578,034	2,666,038	2,578,034
Total Expenses	\$ 77,703,213	\$ 84,949,858	\$ 2,666,038	\$ 2,578,034	\$ 80,369,251	\$ 87,527,892
Increase (decrease) in Net Position	\$ 16,176,127	\$ 19,785,690	\$ 613,102	\$ 766,994	\$ 16,789,229	\$ 20,552,684
Net Position, beginning	215,226,811	196,064,138	14,783,410	14,016,416	230,010,221	210,080,554
Restatement	-	(623,017)	-	-	-	(623,017)
Net Position, as restated	215,226,811	195,441,121	14,783,410	14,016,416	230,010,221	209,457,537
Net Position, ending	\$ 231,402,938	\$ 215,226,811	\$ 15,396,512	\$ 14,783,410	\$ 246,799,450	\$ 230,010,221

(Unaudited)

Expenses and Program Revenues - Governmental Activities

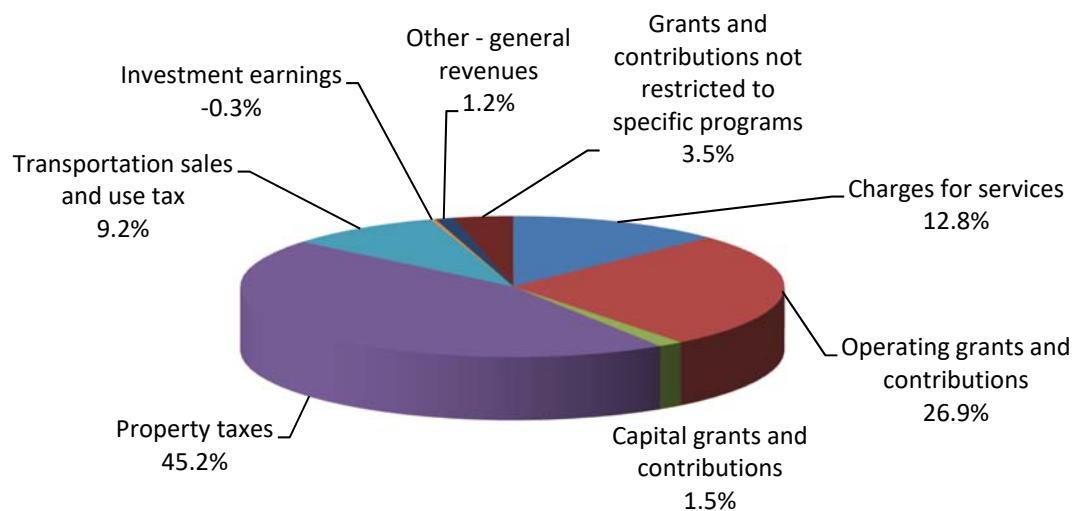


*Sanitation had expenses of \$5,645 and no revenues, which are difficult to measure using the above graph.

**Culture and recreation had expenses \$729,739 and revenues \$356, which are difficult to measure using the above graph.

***Interest had expenses of \$10,461 and no revenues, which are difficult to measure using the above graph.

Revenue by Source - Governmental Activities



(Unaudited)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds – The focus of Crow Wing County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Crow Wing County's financing requirements. In particular, total unrestricted fund balances (i.e., Committed, Assigned, and Unassigned classifications) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, Crow Wing County's governmental funds reported combined ending fund balances of \$54,587,113, an increase of \$9,118,181 in comparison with the prior year. Of this total amount, \$33,330,945 constitutes unrestricted fund balance. The remaining \$21,256,168 of governmental funds fund balance is either Nonspendable or Restricted, indicating that it is not available for spending at the government's discretion. The most significant Nonspendable and Restricted fund balances are as follows: Restricted for Local option sales tax \$10,718,614; Restricted for Solid waste (non-landfill) \$2,190,801; Restricted for Unorganized townships \$960,517; Nonspendable Environmental trust corpus \$1,846,499; Nonspendable Prepays \$1,321,226, and Nonspendable Inventories \$718,726.

The General Fund is the chief operating fund of Crow Wing County. At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$13,200,697, while the total fund balance was \$16,008,088. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance (combining committed, assigned, and unassigned) and total unassigned fund balance to total fund expenditures. Unrestricted fund balance represents 37.9 percent of the total General Fund expenditures, while unassigned fund balance represents 31.9 percent of that same amount.

The fund balance of Crow Wing County's General Fund decreased \$638,092 from 2020. This change is mostly due increased public safety expenditures. Revenues for the General Fund decreased by \$9,906,636 or -23.2 percent and expenditures decreased \$3,754,557, or -9.7 percent.

The Highway Special Revenue Fund had a total fund balance of \$17,864,941 at the end of the fiscal year. The fund balance of the Highway Special Revenue Fund increased by \$2,194,991 during the current fiscal year. Revenues decreased \$2,081,176 from the prior year, primarily related to the shared revenues received for bituminous overlay projects that was received in 2020. Expenditures decreased by \$3,961,813 due to less operating expenditures and capital outlay in the current year. Engineering and construction costs vary year to year due to project timelines in the County's Highway Improvement Plan.

The Community Services Special Revenue Fund had a total fund balance of \$7,276,332 at the end of the fiscal year. The fund balance of the Community Services Special Revenue Fund increased by \$3,825,460 during the current fiscal year. Revenues increased \$103,503 from the prior year; this change is primarily related to an increase of charges for services in the amount of \$157,473. Expenditures decreased \$1,010,002 from the prior year: contributing factors were decreased costs for social services and for decreased costs for state operated services and out-of-home placements.

The Public Land Management Special Revenue Fund had a total fund balance of \$554,690 at the end of the fiscal year. The fund balance of the Public Land Management Special Revenue Fund increased by \$17,449 during the current fiscal year after accounting for the prior period adjustment. While expenditures decreased \$631,627 from the prior year due to a decrease in capital related expenses, revenues also increased \$516,481 mostly due to the tax forfeited land sale.

The Debt Service Fund had a total fund balance of \$334,759 at the end of the fiscal year. The fund balance of the Debt Service Fund increased by \$14,842 during the current fiscal year. Changes in fund balance of the Debt Service Fund are due to debt being paid off.

The Capital Projects Fund had a total fund balance of \$6,337,495 at the end of the fiscal year. The fund balance of the Capital Projects Fund increased by \$3,320,100 during the current fiscal year after accounting for the prior period adjustment. Revenues decreased by \$61,405 and expenditures decreased \$650,874, due primarily to County Board approved decrease in tax revenues earmarked for capital projects and supply chain delays.

(Unaudited)

Proprietary fund – Crow Wing County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Factors concerning the finances of the Landfill Enterprise Fund have already been addressed in the discussion of Crow Wing County's business-type activities.

General Fund Budgetary Highlights

Budgets can be amended during the year by the County Board. Budget change requests are reviewed by the County Administrator's Office and submitted to the County Board for their review and approval.

Notable variances from budget include:

- An unfavorable variance for taxes revenue for \$425,271 primarily related to a decrease in the tax collections.
- An unfavorable variance for intergovernmental revenue for \$627,502 due to budgeting inconsistencies.
- An unfavorable variance for charges for services revenue for \$1,191,727 due to budgeting inconsistencies.
- An unfavorable variance for investment earnings revenue for \$1,750,605 due to lower than expected interest rates and budgeting inconsistencies.
- An unfavorable variance for miscellaneous for \$442,792 due to budgeting inconsistencies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Crow Wing County's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$226,809,732 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; infrastructure – right-of-way; buildings; land improvements; machinery, furniture, and equipment; infrastructure; and landfill. The total increase in Crow Wing County's investment in capital assets for the current fiscal year was 2.2 percent.

Major capital asset event during 2021 included an increase in infrastructure and bituminous overlays for multiple roadways and striping and signage of \$10,636,909 related to highway improvement projects.

(Unaudited)

Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 15,179,953	\$ 15,167,653	\$ 412,334	\$ 412,334	\$ 15,592,287	\$ 15,579,987
Construction in progress	2,456,677	9,391,509	-	4,767,009	2,456,677	14,158,518
Infrastructure - right-of-way	7,640,313	7,509,873	-	-	7,640,313	7,509,873
Buildings	43,546,162	38,700,342	303,809	332,351	43,849,971	39,032,693
Land improvements	1,244,841	1,399,767	-	-	1,244,841	1,399,767
Machinery, furniture, and equipment	4,746,897	4,378,517	13,514	15,351	4,760,411	4,393,868
Infrastructure	144,644,134	137,892,340	-	-	144,644,134	137,892,340
Landfill	-	-	6,621,098	1,916,815	6,621,098	1,916,815
Total	\$ 219,458,977	\$ 214,440,001	\$ 7,350,755	\$ 7,443,860	\$ 226,809,732	\$ 221,883,861

Additional information on Crow Wing County's capital assets may be found in Note III.A.3 of this report.

Long-Term Debt

At the end of 2021, Crow Wing County had total bonded debt outstanding of \$92,500. This is a decrease of \$90,000 from the prior year, which is due to principal payments. Current and future County tax levies are used to finance the bonded indebtedness.

Crow Wing County maintains an "AA" rating from Standard and Poor's for general obligation debt.

Outstanding Debt

General Obligation and Capital Lease

	Governmental Activities	
	2021	2020
General obligation bonds	\$ 92,500	\$ 182,500
Capital lease	219,950	325,950
Total	\$ 312,450	\$ 508,450

State statutes limit the amount of general obligation debt a county can incur to no more than three percent of the market value of taxable property in the county. The 2021 debt limitation for Crow Wing County is \$348,445,105, which is significantly in excess of Crow Wing County's outstanding debt obligations.

Additional information on Crow Wing County's long-term debt may be found in Note III.C.2-5 of this report.

(Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2021 budget, tax rates, and fees that will be charged for the business-type activities.

- The County's estimated market value increased by 5.22 percent in 2021.
- Crow Wing County continues to have one of the lowest tax capacity rates in the State of Minnesota. Crow Wing County's tax capacity rate for 2021 is 33.06 percent.
- In December 2021 the Crow Wing County Board of Commissioners approved the 2022 budget for \$97,717,512, related to the County's Governmental Funds. The 2022 total levy is \$42,908,106, which is an increase of \$1,645,626, or 3.98 percent, compared to the 2021 levy of \$41,262,480.

INDEPENDENT AUDIT

Minn. Stat. § 6.481 requires an annual examination of books of accounts, financial records, and transactions of all County functions by the Office of the State Auditor or a CPA firm meeting the requirements of Minn. Stat. §326A.05. The report is available for inspection upon request at Administrative Services – Financial Services Division during normal working hours.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Crow Wing County's finances for all those with an interest. If you have a question about this report or need information, contact Administrative Services – Financial Services Division, 326 Laurel Street, Suite 22, Brainerd, Minnesota 56401. You may also contact us via email at Finance.Dept@crowwing.us or visit our web site at www.crowwing.us.

(Unaudited)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and investments	\$ 57,683,469	\$ 6,408,867	\$ 64,092,336
Taxes receivable - delinquent	698,149	-	698,149
Accounts receivable (net)	215,309	139,881	355,190
Accrued interest receivable	145,212	-	145,212
Contracts receivable	1,660,707	-	1,660,707
Due from other governments	6,794,938	-	6,794,938
Loans receivable	75,465	-	75,465
Inventories	718,726	-	718,726
Prepaid items	<u>1,321,226</u>	<u>215</u>	<u>1,321,441</u>
Total current assets	\$ 69,313,201	\$ 6,548,963	\$ 75,862,164
Noncurrent assets			
Restricted assets			
Cash and investments	\$ -	\$ 6,576,320	\$ 6,576,320
Long-term receivable	161,069	-	161,069
Investment in joint venture	14,076,793	-	14,076,793
Net pension asset	258,199	-	258,199
Capital assets			
Non-depreciable	25,276,943	412,334	25,689,277
Depreciable - net of accumulated depreciation	<u>194,182,034</u>	<u>6,938,421</u>	<u>201,120,455</u>
Total noncurrent assets	\$ 233,955,038	\$ 13,927,075	\$ 247,882,113
Total Assets	\$ 303,268,239	\$ 20,476,038	\$ 323,744,277
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow for other post employment benefits liability	\$ 11,103,588	\$ 60,776	\$ 11,164,364
Deferred outflow for pensions	<u>15,802,911</u>	<u>30,222</u>	<u>15,833,133</u>
Total Deferred Outflows of Resources	\$ 26,906,499	\$ 90,998	\$ 26,997,497

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2021
(Continued)**

	Primary Government			Total	
	Governmental Activities	Business-type Activities			
LIABILITIES					
Current liabilities					
Accounts payable	\$ 1,751,855	\$ 71,395	\$	1,823,250	
Salaries payable	616,628	-	\$	616,628	
Accrued payroll taxes payable	42,748	-	\$	42,748	
Contracts payable	37,883	-	\$	37,883	
Due to other governments	448,144	-	\$	448,144	
Accrued interest payable	3,010	-	\$	3,010	
Claims payable	57,277	-	\$	57,277	
Customer deposits	236,796	-	\$	236,796	
Unearned Revenue	6,572,498	-	\$	6,572,498	
Compensated absences payable - current	3,314,565	-	\$	3,314,565	
Capital leases payable - current	108,650	-	\$	108,650	
General obligation bonds payable - current	92,381	-	\$	92,381	
Other post employment benefits liability - current	<u>2,488,239</u>	<u>13,620</u>	<u>\$</u>	<u>2,501,859</u>	
Total current liabilities	<u>\$ 15,770,674</u>	<u>\$ 85,015</u>	<u>\$ 15,855,689</u>		
Noncurrent liabilities					
Compensated absences payable	\$ 368,285	\$ -	\$	368,285	
Capital lease payable	111,300	-	\$	111,300	
Other post employment benefits liability	43,875,267	203,339	\$	44,078,606	
Net pension liability	15,143,355	40,317	\$	15,183,672	
Estimated liability for landfill closure/postclosure	<u>-</u>	<u>4,785,633</u>	<u>\$</u>	<u>4,785,633</u>	
Total noncurrent liabilities	<u>\$ 59,498,207</u>	<u>\$ 5,029,289</u>	<u>\$ 64,527,496</u>		
Total Liabilities	<u>\$ 75,268,881</u>	<u>\$ 5,114,304</u>	<u>\$ 80,383,185</u>		
DEFERRED INFLOWS OF RESOURCES					
Property taxes collected for subsequent years	\$ 39,299	\$ -	\$	39,299	
Deferred inflow for other post employment benefits liability	3,498,366	19,149	\$	3,517,515	
Deferred inflow for pensions	<u>19,965,254</u>	<u>37,071</u>	<u>\$</u>	<u>20,002,325</u>	
Total Deferred Inflows of Resources	<u>\$ 23,502,919</u>	<u>\$ 56,220</u>	<u>\$ 23,559,139</u>		
NET POSITION					
Net investment in capital assets	\$ 219,184,157	\$ 7,350,755	\$	226,534,912	
Restricted for:					
General government	1,386,144	-	\$	1,386,144	
Public safety	293,850	-	\$	293,850	
Highways and streets	13,811,991	-	\$	13,811,991	
Health and human services	248,260	-	\$	248,260	
Culture and recreation	177,995	-	\$	177,995	
Conservation of natural resources	4,847,257	-	\$	4,847,257	
Environmental uses - expendable	221,870	-	\$	221,870	
Environmental uses - nonexpendable	1,846,499	-	\$	1,846,499	
Economic development	83,164	-	\$	83,164	
Debt service	388,924	-	\$	388,924	
Pensions	258,199	-	\$	258,199	
Landfill closure/postclosure	<u>-</u>	<u>1,790,687</u>	<u>\$</u>	<u>1,790,687</u>	
Unrestricted	<u>(11,345,372)</u>	<u>6,255,070</u>	<u>\$</u>	<u>(5,090,302)</u>	
Total Net Position	<u>\$ 231,402,938</u>	<u>\$ 15,396,512</u>	<u>\$ 246,799,450</u>		

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

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 16,997,377	\$ 2,910,047	\$ 1,078,805	\$ -
Public safety	19,372,688	1,970,045	2,260,318	-
Highways and streets	12,610,573	1,003,330	8,019,511	1,375,822
Sanitation	5,645	-	-	-
Health and human services	23,490,682	1,908,688	13,499,248	-
Culture and recreation	729,739	356	-	-
Conservation of natural resources	3,199,213	4,213,578	420,881	-
Economic development	1,286,835	-	-	-
Interest	10,461	-	-	-
Total governmental activities	\$ 77,703,213	\$ 12,006,044	\$ 25,278,763	\$ 1,375,822
Business-type activities				
Landfill	\$ 2,666,038	\$ 3,145,104	\$ -	\$ -
Total primary government	\$ 80,369,251	\$ 15,151,148	\$ 25,278,763	\$ 1,375,822

General Revenues

Property taxes
Transportation sales and use tax
Mortgage registry and deed tax
Payments in lieu of tax
Grants and contributions not restricted to specific programs
Investment earnings
Miscellaneous

Total general revenues

Change in net position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	
\$ (13,008,525)	\$ -	\$ (13,008,525)	
(15,142,325)	-	(15,142,325)	
(2,211,910)	-	(2,211,910)	
(5,645)	-	(5,645)	
(8,082,746)	-	(8,082,746)	
(729,383)	-	(729,383)	
1,435,246	-	1,435,246	
(1,286,835)	-	(1,286,835)	
(10,461)	-	(10,461)	
\$ (39,042,584)	\$ -	\$ (39,042,584)	
\$ -	\$ 479,066	\$ 479,066	
\$ (39,042,584)	\$ 479,066	\$ (38,563,518)	
\$ 42,460,710	\$ -	\$ 42,460,710	
8,627,535	-	8,627,535	
182,819	-	182,819	
574,414	-	574,414	
3,298,719	-	3,298,719	
(260,361)	134,036	(126,325)	
334,875	-	334,875	
\$ 55,218,711	\$ 134,036	\$ 55,352,747	
\$ 16,176,127	\$ 613,102	\$ 16,789,229	
215,226,811	14,783,410	230,010,221	
\$ 231,402,938	\$ 15,396,512	\$ 246,799,450	

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Highway	Community Services	Public Land Management
ASSETS				
Cash and investments	\$ 22,142,425	\$ 15,820,865	\$ 5,743,531	\$ 1,641,092
Taxes receivable - delinquent	370,231	44,508	182,911	-
Accounts receivable (net)	71,796	-	117,653	-
Accrued interest receivable	142,497	-	-	-
Due from other funds	334,683	115,058	-	-
Contracts receivable	-	-	-	1,660,707
Due from other governments	172,778	4,035,365	2,508,135	-
Loans receivable	-	-	-	-
Inventories	-	718,726	-	-
Prepaid items	850,315	13,794	103,500	4,479
Total Assets	<u>\$ 24,084,725</u>	<u>\$ 20,748,316</u>	<u>\$ 8,655,730</u>	<u>\$ 3,306,278</u>
LIABILITIES				
Accounts payable	\$ 607,097	\$ 409,194	\$ 546,108	\$ 15,463
Salaries payable	334,942	46,904	227,982	5,094
Accrued payroll taxes payable	21,198	3,588	17,442	390
Contracts payable	-	-	-	37,883
Due to other funds	-	-	-	720,855
Due to other governments	82,955	84	51,477	311,196
Claims payable	57,277	-	-	-
Customer deposits	236,796	-	-	-
Unearned Revenue	6,315,101	257,397	-	-
Total Liabilities	<u>\$ 7,655,366</u>	<u>\$ 717,167</u>	<u>\$ 843,009</u>	<u>\$ 1,090,881</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue (Note III.D.)	\$ 421,271	\$ 2,166,208	\$ 536,389	\$ 1,660,707

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

Debt Service	Capital Projects	Nonmajor Funds	Total
\$ 334,891	\$ 5,699,015	\$ 6,301,650	\$ 57,683,469
62,975	19,945	17,579	698,149
-	-	25,860	215,309
-	-	2,715	145,212
-	386,172	-	835,913
-	-	-	1,660,707
-	-	78,660	6,794,938
-	-	75,465	75,465
-	-	-	718,726
-	348,146	992	1,321,226
\$ 397,866	\$ 6,453,278	\$ 6,502,921	\$ 70,149,114
\$ 42	\$ 94,208	\$ 79,743	\$ 1,751,855
-	-	1,706	616,628
-	-	130	42,748
-	-	-	37,883
-	-	115,058	835,913
-	-	2,432	448,144
-	-	-	57,277
-	-	-	236,796
-	-	-	6,572,498
\$ 42	\$ 94,208	\$ 199,069	\$ 10,599,742
\$ 63,065	\$ 21,575	\$ 93,044	\$ 4,962,259

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(Continued)**

	General	Highway	Community Services	Public Land Management
FUND BALANCES				
Nonspendable:				
Missing heirs	\$ 76,449	\$ -	\$ -	\$ -
Inventories	-	718,726	-	-
Prepads	850,315	13,794	103,500	4,479
Environmental trust corpus	-	-	-	-
Restricted for:				
Enhanced 911	190,183	-	-	-
Sheriff's drug contingency	7,871	-	-	-
Sheriff's forfeited property	10,667	-	-	-
DUI assessment	17,127	-	-	-
Lakes area drug investigation forfeiture	68,002	-	-	-
Water plan	7,577	-	-	-
Recreation	177,995	-	-	-
Land based improvements	364,343	-	-	-
Recorder's technology	482,330	-	-	-
Law library	50,773	-	-	-
Attorney's forfeited property	28,620	-	-	-
Aquatic invasive species	22,638	-	-	-
Local option sales tax	-	10,718,614	-	-
Resource development	-	-	-	496,958
Forest access roads	-	-	-	46,087
Debt service	-	-	-	-
Solid waste (non-landfill)	-	-	-	-
Greater Minnesota landfill cleanup fee	-	-	-	-
Economic development revolving loans	-	-	-	-
Environmental uses	-	-	-	-
Unorganized townships	-	-	-	-
Ditch #13	-	-	-	-
Tax forfeited capital projects	452,501	-	-	-
Committed for:				
Dive team	20,002	-	-	-
Explorer's Program	748	-	-	-
BLADE	10,163	-	-	-
Facilities	330,328	-	-	-
Mounted patrol	9,504	-	-	-
Triad	5,139	-	-	-
Veterans' service van	2,053	-	-	-
Thirty Lakes Watershed	124,059	-	-	-
Information technology	168,166	-	-	-
Employee recognition program	9,099	-	-	-
Other post employment benefits (OPEB)	1,400,000	-	-	-
Highway improvement plan	-	4,738,149	-	-
Assigned for:				
Highway	-	1,675,658	-	-
Community services	-	-	7,172,832	-
Capital projects	-	-	-	-
Solid waste (non-landfill)	-	-	-	-
Public land management	-	-	-	7,166
Debt service	-	-	-	-
Unassigned	11,121,436	-	-	-
Total Fund Balances	\$ 16,008,088	\$ 17,864,941	\$ 7,276,332	\$ 554,690
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 24,084,725	\$ 20,748,316	\$ 8,655,730	\$ 3,306,278

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

Debt Service	Capital Projects	Nonmajor Funds	Total
\$ -	\$ -	\$ -	\$ 76,449
-	-	-	718,726
-	348,146	992	1,321,226
-	-	1,846,499	1,846,499
-	-	-	190,183
-	-	-	7,871
-	-	-	10,667
-	-	-	17,127
-	-	-	68,002
-	-	-	7,577
-	-	-	177,995
-	-	-	364,343
-	-	-	482,330
-	-	-	50,773
-	-	-	28,620
-	-	-	22,638
-	-	-	10,718,614
-	-	-	496,958
-	-	-	46,087
328,869	-	-	328,869
-	2,190,801	2,190,801	
-	430,066	430,066	
-	7,699	7,699	
-	221,870	221,870	
-	960,517	960,517	
-	11,160	11,160	
-	-	452,501	
-	-	-	20,002
-	-	-	748
-	-	-	10,163
-	-	-	330,328
-	-	-	9,504
-	-	-	5,139
-	-	-	2,053
-	-	-	124,059
-	-	-	168,166
-	-	-	9,099
-	-	-	1,400,000
-	-	-	4,738,149
-	-	-	1,675,658
-	-	-	7,172,832
-	5,989,349	-	5,989,349
-	-	541,204	541,204
-	-	-	7,166
5,890	-	-	5,890
-	-	-	11,121,436
\$ 334,759	\$ 6,337,495	\$ 6,210,808	\$ 54,587,113
\$ 397,866	\$ 6,453,278	\$ 6,502,921	\$ 70,149,114

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021**

Fund balance - total governmental funds	\$ 54,587,113
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.	219,458,977
Long-term receivables are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	161,069
Investment in joint venture is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds.	14,076,793
Deferred outflows resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.	15,802,911
Deferred outflows resulting from other post employment benefits liability are not available resources and, therefore, are not reported in governmental funds.	11,103,588
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	4,922,960
Net Pension Asset is not available to pay in the current period and therefore is not reported in the funds	258,199
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	\$ (92,500)
Discount on bonds issued	119
Accrued interest payable	(3,010)
Other post employment benefits liability	(46,363,506)
Net pension liability	(15,143,355)
Compensated absences payable	(3,682,850)
Capital lease payable	<u>(219,950)</u>
	(65,505,052)
Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in governmental funds.	(19,965,254)
Deferred inflows resulting from other post employment benefits liability are not due and payable in the current period and, therefore, are not reported in governmental funds.	(3,498,366)
Net position of governmental activities	<u>\$ 231,402,938</u>

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

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Highway	Community Services	Public Land Management
REVENUES				
Taxes	\$ 24,402,274	\$ 10,487,406	\$ 13,503,711	\$ -
Special assessments	-	-	-	-
Licenses and permits	926,528	-	-	993,855
Intergovernmental	3,104,372	8,885,131	14,878,620	179,770
Charges for services	3,171,979	1,423,374	1,419,762	2,515
Fines and forfeits	55,678	-	-	-
Gifts and contributions	112,046	-	10,000	-
Investment earnings	(241,891)	-	-	126,940
Sales	-	-	-	2,297,698
Miscellaneous	1,346,014	18,647	411,042	51,434
Total Revenues	\$ 32,877,000	\$ 20,814,558	\$ 30,223,135	\$ 3,652,212
EXPENDITURES				
Current				
General government	\$ 15,757,222	\$ -	\$ -	\$ -
Public safety	15,975,568	-	2,921,487	-
Highways and streets	200	6,566,859	-	-
Health and human services	2,985	-	23,476,188	-
Culture and recreation	621,637	-	-	-
Conservation of natural resources	188,915	-	-	2,198,020
Economic development	1,258,217	-	-	-
Capital Outlay				
General government	9,835	-	-	-
Public safety	247,973	-	-	-
Highways and streets	-	11,856,674	-	-
Conservation of natural resources	760,041	-	-	339,010
Intergovernmental	-	403,021	-	-
Debt Service				
Principal	-	106,000	-	-
Interest	-	6,229	-	-
Administrative charges	-	134	-	-
Total Expenditures	\$ 34,822,593	\$ 18,938,917	\$ 26,397,675	\$ 2,537,030
Excess of Revenues Over (Under) Expenditures	\$ (1,945,593)	\$ 1,875,641	\$ 3,825,460	\$ 1,115,182
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,242,518	\$ 98,715	\$ -	\$ -
Transfers out	-	-	-	(1,242,518)
Proceeds from sale of capital assets	-	-	-	-
Insurance proceeds	64,983	5,911	-	-
Total Other Financing Sources (Uses)	\$ 1,307,501	\$ 104,626	\$ -	\$ (1,242,518)
Net Change in Fund Balances	\$ (638,092)	\$ 1,980,267	\$ 3,825,460	\$ (127,336)
Fund Balance - January 1	16,646,180	15,669,950	3,450,872	537,241
Prior Period Adjustment (See Note V)	-	-	-	144,785
Fund balance - January 1, as Restated	16,646,180	15,669,950	3,450,872	682,026
Increase (decrease) in inventories	-	214,724	-	-
Fund balance - December 31	\$ 16,008,088	\$ 17,864,941	\$ 7,276,332	\$ 554,690

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

Debt Service	Capital Projects	Nonmajor Funds	Total
\$ 108,169	\$ 2,004,068	\$ 1,124,356	\$ 51,629,984
-	-	637,538	637,538
-	-	99	1,920,482
1,691	2,648,945	385,688	30,084,217
-	-	394,613	6,412,243
-	-	-	55,678
-	-	-	122,046
-	-	(30,476)	(145,427)
-	-	-	2,297,698
-	94,332	202,730	2,124,199
\$ 109,860	\$ 4,747,345	\$ 2,714,548	\$ 95,138,658
\$ -	\$ 440,499	\$ 103,551	\$ 16,301,272
-	30,577	201,676	19,129,308
-	-	743,318	7,310,377
-	27,496	-	23,506,669
-	-	-	621,637
-	-	1,155,239	3,542,174
-	-	28,618	1,286,835
-	104,176	-	114,011
-	664,487	-	912,460
-	484,604	-	12,341,278
-	-	-	1,099,051
-	-	-	403,021
90,000	-	-	196,000
4,517	-	-	10,746
501	-	-	635
\$ 95,018	\$ 1,751,839	\$ 2,232,402	\$ 86,775,474
\$ 14,842	\$ 2,995,506	\$ 482,146	\$ 8,363,184
\$ -	\$ -	\$ 134,036	\$ 1,475,269
-	-	(232,751)	(1,475,269)
-	57,830	-	57,830
-	-	-	70,894
\$ -	\$ 57,830	\$ (98,715)	\$ 128,724
\$ 14,842	\$ 3,053,336	\$ 383,431	\$ 8,491,908
319,917	3,017,395	5,827,377	45,468,932
-	266,764	-	411,549
319,917	3,284,159	5,827,377	45,880,481
\$ 334,759	\$ 6,337,495	\$ 6,210,808	\$ 54,587,113

**CROW WING COUNTY
BRAINERD, 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
FOR THE YEAR ENDED DECEMBER 31, 2021**

Net change in fund balances - total governmental funds	\$ 8,491,908
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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 (decrease) in unavailable revenue.

Deferred inflows of resources - December 31	\$ 4,922,960
Deferred inflows of resources - January 1	<u>(5,033,033)</u>
	(110,073)

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the statement of activities, only the gain or loss on the disposal of capital assets is reported; whereas, in the governmental funds, the proceeds from the sale increase financial resources. Therefore, the change in net position differs from the change in fund balance by the net book value of the assets sold.

Expenditures for general capital assets and infrastructure	\$ 12,962,315
Net book value of assets sold or disposed	(112,071)
Trade-in value received for capital assets	92,835
Current year depreciation	<u>(7,512,554)</u>
	5,430,525

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 and 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 activities.

Principal repayments	
General obligation bonds	90,000
Capital lease	106,000
Long term receivables	(5,645)
Amortization of premium and discount on bonds	<u>(1,427)</u>
	188,928

Decrease in joint venture does not provide current financial resources and is not reported as revenue in the funds. (691,417)

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	\$ 2,213
Change in compensated absences	(93,180)
Change in inventories	214,724
Change in other post employment benefits liability	(2,308,125)
Change in net pension liability/net pension asset	6,734,183
Change in deferred outflows of resources for pensions	11,576,587
Change in deferred outflows of resources for other post employment benefits liability	2,404,036
Change in deferred inflow of resources for pensions	(15,160,794)
Change in deferred inflow of resources for other post employment benefits liability	<u>(503,388)</u>
	2,866,256

Change in net position of governmental activities	\$ 16,176,127
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The notes to the financial statements are an integral part of this statement.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET POSITION
LANDFILL ENTERPRISE FUND
DECEMBER 31, 2021**

ASSETS

Current assets

Cash and investments	\$ 6,408,867
Accounts receivable	139,881
Prepaid items	215
<hr/>	
Total current assets	\$ 6,548,963

Noncurrent assets

Restricted assets	\$ 6,576,320
Cash and investments	412,334
Capital assets	6,938,421
Non-depreciable	215
Depreciable - net of accumulated depreciation	13,927,075
<hr/>	
Total noncurrent assets	\$ 20,476,038

Total Assets

\$ 20,476,038

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow for pensions	\$ 30,222
Deferred outflow for other post employment benefits	60,776
	\$ 90,998

LIABILITIES

Current liabilities

Accounts payable	\$ 71,395
Other post employment benefits liability - current	13,620
<hr/>	

Total current liabilities

\$ 85,015

Noncurrent liabilities

Other post employment benefits liability	\$ 203,339
Net pension liability	40,317
Estimated liability for landfill closure/postclosure	4,785,633
<hr/>	

Total noncurrent liabilities

\$ 5,029,289

Total Liabilities

\$ 5,114,304

DEFERRED INFLOWS OF RESOURCES

Deferred inflow for other post employment benefits obligations	\$ 19,149
Deferred inflow for pensions	37,071
	\$ 56,220
<hr/>	

NET POSITION

Net investment in capital assets	\$ 7,350,755
Restricted for landfill closure/postclosure	1,790,687
Unrestricted	6,255,070
<hr/>	
Total Net Position	\$ 15,396,512

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
LANDFILL ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

OPERATING REVENUES

Charges for services	\$ 3,142,954
Licenses and permits	<u>2,150</u>
Total Operating Revenues	<u>\$ 3,145,104</u>

OPERATING EXPENSES

Personnel services	\$ 166,029
Employee benefits and payroll taxes	47,147
Professional services	136,072
Contracted services	1,007,302
Maintenance	80,655
Supplies	101,178
Telephone	940
Utilities	47,419
Fuel	4,872
Advertising	8,959
Insurance	5,593
Staff training	75
Licenses and dues	1,475
Postage	4,391
Engineering costs	494,433
Miscellaneous	19,284
Depreciation	429,917
Landfill closure and postclosure costs	<u>110,297</u>
Total Operating Expenses	<u>\$ 2,666,038</u>

Operating Income (Loss)

NONOPERATING REVENUES (EXPENSES)	
Investment earnings	<u>\$ 134,036</u>

Income (Loss) Before Contributions and Transfers	<u>\$ 613,102</u>
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Transfers in	134,036
Transfers out	<u>(134,036)</u>

Change in Net Position	<u>\$ 613,102</u>
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Net Position - Beginning	<u>\$ 14,783,410</u>
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Net Position - Ending	<u>\$ 15,396,512</u>
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The notes to the financial statements are an integral part of this statement.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF CASH FLOWS
LANDFILL ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
Increase (Decrease) in Cash and Cash Equivalents**

Cash Flows from Operating Activities

Receipts from customers and users	\$ 3,136,152
Payments to suppliers	(1,869,802)
Payments to employees for salaries and benefits	<u>(241,651)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,024,699</u>

Cash Flows from Noncapital Financing Activities

Transfers in from other funds	\$ 134,036
Transfers out to other funds	<u>(134,036)</u>

Net cash provided by (used in) noncapital financing activities

\$ -

Cash Flows from Capital and Related Financing Activities

Purchases of capital assets	<u>\$ (653,396)</u>
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Net cash provided by (used in) capital and related financing activities

\$ (653,396)

Cash Flows from Investing Activities

Investment earnings received	<u>\$ 134,036</u>
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Net cash provided by (used in) investing activities

\$ 134,036

Net Increase (Decrease) in Cash and Cash Equivalents

\$ 505,339

Cash and Cash Equivalents at January 1

12,479,848

Cash and Cash Equivalents at December 31

\$ 12,985,187

Cash and Cash Equivalents - Statement of Net Position

Cash and investments	\$ 6,408,867
Restricted cash and investments	<u>6,576,320</u>

Total Cash and Cash Equivalents

\$ 12,985,187

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF CASH FLOWS
LANDFILL ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
Increase (Decrease) in Cash and Cash Equivalents
(Continued)**

**Reconciliation of Operating Income (Loss) to Net
Cash Provided by (Used in) Operating Activities**

Operating income (loss)	\$ 479,066
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation expense	\$ 429,917
(Increase) decrease in accounts receivable	(8,952)
(Increase) decrease in prepaid items	199
(Increase) decrease in deferred outflow for pensions	(23,629)
(Increase) decrease in deferred outflow for other post employment benefits obligations	(8,946)
Increase (decrease) in accounts payable	42,647
Increase (decrease) in salaries payable	(1,350)
Increase (decrease) in compensated absences payable	(18,571)
Increase (decrease) in deferred inflow for pensions	34,096
Increase (decrease) in deferred inflow for other post employment benefits obligations	1,306
Increase (decrease) in other post employment benefits obligations	12,633
Increase (decrease) in pension liability	(24,014)
Increase (decrease) in landfill closure/postclosure costs liability	<u>110,297</u>
Total adjustments	\$ 545,633
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,024,699</u>

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021**

	Custodial Funds	Private-Purpose Trust Funds
ASSETS		
Cash and investments	\$ 5,403,393	\$ 21,214
Due from other governments	497,601	-
Taxes for other governments	1,574,397	-
Total Assets	7,475,391	21,214
LIABILITIES		
Due to others	314,675	250
Due to other governments	4,196,396	-
Total Liabilities	4,511,071	250
DEFERRED INFLOWS OF RESOURCES		
Property taxes collected for subsequent period	<u>78,614</u>	<u>-</u>
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	<u>\$ 2,885,706</u>	<u>\$ 20,964</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021**

	Custodial Funds	Private-Purpose Trust Funds
ADDITIONS		
Contributions		
Individuals	\$ 732,058	\$ 140,464
Gifts and contributions	948,719	-
Property tax collections for other governments	88,376,015	-
License and fees collected for state	18,883,420	-
Miscellaneous	3,174,378	1,343
Total Additions	112,114,590	141,807
DEDUCTIONS		
Beneficiary payments to individuals	722,972	163,370
Payments of property tax to other governments	88,867,461	-
Administrative expense	71,163	-
Payments to other entities	23,953,260	-
Total Deductions	113,614,856	163,370
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION		
	(1,500,266)	(21,563)
Fiduciary Net Position - Beginning of Year	<u>4,385,972</u>	<u>42,527</u>
FIDUCIARY NET POSITION - END OF YEAR	\$ 2,885,706	\$ 20,964

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

I. Summary of Significant Accounting Policies

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2021. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, issued in June 1999.

A. Financial Reporting Entity

Crow Wing County was established May 23, 1857, and is an organized county having the powers, duties, and privileges granted to counties by Minn. Stat. ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Crow Wing County. The County is governed by a five-member Board of Commissioners elected from districts within the County. The County Board is organized with a chair and vice chair elected at the annual meeting in January of each year. The County Administrator serves as the clerk of the County Board of Commissioners but has no vote.

Crow Wing County Housing and Redevelopment Authority

Crow Wing County Housing and Redevelopment Authority (HRA) was created to administer the public housing programs authorized by the United States Housing Act of 1937, as amended, and to carry out other housing assistance programs. The HRA is currently governed by a five-member Board of Directors appointed by the Crow Wing County Board of Commissioners. The HRA is not material and is therefore not disclosed in this report.

Joint Ventures

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

B. Basic Financial Statements

Government-Wide Statements

The government-wide financial statements (the statement of net position and the statement of activities) display information about the government. These statements include the financial activities of the overall County government, except for fiduciary activities. The effect of interfund activity has been removed from these statements, but interfund services provided and used are not eliminated in the consolidation process. 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: (a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts: (1) net investment in capital assets; (2)

CROW WING COUNTY BRAINERD, MINNESOTA

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 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.

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 in a separate column in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Landfill Enterprise Fund are charges to customers for services provided and for the issuance of licenses and permits. Operating expenses for the Landfill Enterprise Fund include the cost of services, administrative expenses, depreciation, and costs relating to landfill closure and postclosure. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The Highway Special Revenue Fund is used to account for all costs for maintenance and construction of streets and highways. Financing comes primarily from an annual property tax levy and restricted intergovernmental revenue from the state and federal governments.

The Community Services Special Revenue Fund is primarily used to account for all costs for health and human services. Financing comes mainly from an annual property tax levy and restricted intergovernmental revenue from the state and federal governments.

The Public Land Management Special Revenue Fund is used to account for financial transactions resulting from the management of Crow Wing County's tax-forfeited lands. Financing comes primarily from issuance of timber permits, timber sales, and the sale of tax-forfeited properties.

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CROW WING COUNTY BRAINERD, MINNESOTA

The County reports the following major enterprise fund:

The Landfill Enterprise Fund is used to account for the operation, maintenance, and development of the County's solid waste landfill.

Additionally, the County reports the following fund types:

The Permanent Fund is used to report resources legally restricted to the extent that only earnings, and not principal from the Environmental Trust Permanent Fund may be used for environmental purposes in accordance with Minn. Stat. § 373.475.

Private-purpose trust funds are used to report trust arrangements other than pension or investment trusts, under which principal and income benefit individuals, private organizations, or other governments. The County reports two private-purpose trust funds, the North Long Lake Sanitary Sewer District (NLLSSD) Trust, which is maintained as a long-term replacement fund for the sewer system of the District and the Social Welfare Fund which accounts for the activity related to income received and payments made 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: to account for the collection and disbursement of taxes on behalf of other local governments within the County; as an agent for a mental health collaborative, child protection services, and estate recoveries; as an agent for local lake improvement districts, recreational trails, and other environmental purposes; as an agent for a water quality awareness organization; as an agent for an adult mental health delivery system organization; as an agent for state revenue payments, and as an agent for the inmates of the Crow Wing County Jail.

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Crow Wing County considers all revenues as available if collected within 60 days after the end of the current period. Property taxes, special assessments, intergovernmental revenue, 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 capital leases are reported as other financing sources.

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

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

1. Cash and Investments

The cash balances of substantially all funds are pooled and invested by the Administrative Services Director for the purpose of increasing earnings through investment activities. Investments are reported at their fair value at December 31, 2021. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value or fair value per share. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments of governmental and fiduciary funds are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. The pooled investment losses for 2021 were \$126,325.

Cash and cash equivalents are identified only for the purpose of the statement of cash flows reporting by the proprietary fund. Crow Wing County has defined cash and cash equivalents to include cash on hand, demand deposits, certificates of 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.

2. Receivables and Payables

Activity between funds that are 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."

3. Property Taxes

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

4. Inventories and Prepaid Items

All inventories are valued at cost using the average cost method. Inventories in governmental funds are recorded as expenditures when purchased rather than when consumed. Reported inventories are equally offset by nonspendable fund balance to indicate that they do not constitute "available spendable resources." Inventories at the government-wide level are recorded as expenses when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CROW WING COUNTY BRAINERD, MINNESOTA

5. Restricted Assets

Restricted cash represents monies set aside to be used in the future for monitoring and closing County landfills. Interest earned on cash balances is allocated to cash and restricted cash balances.

6. Capital Assets

Capital assets, which include land; construction in progress; infrastructure – right-of-way; buildings; land improvements; machinery, furniture, and equipment; infrastructure; and landfill are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the Landfill Enterprise Fund. Capital assets are defined by the County as assets with an initial, individual cost of more than \$15,000 and an estimated useful life in excess of three years, and any motorized vehicle. Federally funded capital assets are identified with an initial, individual cost of \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value (entry price) on the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Property, plant, and equipment of the government are depreciated using the straight-line method to allocate the cost on an annual basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30 – 100
Building improvements	7 – 30
Infrastructure	50 – 75
Machinery, furniture, and equipment	3 – 20
Improvements other than buildings	20 – 30
Landfill	4 – 25

7. Other Postemployment Benefits Liability (OPEB Liability)

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

8. Pension Plan

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

CROW WING COUNTY BRAINERD, MINNESOTA

9. Deferred Outflows 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category: deferred outflow for pensions and deferred outflow for OPEB, all of which are reported in the government-wide statement of net position. The pension obligation amounts consist of pension plan contributions paid subsequent to the measurement date, changes in actuarial assumptions, and the differences between projected and actual earnings on pension plan investments. The deferred outflow for OPEB is related to contributions subsequent to the plan's measurement date.

10. Compensated Absences

Compensated absences will be reported for paid time off (PTO) hours and vested extended leave bank (ELB) hours. The County accrues the compensated absences liability when incurred in both the government-wide and proprietary fund financial statements. The government-wide and proprietary fund financial statements report both current and noncurrent portions of compensated absences. The current portion is calculated using a trend analysis of current usage of PTO. The resulting percentage is then used to determine the current portion of compensated absences. The noncurrent portion consists of the remaining amount of compensated absences.

PTO

PTO hours are accrued by both full-time and part-time County employees. Under the County's personnel policies and union contracts, employees are granted PTO leave in varying amounts based on their years of service. PTO leave accrual varies from 21 to 34 days per year. County employees are allowed to carry a maximum balance of 480 hours (60 days) at any given time.

PTO Severance Pay – Employees leaving County service voluntarily and in good standing, and who provide proper advance notice, are entitled to receive 100 percent of their remaining accrued PTO leave at their current hourly rate.

PTO Current and Long-Term Compensated Absences – The County estimates that 90 percent of the year-end balances of PTO severance pay compensated absences will be used in the following year (assumes a FIFO methodology). Subsequently, ten percent of PTO severance pay compensated absences will be used beyond the following year.

ELB

ELB Severance Pay – Vested ELB applies only to employees who were hired before January 1, 1986, and who did not select the buy-out option. Vested ELB, up to 120 days, is paid upon retirement or, in the event of death, to the beneficiary. Any County employee separating his/her employment with the County will forfeit any accrued ELB other than the one exception listed above.

ELB Current and Long-Term Compensated Absences – ELB severance pay compensated absences are treated as current for employees that have met Public Employees Retirement Association (PERA) of Minnesota eligibility requirements for retirement in the following year and long-term for employees who will not have met PERA eligibility requirements in the following year.

CROW WING COUNTY BRAINERD, MINNESOTA

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.

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, except in the case of an advance refunding where current year equity contributions are reported as a current expenditure – payment to refunded bond escrow agent, in addition to the face amount reported in 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.

Because the rates of interest paid on tax exempt debt are normally lower than those paid on taxable securities, it is sometimes possible for state and local governments to profit from this disparity in interest rates by temporarily reinvesting unexpended proceeds of lower interest tax exempt borrowings in higher yielding taxable securities. When the proceeds of tax-exempt debt are reinvested in this manner, the profits realized are referred to as “arbitrage earnings,” which must be rebated to the federal government.

12. Deferred Inflows of Resources

In addition to liabilities, the statement of net 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 a future period(s) and so will not be recognized as an inflow of resources (revenue or reduction of expense) until that time. The government has four types of items. The first, unavailable revenue, arises only under a modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The government also has deferred inflows related to pension obligations. The differences between expected and actual economic experience are recognized over a four or six year period, depending on retirement plan. The other deferred inflows related to pension are deferred and the length of the expense recognition period is equal to the average of the expected remaining services lives of all employees that are provided with pensions through the pension plan, determined as of the beginning of the measurement period. The deferred inflow for OPEB relates primarily to results from the changes in total OPEB liability and in the OPEB plan’s fiduciary net position. The final type occurs because the County collected property taxes prior to the year for which they were levied and, therefore, the County will report deferred inflows for these items.

13. Unearned Revenue

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

14. Classification of Net Position

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

CROW WING COUNTY BRAINERD, MINNESOTA

Net investment in capital assets

The amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted net position

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

Unrestricted net position

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

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

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

Restricted

The restricted fund balance category includes the portion of spendable fund balance that reflects constraints on spending because of legal restrictions stipulated by outside parties, or any legal restrictions based on state statutes or grant requirements placed on the use for specific purposes. In addition, funds imposed by law through constitutional provisions or enabling legislation are deemed “restricted.”

Committed

The committed fund balance classification includes the portion of spendable fund balance that reflects constraints that the County has imposed upon itself by a formal action of the County Board (for example, a resolution passed by the County Board). This constraint must be imposed prior to year end but the amount can be determined at a later date, and once adopted, the limitation imposed remains in place until a similar action (i.e., a resolution) is taken to remove or revise the limitation.

Assigned

The assigned fund balance is the portion of spendable fund balance that reflects funds intended to be used by the government for specific purposes assigned by more informal operational plans. In governmental funds other than the General Fund, assigned fund balance represents the amount

CROW WING COUNTY BRAINERD, MINNESOTA

that is not restricted or limited. The authority to assign fund balances for certain purposes resides with the County Administrator or Finance Director, in accordance with the *Fund Balance and Reserves Policy* adopted by the County Board.

Unassigned

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

Unassigned amounts are available for any purpose. These are the current resources available for which there are no government self-imposed limitations or set spending plan. Although there is generally no set spending plan for the unassigned portion, there is a need to maintain a certain funding level. Unassigned fund balance is commonly used for emergency expenditures not previously considered. In addition, the resources classified as unassigned can be used to cover expenditures for revenues not yet received.

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. 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

E. Revenues

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs. The modified accrual basis of accounting is used by all governmental fund types. Under this basis, revenue is not recognized in the financial statements unless it is available to finance current expenditures.

Imposed Nonexchange Transactions

Imposed nonexchange transactions result from assessments by governments on nongovernmental entities and individuals. Property taxes, fines and penalties, and property forfeitures are imposed nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes were levied, to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable but not available are reported as unavailable revenue and will be recognized as revenue in the fiscal year that they become available. Fines and penalties and property forfeitures are recognized in the period received.

CROW WING COUNTY BRAINERD, MINNESOTA

Intergovernmental

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for a specific purpose. The provider government establishes purpose restrictions and also may establish time requirements. Federal and state grants mandating the County perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when eligibility and time requirements are met, usually when the corresponding expenditure is incurred.

Voluntary nonexchange transactions result from legislative or contractual agreements, such as grants, entitlements, appropriations, and donations. The provider may establish purpose restrictions or eligibility requirements. Revenues are recognized in the year to which they apply according to the statute or contract. Gifts and contributions from individuals are also considered voluntary nonexchange transactions and are generally recognized when received.

Tax credits paid by the state are included in intergovernmental revenues and are recognized as revenue in the fiscal year that they become available. Subject to the availability criterion, state-aid highway allotments for highway maintenance and construction are recognized as revenue in the year of allotment.

Exchange Transactions

Special assessments levied against benefiting properties are recognized under the modified accrual basis when available to finance current expenditures. Other revenues, such as licenses and permits, charges for services, and investment income, are recognized as revenue when earned.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

The purpose of establishing an operating budget is to ensure the County's annual operating expenditures are based on a stable stream of revenues.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Between April and August of each year, the County Administrator and Administrative Services Finance Division staff work with department heads to assist in budget entry into the financial system's budget module. Data is entered and maintained in the financial system.
2. On or before September 15th, the County Administrator submits to the County Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
3. In December, public meetings or hearings are conducted in accordance with the state truth-in-taxation statutes to obtain taxpayer comments and adopt the final tax levy and budgets for the General Fund, Special Revenue Funds, Capital Projects Fund, Debt Service Fund, Permanent Fund, and the Landfill Enterprise Fund.
4. Revisions that alter the net budgeted revenues or expenditures of any fund must be approved by the County Board of Commissioners.

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5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Fund, Debt Service Fund, Permanent Fund, and the Landfill Enterprise Fund.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts will be reported as originally adopted and as amended by the County Board of Commissioners on the budgetary comparison schedules.
7. Operating budgets are prepared and presented for the following funds: General; Highway, Community Services, Public Land Management, Solid Waste (Non-Landfill), Unorganized Townships, and Ditch Special Revenue Funds; Debt Service; Capital Projects; and Environmental Trust. Operating budgets are prepared, but not presented, for the Landfill Enterprise Fund.

B. Tax Abatements

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

In the case of the County, TIF agreements of other local governments have resulted in reductions of the County property tax revenues for the year ended December 31, 2021, as shown below:

City	Captured Net Tax Capacity	County Tax Rate	Abated County Tax
City of Baxter	\$ 628,730	33.069%	\$ 207,915
City of Brainerd	265,345	32.447%	86,096
City of Breezy Point	11,282	33.069%	3,731
City of Crosby	124,169	32.296%	40,102
City of Crosslake	22,493	33.069%	7,438
City of Nisswa	12,238	33.069%	4,047
Total	<u>\$ 1,064,257</u>		<u>\$ 349,329</u>

C. Expenditures in Excess of Budget

The following funds had expenditures in excess of budget at the fund level for the year ended December 31, 2021:

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	Expenditures	Final Budget	Excess
Highway	18,938,917	18,857,162	81,755
Public Land Management	2,537,030	2,009,696	527,334
Debt	95,018	94,746	272
Ditch	38,118	14,201	23,917

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

III. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

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

Government-wide statement of net position		
Governmental activities		
Cash and investments	\$ 57,683,469	
Business-type activities		
Cash and investments	6,408,867	
Cash and investments - restricted assets	6,576,320	
Statement of fiduciary net position		
Cash and investments	<u>5,424,607</u>	
Total Cash and Investments	<u><u>\$ 76,093,263</u></u>	
Deposits	\$ 32,386,287	
Petty Cash and Change Funds	2,945	
Investments	<u>43,704,031</u>	
Total	<u><u>\$ 76,093,263</u></u>	

a) Deposits

Minn. Stat. §§ 118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all County deposits be protected by 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

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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 – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. The County deposit policy for custodial credit risk follows Minnesota Statutes regarding pledging collateral. The market value of collateral must equal 110% of the deposits not covered by insurance or surety bonds. As of December 31, 2021, the County's deposits were fully covered by insurance, surety bonds, and collateral and were not exposed to custodial credit risk.

b) Investments

Minn. Stat. §§ 118A.04 and 118A.05 generally authorize the following types of investments as available to the County:

- (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.

c) 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. Listed in Section V of the County's *Investment Policy*, the County minimizes its exposure to interest rate risk by investing in both short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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As of December 31, 2021, the County had the following investments and maturities:

	Credit Risk	Less Than 1 Year	1-5 Years	More Than 5 Years	Total Fair Value
U.S. Treasuries	NR	\$ 746,321	\$ 1,723,656	\$ -	\$ 2,469,977
Mutual Funds	NR	5,353,119	-	-	5,353,119
Mortgage Backed Securities	N/A*	-	-	2,394,193	2,394,193
Federal Agricultural Mortgage Corporation	N/A*	-	-	240,775	240,775
Federal Home Loan Mortgage Corporation	N/A*	-	684,607	482,550	1,167,157
Federal Home Loan Bank	N/A*	-	5,077,493	1,015,381	6,092,874
Federal Farm Credit Banks	N/A*	-	2,720,656	1,504,840	4,225,496
Municipal Bonds	NR	576,247	196,723	29,223	802,193
Municipal Bonds	AA	1,203,242	8,047,222	5,071,577	14,322,041
Municipal Bonds	AAA	795,482	4,365,653	1,475,071	6,636,206
Total Investments		<u>\$ 8,674,411</u>	<u>\$ 22,816,010</u>	<u>\$ 12,213,610</u>	<u>\$ 43,704,031</u>

* Per GASB-S40:7, it is not necessary to disclose the credit ratings of obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government.

d) 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.

The risk of loss due to failure of the security issuer or backer will be minimized by:

- (1) Limiting investments to the types of securities listed in Section V of the County's *Investment Policy*.
- (2) Pre-qualifying the financial institutions, broker/dealers, and investment managers with which the County will do business in accordance with Section VI of the County's *Investment Policy*.
- (3) Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Insurance or collateral may be required to ensure return of principal.

The County's exposure to credit risk as of December 31, 2021, is listed in the table above.

e) Custodial Credit Risk

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 that are in the possession of an outside party. The County has no custodial credit risk for investments as of December 31, 2021.

As listed in Section VI of the County's *Investment Policy*, securities purchased shall be held in a segregated account for the County's benefit at a third party trustee as safekeeping agent. The investment dealer or bank in which the security is purchased shall issue a confirmation ticket to the County listing the specific instrument, issuer, coupon, maturity, CUSIP number, purchase or

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sale price, transaction date, and other pertinent information. The financial service provider which executes the transaction on the County's behalf shall deliver all securities on a delivery versus payment method (DVP) to the designated third party. Delivery versus payment (DVP) is a way of controlling the risk to which securities market participants are exposed. Delivery of securities (i.e. the change in their ownership) is done simultaneously with payment. This means that neither the buyer nor the seller is exposed to the risk that the other will default.

Investments, contracts, and agreements may be held in safekeeping with:

- (1) Any Federal Reserve bank;
- (2) Any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased;
- (3) A primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
- (4) A securities broker-dealer, or affiliate of it, that meets the following requirements:
 - (a) It is registered as a broker-dealer under chapter 80A or is exempt from the registration requirements;
 - (b) It is regulated by the Securities and Exchange Commission; and
 - (c) It maintains insurance through the Securities Investor Protection Corporation or excess insurance coverage in an amount equal to or greater than the value of the securities held.

The County's ownership of all securities should be evidenced by written acknowledgments identifying the securities by:

- (1) The names of issuers
- (2) The maturity dates
- (3) The interest rates
- (4) CUSIP numbers or other distinguishing marks

f) Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. It is the County's policy that U.S. Treasury securities, U.S. agency securities, and obligations backed by U.S. Treasury and/or U.S. agency securities may be held without limit. These investments are implicitly guaranteed by the U.S. government.

Diversification strategies will be implemented with the following constraints:

Issuer Type	Maximum % of Total Portfolio ²
Savings/demand deposits ¹	50%
Certificates of Deposit	75%
U.S. Treasury Obligations	100%
U.S. Agency Securities	100%
Municipal Securities	100%
Per issuer:	10%

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¹ The savings/demand deposits held by the County will fluctuate significantly as a result of property tax collection and settlement. Ideally, the County will hold not more than 20% of its “core investments” in savings/demand deposits, and will ensure a minimum of \$5,000,000 is readily available.

² Due to fluctuations in the value of the portfolio, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase or maturity of a particular security. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made.

More than 5% of the County’s investments are in Municipal Bonds rated AA (35%), Municipal Bonds rated AAA (19%), Mortgage Backed Securities (14%), Mutual Funds (21%), and Federal Farm Credit Banks (6%). The County does not hold any investments in any one issuer that represent 5% or more of the County’s investments.

g) Fair Value Measurements

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, 2021, the County had the following recurring fair value measurements:

	December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 2,469,977	\$ 2,469,977	\$ -	\$ -
Mutual Funds	5,353,119	5,353,119	-	-
Mortgage Backed Securities	2,394,193	-	2,394,193	-
Federal Agricultural Mortgage Corporation	240,775	-	240,775	-
Federal Home Loan Mortgage Corporation	1,167,157	-	1,167,157	-
Federal Home Loan Bank	6,092,874	-	6,092,874	-
Federal Farm Credit Banks	4,225,496	-	4,225,496	-
Municipal Bonds	21,760,440	-	21,760,440	-
	<u>\$ 43,704,031</u>	<u>\$ 7,823,096</u>	<u>\$ 35,880,935</u>	<u>\$ -</u>

Debt securities classified in Level 1 are valued using a quoted price for an identical item in an active market on the measurement date. Debt securities classified in Level 2 are valued using a market approach pricing technique.

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2. Receivables

Receivables as of December 31, 2021, for the County's governmental activities are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Taxes - delinquent	\$ 698,149	\$ -
Accounts (net)	215,309	-
Accrued interest	145,212	-
Contracts	1,660,707	1,427,040
Due from other governments	6,794,938	-
Loans	75,465	64,464
Total Governmental Activities	<u>\$ 9,589,780</u>	<u>\$ 1,491,504</u>

Loans receivable relate to the amount of Small Cities Development grant funds anticipated to be collected as part of the County's development programs. Accounts receivable are offset by an allowance for doubtful accounts. The County develops an estimate of this allowance based on specific identifications. All other receivables are considered collectible in full.

3. Capital Assets

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

Governmental Activities

	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital assets not depreciated				
Land	\$ 15,167,653	\$ 12,300	\$ -	\$ 15,179,953
Construction in progress	9,391,509	11,857,937	(18,792,769)	2,456,677
Infrastructure - right-of-way	7,509,873	130,440	-	7,640,313
Total capital assets not depreciated	<u>\$ 32,069,035</u>	<u>\$12,000,677</u>	<u>\$ (18,792,769)</u>	<u>\$ 25,276,943</u>
Capital assets depreciated				
Buildings	\$ 65,542,445	\$ 6,782,566	\$ (192,404)	\$ 72,132,607
Land improvements	3,105,042	-	-	3,105,042
Machinery, furniture, and equipment	20,837,697	1,923,383	(878,757)	21,882,323
Infrastructure	186,303,134	10,636,909	-	196,940,043
Total capital assets depreciated	<u>\$ 275,788,318</u>	<u>\$19,342,858</u>	<u>\$ (1,071,161)</u>	<u>\$ 294,060,015</u>
Less: accumulated depreciation for				
Buildings	\$ (26,842,103)	\$ (1,936,209)	\$ 191,867	\$ (28,586,445)
Land improvements	(1,705,275)	(154,926)	-	(1,860,201)
Machinery, furniture, and equipment	(16,459,180)	(1,536,304)	860,058	(17,135,426)
Infrastructure	(48,410,794)	(3,885,115)	-	(52,295,909)
Total accumulated depreciation	<u>\$ (93,417,352)</u>	<u>\$ (7,512,554)</u>	<u>\$ 1,051,925</u>	<u>\$ (99,877,981)</u>
Total capital assets depreciated, net	<u>\$ 182,370,966</u>	<u>\$11,830,304</u>	<u>\$ (19,236)</u>	<u>\$ 194,182,034</u>
Governmental Activities Capital Assets, Net	<u>\$ 214,440,001</u>	<u>\$23,830,981</u>	<u>\$ (18,812,005)</u>	<u>\$ 219,458,977</u>

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Depreciation expense for 2021 was charged to functions/programs of the government's governmental activities as follows:

Governmental Activities

General government	\$ 1,227,753
Public safety	1,463,194
Highways and streets (including depreciation of infrastructure assets)	4,548,807
Health and human services	147,462
Culture and recreation	102,606
Conservation of natural resources	22,732
Total Depreciation Expense - Governmental Activities	<u>\$ 7,512,554</u>

Business-Type Activities

	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital assets not depreciated				
Land	\$ 412,334	\$ -	\$ -	\$ 412,334
Construction in progress	<u>4,767,009</u>	<u>217,815</u>	<u>(4,984,824)</u>	<u>-</u>
Total capital assets not depreciated	<u>\$ 5,179,343</u>	<u>\$ 217,815</u>	<u>\$ (4,984,824)</u>	<u>\$ 412,334</u>
Capital assets depreciated				
Buildings	\$ 781,973	\$ -	\$ -	\$ 781,973
Landfill	14,009,773	5,103,821	-	19,113,594
Machinery, furniture, and equipment	<u>290,227</u>	<u>-</u>	<u>-</u>	<u>290,227</u>
Total capital assets depreciated	<u>\$ 15,081,973</u>	<u>\$ 5,103,821</u>	<u>\$ -</u>	<u>\$ 20,185,794</u>
Less: accumulated depreciation for				
Buildings	\$ (449,622)	\$ (28,542)	\$ -	\$ (478,164)
Landfill	(12,092,958)	(399,538)	-	(12,492,496)
Machinery, furniture, and equipment	<u>(274,876)</u>	<u>(1,837)</u>	<u>-</u>	<u>(276,713)</u>
Total accumulated depreciation	<u>\$ (12,817,456)</u>	<u>\$ (429,917)</u>	<u>\$ -</u>	<u>\$ (13,247,373)</u>
Total capital assets depreciated, net	<u>\$ 2,264,517</u>	<u>\$ 4,673,904</u>	<u>\$ -</u>	<u>\$ 6,938,421</u>
Business-Type Activities Capital Assets, Net	<u>\$ 7,443,860</u>	<u>\$ 4,891,719</u>	<u>\$ (4,984,824)</u>	<u>\$ 7,350,755</u>

Depreciation expense for 2021 was charged to functions/programs of the government's business-type activities as follows:

Business-Type Activities

Landfill	<u>\$ 429,917</u>
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B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2021, is as follows:

1. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	Reason
General	Public Land Management	\$ 334,683	Tax forfeited settlement
Highway	Nonmajor Funds	115,058	Receivable for goods/services
Capital Projects	Public Land Management	386,172	Tax forfeited settlement
Total Due To/From Other Funds		<u>\$ 835,913</u>	

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2021, consisted of the following:

Transfer In Fund	Transfer Out Fund	Amount
Highway	Ditch	\$ 1,429
Highway	Nonmajor Funds	97,286
General	Public Land Management	1,242,518
Nonmajor Funds	Landfill	134,036
Landfill	Nonmajor Funds	<u>134,036</u>
Total Interfund Transfers		<u>\$1,609,305</u>

Transfer between Highway Fund and Ditch Fund was for a budgeted transfer for operations, transfer between General Fund and Public Land Management Fund was for the transfer of County Board approved projects, and transfer between Solid Waste (Non-Landfill) Fund and Landfill was for interest earned from the Greater MN Landfill Clean Up funds. The transfer from the Landfill to the Solid Waste (Non-Landfill) was for interest earned from the Greater MN Landfill Clean Up funds.

C. Liabilities

1. Other Post Employment Benefits

Plan Description

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. The County provides benefits for retirees as required by Minnesota Statutes §471.61 subdivision 2b. County policy determines the County's contributions to the plan. Active employees who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program.

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Pursuant to the provisions of the plan, retirees are required to pay varying percentages of the total premium cost. Retirees hired after January 1, 2002 are required to pay 100% of the total premium cost. Crow Wing County contributed \$2,221,263 towards retiree health insurance. Since the premium is a blended rate and determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy.

The County's OPEB plan was based on the January 1, 2021 study that stated 205 retirees were receiving health benefits from the County's health plan. There were 456 active employees, zero inactive employees, and zero inactive employees entitled to but not yet receiving benefits.

Funding Policy

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

Actuarial Methods and Assumptions

The County's OPEB liability was measured as of January 1, 2021, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2021.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0%
Salary	Service graded table
Health Care Trend Rates	6.5% Decreasing to 5.00% Over 6 Years and then 4.00% Over 48 Years

Mortality rates were based on the Pub-2010 public retirement plans headcount-weighted mortality tables (general, safety) with MP-2020 Generational Improvement Scale. The actuarial assumptions used in the January 1, 2021 valuation were based on the PERA actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The most recent four-year experience study for the Police and Fire Plan was completed in 2016.

The discount rate used to measure the total OPEB liability was 2.00%. The discount rate is equal to the 20-Year Municipal Bond Yield.

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

- The health care trend rates, mortality tables, and withdrawal, retirement, and salary increase rates for non-Public Safety employees were updated
- The inflation rate was changed from 2.50% to 2.00%
- The discount rate was changed from 2.90% to 2.00%

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Changes in total OPEB liability

	<u>Total OPEB liability</u>
Balance as of January 1, 2021	\$ 44,259,707
Changes for the Year:	
Service Cost	497,698
Interest	1,264,927
Assumption Changes	4,362,505
Differences between Expected and Actual Experience	(1,509,481)
Benefit Payments	(2,294,891)
Net Change in Total OPEB Liability	<u>2,320,758</u>
Balance as of December 31, 2021	<u>\$ 46,580,465</u>

Of the \$46,580,465 total OPEB liability, \$2,501,859 is due within one year. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (1.00%)	Discount Rate (2.00%)	1% Increase (3.00%)
Total OPEB Liability	\$ 53,199,801	\$ 46,580,465	\$ 41,168,493

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.50% decreasing to 4.00% over 5 years then 3.00% Pre-65/3.00% Post-65) or 1% higher (7.50% decreasing to 6.00% over 5 years then 5.00% Pre-65/5.00% Post-65) than the current healthcare cost trend rates:

Medical Trend Rate	Current Trend Rates		
	1% Decrease (5.50% Decreasing to 4.00% then 3.00% Pre- 65/3.00% Post-65)	(Pre 65 6.50% Decreasing to 5.00% over 6 years then 4.00% and Post 65 4.00%)	1% Increase (7.50% Decreasing to 6.00% then 5.00% Pre- 65/5.00% Post-65)
Total OPEB Liability	\$ 40,937,092	\$ 46,580,465	\$ 53,509,178

For the year ended December 31, 2021, the County recognized OPEB expense of \$2,914,329. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 6,590,895	\$ 2,259,615
Liability Gain or Loss	2,071,610	1,257,900
Contributions		
Subsequent to the Measurement Date	2,501,859	-
Total	<u>\$ 11,164,364</u>	<u>\$ 3,517,515</u>

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

Year Ended December 31	OPEB Expense Amount
2022	\$ 1,151,704
2023	1,151,704
2024	1,151,706
2025	1,214,372
2026	475,504
Thereafter	-

2. Leases Capital Leases

Crow Wing County has entered into a sub-lease with the City of Crosslake for financing a joint public works facility (County's portion of the building is 53 percent). This sub-lease agreement qualifies as a capital lease for accounting purposes and, therefore, was recorded at the present value of the future minimum lease payments as of the inception date. The present value of the building at the inception date was \$1,688,050. It is recorded as a governmental activity.

On January 1, 2012, the City of Crosslake issued General Obligation Refunding Bonds, Series 2012A to refinance the 2003 Lease. The total net present value benefit of the refunding was \$201,431.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

December 31	Lease Payments
2022	\$ 112,544
2023	<u>112,636</u>
Total minimum lease payments	225,180
Less: amount representing interest	<u>(5,230)</u>
Present Value of Minimum Lease Payments	<u>\$ 219,950</u>

As of December 31, 2021 the total cost of this asset is \$1,688,050 is being depreciated over the useful life of the asset with accumulated depreciation of \$608,204.

3. Long-Term Debt

Governmental Activities

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2021
2010A G.O. Refunding Airport Improvement Bonds (50% County Portion)		\$72,500 - \$92,500	1.00 - 3.35	\$ 885,000	\$ 92,500

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4. Debt Service Requirements

Debt service requirements at December 31, 2021, were as follows:

Governmental Activities

<u>December 31</u>	<u>Long-Term Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 92,500	\$ 1,549
Total	<u>\$ 92,500</u>	<u>\$ 1,549</u>

5. Changes in Long-Term Liabilities

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

Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 182,500	\$ -	\$ 90,000	\$ 92,500	\$ 92,500
Plus: deferred amounts for issuance premiums (discounts)	(1,546)	-	(1,427)	(119)	(119)
General obligation debt subtotal	\$ 180,954	\$ -	\$ 88,573	\$ 92,381	\$ 92,381
Capital lease	325,950	-	106,000	219,950	108,650
Compensated absences	3,589,670	3,802,672	3,709,492	3,682,850	3,314,565
Governmental Activities					
Long-Term Liabilities	<u>\$ 4,096,574</u>	<u>\$ 3,802,672</u>	<u>\$ 3,904,065</u>	<u>\$ 3,995,181</u>	<u>\$ 3,515,596</u>

General obligation debt is paid from the General Fund and the Debt Service Fund. Compensated absences are paid from the General Fund and the Highway, Community Services, Public Land Management, and Solid Waste (Non-Landfill) Special Revenue Funds. Capital lease payments are paid from the Highway Special Revenue Fund.

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Estimated liability for landfill closure and postclosure	\$ 4,675,336	\$ 110,297	\$ -	\$ 4,785,633	\$ -
Compensated absences	18,571	8,099	26,670	-	-
Business-Type Activities					
Long-Term Liabilities	<u>\$ 4,693,907</u>	<u>\$ 118,396</u>	<u>\$ 26,670</u>	<u>\$ 4,785,633</u>	<u>\$ -</u>

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Conduit Debt

Pequot Lakes HRA

The Crow Wing County HRA is contingently liable for debt related to General Obligation Housing Revenue Bonds issued on behalf of the Pequot Lakes HRA. As additional security for these bonds, Crow Wing County approved the pledge by the County HRA of the County's full faith and credit and taxing powers to the payment of debt service on the bonds. The conduit bonds have an outstanding principal balance of \$840,000 for the year ended December 31, 2021.

6. Defined Benefit Pension Plans

a. Plan Description

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

1. General Employees Retirement Plan

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

2. Public Employees Police and Fire Plan

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

3. Local Government Correctional Plan

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

b. Benefits Provided

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

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members

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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 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent 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 will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. Police and Fire Plan Benefits

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

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

3. Correctional Plan Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. The annuity accrual rate is 1.9% of average salary for each year of service in that plan. 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.

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c. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2021 and the County was required to contribute 7.50 percent for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2021, were \$1,682,088. The County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2021 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2021, were \$592,761. The County's contributions were equal to the required contributions as set by state statute.

3. Correctional Fund Contributions

Plan members were required to contribute 5.83 percent of their annual covered salary in fiscal year 2021 and the County was required to contribute 8.75 percent for correction plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2021, were \$308,998. The County's contributions were equal to the required contributions as set by state statute.

d. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2021, the County reported a liability of \$13,005,387 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$397,861.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.3045 percent at the end of the measurement period and 0.2900 percent for the beginning of the period.

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County's proportionate share of the net pension liability	\$ 13,005,387
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>397,861</u>
Total	<u>\$ 13,403,248</u>

For the year ended December 31, 2021, the County recognized pension expense of \$379,324 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized \$32,101 as grant expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees fund.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 79,902	\$ 398,002
Changes in Actuarial Assumptions	7,940,820	287,687
Net Collective Difference Between Projected and Actual Earnings on Pension Plan Investments	-	11,263,215
Changes in Proportion	969,486	9,468
Contributions Paid to PERA Subsequent to the Measurement Date	907,633	-
Total	<u>\$ 9,897,841</u>	<u>\$ 11,958,372</u>

The \$907,633 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expenses Amount
2022	\$ (194,801)
2023	178,876
2024	119,829
2025	(3,072,068)

2. Police and Fire Fund Pension Costs

At December 31, 2021, the County reported a liability of \$2,178,285 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's

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participating employers. The County's proportionate share was 0.2822 percent at the end of the measurement period and 0.2932 percent 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, 2021. The contribution consisted of \$9.0 million in direct aid that does meet the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9.0 million direct state aid was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9.0 million to the Police and Fire Fund until funding is reached or July 1, 2048, whichever is earlier. The \$9.0 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9.0 million in direct aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2021, the County recognized pension expense (revenue) of (\$172,979) for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$17,835 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9.0 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 \$9.0 million in supplemental state aid. The County recognized \$25,398 for the year ended December 31, 2021 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on behalf contributions to the Police and Fire Fund.

County's proportionate share of the net pension liability	\$2,178,285
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>97,934</u>
 Total	 <u>\$2,276,219</u>

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

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 418,365	\$ -
Changes in Actuarial Assumptions	3,201,510	1,196,833
Net Collective Difference Between Projected and Actual Investment Earnings	-	4,162,151
Changes in Proportion	209,588	417,040
Contributions Paid to PERA Subsequent to the Measurement Date	322,611	-
Total	\$ 4,152,074	\$ 5,776,024

The \$322,611 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the Police and Fire Fund to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	\$ (1,488,727)
2023	(278,479)
2024	(326,776)
2025	(522,968)
2026	670,389

3. Correctional Plan Pension Costs

At December 31, 2021, the County reported an asset of \$258,199 for its proportionate share of the Correctional Plan's net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension asset was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 1.5717 percent at the end of the measurement period and 1.5925 percent for the beginning of the period.

For the year ended December 31, 2021, the County recognized pension expense of (\$703,369) for its proportionate share of the Correctional Plan's pension expense.

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

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ -	\$ 147,259
Changes in Actuarial Assumptions	1,616,254	24,205
Net Collective Difference Between Projected and		
Actual Earnings on Pension Plan Investments	-	2,072,936
Changes in Proportion	-	23,529
Contributions Paid to PERA Subsequent to the		
Measurement Date	166,964	-
Total	<u>\$ 1,783,218</u>	<u>\$ 2,267,929</u>

The \$166,964 reported as deferred outflows of resources related to pensions resulting from County contributions to the Correctional Fund subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to Correctional Fund pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	\$ (98,024)
2023	(22,897)
2024	32,702
2025	(563,456)

4. Total Pension Expense (Revenue)

The total pension expense (revenue) for all plans recognized by the County for the year ended December 31, 2021 was (\$497,024).

	General Employees Fund	Police and Fire Fund	Correctional Fund	Total
Net Pension Liability/Asset	\$ 13,005,387	\$ 2,178,285	\$ (258,199)	\$ 14,925,473
Deferred Outflows of Resources Related to Pension	\$ 9,897,841	\$ 4,152,074	\$ 1,783,218	\$ 15,833,133
Deferred Inflows of Resources Related to Pension	\$ 11,958,372	\$ 5,776,024	\$ 2,267,929	\$ 20,002,325
Pension Expense (Revenues)	\$ 379,324	\$ (172,979)	\$ (703,369)	\$ (497,024)

e. Long-Term Expected Return on Investments

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:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.50 %	5.10 %
International Equity	16.50	5.30
Fixed Income	25.00	0.75
Private Markets	25.00	5.90
Totals	<u>100.00 %</u>	

f. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of 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 29 years of service and 6.0% per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service. 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 2021:

General Employees Fund

Changes in Actuarial Assumptions:

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

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Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions

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

Correctional Fund

Changes in Actuarial Assumptions:

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

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- 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 in plan provisions since the previous valuation.

g. Discount Rate

The discount rate used to measure the total pension liability/asset in 2021 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund, the Police and Fire Fund, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/asset.

h. Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability/asset 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/asset 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						
General Employees Retirement Plan		Public Employees Police and Fire Plan			Public Employees Correctional Plan	
Discount Rate	Net Pension Liability(Asset)	Discount Rate	Net Pension Liability(Asset)	Discount Rate	Net Pension Liability(Asset)	
1% Decrease	5.50% \$ 26,524,351	5.50% \$ 6,915,686	5.50% \$ 2,687,151			
Current	6.50% 13,005,387	6.50% 2,178,285	6.50% (258,199)			
1% Increase	7.50% 1,912,252	7.50% (1,705,210)	7.50% (2,595,647)			

i. Pension Plan Fiduciary Net Position

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

7. Public Employees Defined Contribution Plan (Defined Contribution Plan)

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

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Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees' contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

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

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$6,157	\$6,157	5%	5%	5%

8. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 20 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$4,785,633 landfill closure and postclosure care liability at December 31, 2021, represents the cumulative amount reported to date based on the use of 82.16 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,123,540 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2021. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements and, at December 31, 2021, investments of \$6,576,320 are held for these purposes. These are reported as restricted assets on the Landfill Enterprise Fund's statement of net position. Crow Wing County expects that future inflation costs will be paid from investment earnings on these annual contributions. However, if investment earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

9. 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

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Intergovernmental Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. The County purchases commercial insurance for other risks of loss. 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 2021. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

The Property and Casualty Division of MCIT is self-sustaining, and the County pays an annual premium to cover current and future losses. MCIT carries reinsurance for its property lines to protect against catastrophic losses. Should the MCIT Property and Casualty Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

D. Deferred Inflows of Resources

Governmental funds report unavailable revenue in connection with receivables for revenues not considered available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable Revenue
Delinquent property taxes receivable	\$ 662,417
Delinquent mobile home receivable	35,732
Prepaid property taxes	39,299
Contracts receivable	1,660,707
Charges for services	120,418
Highway aids receivable that do not provide current financial resources	2,118,106
Interest receivable that does not provide current financial resources	1,433
Loans receivable that do not provide current financial resources	75,465
Grants receivable that do not provide current financial resources	248,682
Total unavailable revenue for Governmental Funds	<u><u>\$ 4,962,259</u></u>

IV. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The County Attorney estimates that the potential claims resulting from such litigation and not covered by insurance would not materially affect the financial statements of the County.

CROW WING COUNTY BRAINERD, MINNESOTA

B. Joint Ventures

Brainerd Lakes Regional Airport

Crow Wing County and the City of Brainerd have an agreement whereby each contributes equally to all locally financed costs of the operation of the Brainerd Lakes Regional Airport. An Airport Commission is responsible for operations, and the City of Brainerd provides accounting services. Any appropriation by the County for the Airport Commission is recorded as an expenditure in the year it is approved by the County Board of Commissioners. Under the terms of the 2010A General Obligation Airport Improvements Refunding Bonds, issued on December 9, 2010, in the amount of \$1,770,000, the City and the County will equally contribute to debt service payments. Therefore, only 50 percent of the total debt will be reflected in the County's financial statements. The 2010A bonds will mature July 1, 2022.

On December 31, 2021, the outstanding amount of the bonds was \$185,000. The City of Brainerd's share of this amount is \$92,500, for which the County is only contingently liable.

In 2021, the County made an appropriation of \$157,000 for the Airport Commission. The Airport does not publish separate financial statements.

Investment in the joint venture on the statement of net position represents the County's 50% share of the airport. This investment in the Brainerd Lakes Regional Airport joint venture was valued at \$14,076,793 on December 31, 2020, the most recent data available, and is reported as an investment in joint venture on the government-wide statement of net position.

For 2020 (the most recent available audited information), the project reported \$28,746,373 of total assets, net position of \$28,153,585, operating revenues of \$2,712,252, general revenues of \$15,356, operating expenses of \$4,110,442 and an overall decrease in net position of \$1,382,834. In 2019, the decrease in net position was \$1,133,780 for the project.

Complete financial statements of the City of Brainerd can be obtained from:

Brainerd City Hall
502 Laurel Street
Brainerd, Minnesota 56401

Central Minnesota Emergency Medical Services Region

The Central Minnesota Emergency Medical Services Region (CMEMSR) was established in 2001 pursuant to Minn. Stat. § 471.59, and is currently operating under a memorandum of understanding between the Counties of Benton, Cass, Chisago, Crow Wing, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, and Wright.

The purpose of the CMEMSR is to improve the planning, coordination, and implementation of emergency medical services within the member counties.

The CMEMSR has established a board which has general supervision over its activities. The Board consists of 13 County Commissioners, one from each of the member counties. Stearns County is the fiscal agent for the CMEMSR and reports the CMEMSR's activities in a custodial fund in its financial statements.

In 2021, Crow Wing County did not make any contributions to CMEMSR.

CROW WING COUNTY BRAINERD, MINNESOTA

Complete financial information can be obtained from:

Ms. Marion Larson, Regional EMS Coordinator
Central Minnesota Emergency Medical Services Region
Stearns County Administration Center
P.O. Box 1107
St. Cloud, Minnesota 56302

Lakes Area Drug Investigation Division

The Lakes Area Drug Investigation Division (LADID) was created on August 1, 2001, stemming from the dissolution of the NET IV Drug Task Force. LADID is a multi-jurisdictional task force involving all law enforcement agencies in Crow Wing County, established under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59. The major emphasis of the joint venture is the investigation and enforcement of narcotics in Crow Wing County.

In 2021, Crow Wing County did not make any contributions to LADID.

Fiscal agent responsibilities for the Task Force are with Crow Wing County. Financial information can be obtained from:

Crow Wing County Administrative Services – Finance Division
326 Laurel Street, Suite 22
Brainerd, MN 56401

Mississippi Headwaters Board (MHB)

The Mississippi Headwaters Board was established on February 22, 1980, by Aitkin, Beltrami, Cass, Clearwater, Crow Wing, Hubbard, Itasca, and Morrison Counties pursuant to Minn. Stat. § 471.59. The purpose of the Board is to prepare, adopt, and implement a comprehensive land use plan design to protect and enhance the Mississippi River and related shoreland areas within the counties.

The Board consists of eight members, one appointed from each participating county. Crow Wing County maintains the accounting records of the MHB. Funding consists of federal, state, and local grants; donations; and contributions from each county.

In 2021, Crow Wing County contributed \$1,500 to the Mississippi Headwaters Board.

Financial information can be obtained from:

Mississippi Headwaters Board
Land Services Building
322 Laurel Street
Brainerd, Minnesota 56401
Email: mhb@mississippiheadwaters.org

CROW WING COUNTY BRAINERD, MINNESOTA

Northeast Regional Emergency Communications Board

The Northeast Regional Emergency Communications Board (previously the Northeast Minnesota Regional Radio Board) was established through a joint powers agreement, pursuant to Minn. Stat. §§ 471.59 and 403.39, to provide for regional administration of enhancements to the Statewide Public Safety Radio and Communication System (ARMER) and to enhance and improve interoperable public safety communications.

The joint powers are the Counties of Aitkin, Carlton, Cass, Cook, Crow Wing, Itasca, Kanabec, Koochiching, Lake, Pine, and St. Louis; the Cities of Duluth, Hibbing, International Falls, and Virginia; and the Tribal Councils of the Leech Lake Band of Ojibwe and the Mille Lacs Band of Ojibwe. Control of the Northeast Regional Emergency Communications Board is vested in a Board of Directors composed of one County Commissioner from each of the member counties and one City Councilor from each of the member cities. In addition, there is one member from the Northeast Minnesota Regional Advisory Committee, one member from the Northeast Minnesota Regional Radio System User Committee, and one member from the Northeast Minnesota Owners and Operators Committee who are also voting members of the Board.

Itasca County is the fiscal agent for the Northeast Regional Emergency Communications Board. Funding is provided by grants and contributions from participating members. In 2021, Crow Wing County did not make any contributions to the Northeast Regional Emergency Communication Board.

Financial information can be obtained from:

Itasca County Auditor-Treasurer's Office
123 NE 4th Street
Grand Rapids, Minnesota 55744

Region V+ Adult Mental Health Initiative

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

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

Any county may withdraw by providing twelve months written notice in advance of the annual meeting to the Board and each of the other remaining parties. During the year of withdrawal, the withdrawing party may attend all meetings but will have no official representation on the Board. Withdrawal does not act to discharge any liability incurred or chargeable to any county before the effective date of the withdrawal. Dissolution of the AMHI will occur by unanimous vote of the counties. Upon dissolution of the AMHI, all unused funds and surplus property held by AMHI shall be distributed in accordance with law or applicable contract.

CROW WING COUNTY BRAINERD, MINNESOTA

Financing is predominantly provided by contributions, grants, donations, and gifts. Crow Wing County is the fiscal host. In 2021, Crow Wing County did not make any contributions to Region V + Adult Mental Health Initiative.

Complete financial information can be obtained from:

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

C. Jointly-Governed Organizations

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

Crow Wing County Family Service Collaborative

The Crow Wing County Family Service Collaborative was established between Crow Wing County, Independent School District #181, Independent School District #182, Independent School District #186, and Tri-County Community Action to provide leadership and facilitation to families, youth, and providers. The goal of the Collaborative is to improve and redesign the local service delivery system in a way which improves quality of lives, supports choices, and promotes self-reliance. Crow Wing County Community Services is the fiscal agent of the Collaborative. Crow Wing County has no operational or financial control over the Collaborative.

The activities of this Collaborative are guided by a governance board consisting of, but not limited to, one member from each of the five participating agencies. Each of these board members is appointed by their respective governing body.

Separate financial information can be obtained from:

Crow Wing County Family Service Collaborative
P. O. Box 686
Brainerd, Minnesota 56401

Kitchigami Regional Library

The Kitchigami Regional Library was formed on January 1, 1992, pursuant to Minn. Stat. § 134.20, and includes Beltrami, Cass, Crow Wing, Hubbard, and Wadena Counties, and nine separate cities. Control of the Library is vested in the Kitchigami Regional Library Board, which is composed of 19 members with three-year terms made up of the following: one member appointed by each City Council and two members appointed by each County Board consisting of one County Commissioner and one lay person. Crow Wing County paid \$509,127 to the Library for the year ended December 31, 2021. Separate financial information can be obtained from:

Kitchigami Regional Library
P.O. Box 84
Pine River, Minnesota 56474
www.krls.org

CROW WING COUNTY BRAINERD, MINNESOTA

Region Two – Northeast Minnesota Homeland Security Emergency Management Organization

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

Additional information can be obtained from:

Homeland Security and Emergency Management
445 Minnesota Street, Suite 223
St. Paul, MN 55101

V. Prior Period Adjustment

During the current year it was determined that the expenditures in the Public Land Management and Capital Projects fund were overstated in the prior year due to an error.

To correct this error, beginning fund balance of the Public Land Management fund was restated by an increase of \$144,785 and Capital Projects fund was restated by an increase of \$266,764.

	Public Land Management	Capital Projects
Fund Balance, January 1, 2021 as Previously Reported	\$ 537,241	\$ 3,017,395
Restatement	144,785	266,764
Fund Balance, January 1, 2021 as Restated	<u><u>\$ 682,026</u></u>	<u><u>\$ 3,284,159</u></u>

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 24,827,545	\$ 24,827,545	\$ 24,402,274	\$ (425,271)
Licenses and permits	1,009,660	1,009,660	926,528	(83,132)
Intergovernmental	3,731,874	3,731,874	3,104,372	(627,502)
Charges for services	4,363,705	4,363,706	3,171,979	(1,191,727)
Fines and forfeits	62,529	62,529	55,678	(6,851)
Gifts and contributions	-	-	112,046	112,046
Investment earnings	1,508,714	1,508,714	(241,891)	(1,750,605)
Miscellaneous	1,788,806	1,788,806	1,346,014	(442,792)
Total Revenues	\$ 37,292,833	\$ 37,292,834	\$ 32,877,000	\$ (4,415,834)
EXPENDITURES				
Current				
General government				
Governance Services				
Commissioners	\$ 359,692	\$ 359,691	\$ 361,281	\$ (1,590)
Courts	267,829	267,829	419,463	(151,634)
Law library	66,558	66,558	79,551	(12,993)
Administrator	383,054	383,256	405,210	(21,954)
Attorney	3,008,522	3,038,220	2,945,791	92,429
Veterans service officer	375,707	375,707	334,917	40,790
Appropriations	197,662	197,662	178,035	19,627
Other general government	53,144	53,144	120,596	(67,452)
Administrative Services				
Finance	900,708	900,708	826,269	74,439
Elections	368,506	368,506	252,284	116,222
Human resources and risk management	543,081	543,516	527,946	15,570
Information technology	2,112,512	2,165,461	1,972,351	193,110
Facilities	2,913,635	3,027,978	2,778,197	249,781
Land Services				
Customer services	1,081,483	1,081,483	1,089,235	(7,752)
Recorder	118,150	118,150	118,446	(296)
Environmental services	3,290,418	3,312,838	1,517,701	1,795,137
Assessing services	4,873,071	1,937,804	1,829,949	107,855
Total general government	\$ 20,913,732	\$ 18,198,511	\$ 15,757,222	\$ 2,441,289
EXPENDITURES				
Public safety				
Public Safety Services				
Patrol	\$ 5,240,335	\$ 5,222,761	\$ 4,785,356	\$ 437,405
Investigations	1,480,075	1,470,994	1,280,842	190,152
Operations	282,521	262,150	316,472	(54,322)
Support	2,754,975	2,540,822	2,663,357	(122,535)
Jail	7,547,974	7,556,112	6,770,563	785,549
Other public safety services	114,143	116,142	158,978	(42,836)
Total public safety	\$ 17,420,023	\$ 17,168,981	\$ 15,975,568	\$ 1,193,413

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Current (Continued)				
Highways and streets				
Transportation Services				
Administration	\$ -	\$ -	\$ 200	\$ (200)
Health and human services				
Administration Services				
Heath	\$ -	\$ -	\$ 2,985	\$ (2,985)
Culture and recreation				
Governance Services				
Kitchigami library	\$ 509,127	\$ 509,127	\$ 509,127	\$ -
Appropriations	39,000	39,000	39,000	-
Land Services				
Recreation	77,084	77,084	73,510	3,574
Total culture and recreation	\$ 625,211	\$ 625,211	\$ 621,637	\$ 3,574
Conservation of natural resources				
Administrative Services				
County extension	\$ 162,776	\$ 162,776	\$ 188,915	\$ (26,139)
Economic development				
Administrative Services				
Community development	\$ -	\$ -	\$ 1,258,217	\$ (1,258,217)
Capital outlay				
General government	\$ 18,000	\$ 18,000	\$ 9,835	\$ 8,165
Public safety	153,225	153,225	247,973	(94,748)
Culture and recreation	20,000	20,000	-	20,000
Conservation of natural resources	-	-	760,041	(760,041)
Total capital outlay	\$ 191,225	\$ 191,225	\$ 1,017,849	\$ (826,624)
Total Expenditures	\$ 39,312,967	\$ 36,346,704	\$ 34,822,593	\$ 1,524,111
Excess of Revenues Over (Under) Expenditures	\$ (2,020,134)	\$ 946,130	\$ (1,945,593)	\$ (2,891,723)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 43,000	\$ 43,000	\$ 1,242,518	\$ 1,199,518
Insurance proceeds	-	-	64,983	64,983
Total Other Financing Sources (Uses)	\$ 43,000	\$ 43,000	\$ 1,307,501	\$ 1,264,501
Net Change in Fund Balance	\$ (1,977,134)	\$ 989,130	\$ (638,092)	\$ (1,627,222)
Fund Balance - January 1	16,646,180	16,646,180	16,646,180	-
Fund Balance - December 31	\$ 14,669,046	\$ 17,635,310	\$ 16,008,088	\$ (1,627,222)

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
HIGHWAY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 9,148,906	\$ 9,148,906	\$ 10,487,406	\$ 1,338,500
Intergovernmental	8,550,959	8,550,959	8,885,131	334,172
Charges for services	776,152	776,152	1,423,374	647,222
Miscellaneous	30,264	30,264	18,647	(11,617)
Total Revenues	<u>\$ 18,506,281</u>	<u>\$ 18,506,281</u>	<u>\$ 20,814,558</u>	<u>\$ 2,308,277</u>
EXPENDITURES				
Current				
Highways and streets				
Transportation Services				
Administration	\$ 606,279	\$ 608,013	\$ 591,280	\$ 16,733
Maintenance	2,531,106	2,542,220	2,263,037	279,183
Engineering/construction	1,261,823	1,261,823	1,215,423	46,400
Equipment maintenance and shop	1,431,557	1,431,557	1,279,480	152,077
Local option sales tax	2,050,419	2,050,419	1,217,639	832,780
Total highways and streets	<u>\$ 7,881,184</u>	<u>\$ 7,894,032</u>	<u>\$ 6,566,859</u>	<u>\$ 1,327,173</u>
Capital outlay				
Highways and streets	<u>\$ 10,850,000</u>	<u>\$ 10,850,000</u>	<u>\$ 11,856,674</u>	<u>\$ (1,006,674)</u>
Intergovernmental				
Highways and streets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,021</u>	<u>\$ (403,021)</u>
Debt service				
Principal	\$ 100,700	\$ 100,700	\$ 106,000	\$ (5,300)
Interest	12,430	12,430	6,229	6,201
Administrative charges	-	-	134	(134)
Total debt service	<u>\$ 113,130</u>	<u>\$ 113,130</u>	<u>\$ 112,363</u>	<u>\$ 767</u>
Total Expenditures	<u>\$ 18,844,314</u>	<u>\$ 18,857,162</u>	<u>\$ 18,938,917</u>	<u>\$ (81,755)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (338,033)</u>	<u>\$ (350,881)</u>	<u>\$ 1,875,641</u>	<u>\$ 2,226,522</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	98,715	98,715
Insurance proceeds	10,000	10,000	5,911	(4,089)
Total Other Financing Sources (Uses)	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 104,626</u>	<u>\$ 94,626</u>
Net Change in Fund Balance	<u>\$ (328,033)</u>	<u>\$ (340,881)</u>	<u>\$ 1,980,267</u>	<u>\$ 2,321,148</u>
Fund Balance - January 1	<u>15,669,950</u>	<u>15,669,950</u>	<u>15,669,950</u>	<u>-</u>
Increase (decrease) in inventories	<u>-</u>	<u>-</u>	<u>214,724</u>	<u>214,724</u>
Fund Balance - December 31	<u>\$ 15,341,917</u>	<u>\$ 15,329,069</u>	<u>\$ 17,864,941</u>	<u>\$ 2,535,872</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 13,751,355	\$ 13,751,355	\$ 13,503,711	\$ (247,644)
Intergovernmental	16,402,394	16,402,394	14,878,620	(1,523,774)
Charges for services	1,120,117	1,120,117	1,419,762	299,645
Gifts and contributions	10,000	10,000	10,000	-
Miscellaneous	527,200	527,200	411,042	(116,158)
Total Revenues	\$ 31,811,066	\$ 31,811,066	\$ 30,223,135	\$ (1,587,931)
EXPENDITURES				
Current				
Public safety				
Community Services				
Juvenile detention	\$ 975,000	\$ 975,000	\$ 653,413	\$ 321,587
Community corrections	2,383,725	2,384,435	2,268,074	116,361
Total public safety	\$ 3,358,725	\$ 3,359,435	\$ 2,921,487	\$ 437,948
Health and human services				
Community Services				
Income maintenance	\$ 7,550,590	\$ 7,552,157	\$ 7,546,409	\$ 5,748
Social services	18,847,866	18,850,173	14,453,031	4,397,142
Health	1,468,542	1,468,855	1,476,748	(7,893)
Total health and human services	\$ 27,866,998	\$ 27,871,185	\$ 23,476,188	\$ 4,394,997
Total Expenditures	\$ 31,225,723	\$ 31,230,620	\$ 26,397,675	\$ 4,832,945
Net Change in Fund Balance	\$ 585,343	\$ 580,446	\$ 3,825,460	\$ 3,245,014
Fund Balance - January 1	3,450,872	3,450,872	3,450,872	-
Fund Balance - December 31	<u>4,036,215</u>	<u>4,031,318</u>	<u>7,276,332</u>	<u>3,245,014</u>

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
PUBLIC LAND MANAGEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 701,500	\$ 701,500	\$ 993,855	\$ 292,355
Intergovernmental	99,676	99,676	179,770	80,094
Charges for services	-	-	2,515	2,515
Investment earnings	30,000	30,000	126,940	96,940
Sales	565,000	565,000	2,297,698	1,732,698
Miscellaneous	21,300	21,300	51,434	30,134
Total Revenues	<u>\$ 1,417,476</u>	<u>\$ 1,417,476</u>	<u>\$ 3,652,212</u>	<u>\$ 2,234,736</u>
EXPENDITURES				
Current				
Conservation of natural resources				
Land Services				
County land management	\$ 1,629,505	\$ 1,674,356	\$ 2,198,020	\$ (523,664)
Capital outlay				
Conservation of natural resources	<u>\$ 319,200</u>	<u>\$ 335,340</u>	<u>\$ 339,010</u>	<u>\$ (3,670)</u>
Total Expenditures	<u>\$ 1,948,705</u>	<u>\$ 2,009,696</u>	<u>\$ 2,537,030</u>	<u>\$ (527,334)</u>
Excess of Revenues Over (Under) Expenditures	<u>(531,229)</u>	<u>(592,220)</u>	<u>1,115,182</u>	<u>1,707,402</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(1,242,518)	(1,242,518)
Net Change in Fund Balance	<u>\$ (531,229)</u>	<u>\$ (592,220)</u>	<u>\$ (127,336)</u>	<u>\$ 464,884</u>
Fund Balance - January 1	<u>537,241</u>	<u>537,241</u>	<u>537,241</u>	<u>-</u>
Prior Period Adjustment (See Note V)	-	-	144,785	144,785
Fund balance - January 1, as Restated	<u>537,241</u>	<u>537,241</u>	<u>682,026</u>	<u>144,785</u>
Fund Balance - December 31	<u>\$ 6,012</u>	<u>\$ (54,979)</u>	<u>\$ 554,690</u>	<u>\$ 609,669</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED
RATIOS, AND NOTES
LAST 10 FISCAL YEARS**

	Measurement Date December 31, 2018	Measurement Date December 31, 2019	Measurement Date December 31, 2020	Measurement Date December 31, 2021
Total OPEB Liability				
Service Cost	\$ 584,968	\$ 428,012	\$ 558,697	\$ 497,698
Interest	1,334,431	1,326,826	1,501,451	1,264,927
Changes of Assumptions	-	(4,519,233)	4,433,213	4,362,505
Differences between expected and actual experience	-	4,143,221	-	(1,509,481)
Benefit Payments	(1,743,435)	(2,062,513)	(2,351,704)	(2,294,891)
Net Change in Total OPEB Liability	175,964	(683,687)	4,141,657	2,320,758
Total OPEB Liability - Beginning	<u>\$ 40,625,773</u>	<u>\$ 40,801,737</u>	<u>\$ 40,118,050</u>	<u>\$ 44,259,707</u>
Total OPEB Liability - Ending	<u><u>\$ 40,801,737</u></u>	<u><u>\$ 40,118,050</u></u>	<u><u>\$ 44,259,707</u></u>	<u><u>\$ 46,580,465</u></u>
 Covered-Employee Payroll	 \$ 25,450,999	 \$ 26,160,825	 \$ 26,945,650	 \$ 27,921,911
 County's OPEB Liability as a Percentage of Covered Employee Payroll	 160.3%	 153.4%	 164.3%	 166.8%

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

Note 2: No assets are accumulated in a trust

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2021**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Proportionate Share of the Net Pension Liability Associated with Crow Wing County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)		Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
				State's Proportionate Share of the Net Pension Liability	Related Share of the Net Pension Liability			
2021	0.305%	\$ 13,005,387	\$ 397,861	\$ 13,403,248	\$ 21,892,587	59.41%	87.00%	
2020	0.290	17,386,872	537,148	17,924,020	20,651,800	84.19	79.06	
2019	0.280	15,502,212	482,646	15,984,858	19,807,600	78.26	80.23	
2018	0.281	15,588,757	511,308	16,100,065	18,883,808	82.55	79.50	
2017	0.286	18,250,721	229,464	18,480,185	18,314,733	99.65	75.90	
2016	0.277	22,495,756	293,868	22,789,624	17,127,800	131.34	68.91	
2015	0.298	15,428,399	N/A	15,428,399	17,553,437	87.89	78.19	

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2021**

Year Ending	Actual Contributions in Relation to Statutorily Required Contributions			Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
	Statutorily Required Contributions (a)	Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)			
2021	\$ 1,682,088	\$ 1,682,088	\$ -		\$ 22,427,840	7.50%
2020	1,664,995	1,664,995	-		22,199,933	7.50
2019	1,511,484	1,511,484	-		20,085,893	7.50
2018	1,454,741	1,454,741	-		19,396,544	7.50
2017	1,385,906	1,385,906	-		18,478,747	7.50
2016	1,331,356	1,331,356	-		17,751,413	7.50
2015	1,286,105	1,286,105	-		17,148,067	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.

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2021**

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 Crow Wing County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Liability (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Liability	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
						Employer's Proportionate Share of the Net Pension Liability and the State's Related Liability		
2021	0.282%	\$ 2,178,285	\$ 97,934	\$ 2,276,219	\$ 3,335,548	65.31%	93.66%	
2020	0.293	3,864,690	91,043	3,955,733	3,382,112	114.27	87.19	
2019	0.315	3,352,429	-	3,352,429	3,399,080	98.63	89.26	
2018	0.302	3,219,009	-	3,219,009	3,182,924	101.13	88.80	
2017	0.286	3,861,340	-	3,861,340	2,933,235	131.64	85.43	
2016	0.292	11,718,468	-	11,718,468	2,815,068	416.28	63.88	
2015	0.298	3,385,977	-	3,385,977	2,727,702	124.13	86.61	

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.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2021**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)			Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
		Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Contribution (Deficiency) Excess (b-a)		
2021	\$ 592,761	\$ 592,761	\$ -	\$ 3,348,932	17.70%	
2020	612,781	612,781	-	3,462,040	17.70	
2019	560,378	560,378	-	3,306,065	16.95	
2018	542,196	542,196	-	3,346,890	16.20	
2017	486,552	486,552	-	3,003,407	16.20	
2016	463,631	463,631	-	2,861,920	16.20	
2015	455,731	455,731	-	2,813,154	16.20	

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.

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2021**

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
2021	1.572%	\$ (258,199)	\$ 3,475,291	(7.43)%	101.61%
2020	1.593	432,108	3,465,109	12.47	96.67
2019	1.599	221,354	3,410,309	6.49	98.17
2018	1.613	265,208	3,293,380	8.05	97.60
2017	1.620	4,617,016	3,234,149	142.76	67.89
2016	1.580	5,771,961	2,979,177	193.74	58.16
2015	1.600	247,360	2,871,120	8.62	96.95

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.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2021**

Year Ending	Actual Contributions in Relation to Statutorily Required Contributions		Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
	Statutorily Required Contributions (a)	Statutorily Required Contributions (b)			
2021	\$ 308,998	\$ 308,998	\$ -	\$ 3,531,406	8.75%
2020	313,995	313,995	-	3,588,514	8.75
2019	303,437	303,437	-	3,467,851	8.75
2018	293,425	293,425	-	3,353,426	8.75
2017	286,591	286,591	-	3,275,326	8.75
2016	274,356	274,356	-	3,135,497	8.75
2015	251,713	251,713	-	2,876,720	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.

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

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds and are presented in the Annual Comprehensive Financial Report.

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. On or before September 15, 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 27.

The appropriated budget is prepared by fund, function, and department. Revisions that alter the budgeted revenues or expenditures of any fund must be approved by the County Board of Commissioners. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the agency level. During the year, supplemental budgetary appropriations in the Capital Projects Fund totaling \$727,410 is considered significant. The amendment for the Capital Projects Fund was due to budgeting inconsistencies. There was not a legally adopted budget for Small Cities Development Program Fund.

2. Excess of Expenditures Over Appropriations at the Fund Level

The County Board holds department heads responsible for their budget at the agency level; that is, the sum total of all areas of responsibility for each department head, which in some instances consists of departments and divisions across multiple funds. For financial statement reporting, the County reports budgetary comparison schedules at the fund level. For the year ended December 31, 2021, expenditures exceeded appropriations in the following funds: Highway and Public Land Management.

Expenditures exceeded appropriations in the Highway Fund by \$81,755 largely due to increase in capital outlay. This was offset with excess appropriations over expenditures for local option sales tax. Expenditures exceeded appropriations in the Public Land Management Fund by \$527,334 largely due to salary and benefit increases.

3. Other Post Employment Benefits

As disclosed on the Schedule of Funding Progress, no assets have been irrevocably deposited in a trust to advance fund the employer's obligation. Therefore, the actuarial value of assets is zero.

Since the most recent valuation, the follow assumption change has been made:

2021

- The health care trend rates, mortality tables, and withdrawal, retirement, and salary increase rates for non-Public Safety employees were updated.
- The inflation rate was changed from 2.50% to 2.00%
- The discount rate was changed from 2.90% to 2.00%

2020

- The discount rate was changed from 3.80% to 2.90%.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

2019

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2016 Generational Improvement Scale to the Pub- 2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2018 Generational Improvement Scale.
- The retirement and withdrawal tables for public safety employees were updated.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.30% to 3.80%.
- These changes decreased the liability \$4,519,233.

2018

- The discount rate was changed from 3.50% to 3.30%

4. Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions - Pension

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

A. General Employees Fund

2021

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2020

Changes in Actuarial Assumptions:

- The price inflation 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.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

- 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 male and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2104 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 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 in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2018

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding to 50% of the Social Security cost of living adjustment, not less than 1.0% and not more than 1.5% beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5 % per year thereafter.

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 in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

B. Police and Fire Fund

2021

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2020

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2019

Changes in Actuarial Assumptions:

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

Changes in Plan Provisions:

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

2018

Changes in Actuarial Assumptions:

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

Changes in Plan Provision:

- 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 in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% percent per annum.

Changes in Plan Provisions:

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

2016

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%.
- The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

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

C. Correctional Fund

2021

Changes in Actuarial Assumptions:

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

2020

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2019

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2018

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a give-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

- Post-retirement benefit increases were changed from 2.5% per year with a provision to reduce to 1.0% if the funding status declines to a certain level, to 100% of the Social Security cost of living adjustment, not less than 1.0% and not more than 2.5%, beginning January 1, 2019. If the funding status declines to 85% for two consecutive years, or 80% for one year, the maximum increase will be lowered to 1.5%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

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% for vested and non-vested, deferred members. The CSA has been changed to 35% for vested members and 1% for non-vested members.
- The Single Discount Rate was changed from 5.31% per annum to 5.96% per annum.

Changes in Plan Provisions:

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

2016

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 94,746	\$ 94,746	\$ 108,169	\$ 13,423
Intergovernmental	-	-	1,691	1,691
Total Revenues	\$ 94,746	\$ 94,746	\$ 109,860	\$ 15,114
EXPENDITURES				
Debt service				
Principal	\$ 87,500	\$ 87,500	\$ 90,000	\$ (2,500)
Interest	7,246	7,246	4,517	2,729
Administrative charges	-	-	501	(501)
Total Expenditures	\$ 94,746	\$ 94,746	\$ 95,018	\$ (272)
Net Change in Fund Balance	\$ -	\$ -	\$ 14,842	\$ 14,842
Fund Balance - January 1	319,917	319,917	319,917	-
Fund Balance - December 31	\$ 319,917	\$ 319,917	\$ 334,759	\$ 14,842

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,960,691	\$ 1,960,691	\$ 2,004,068	\$ 43,377
Intergovernmental	2,620,116	2,620,116	2,648,945	28,829
Miscellaneous	80,488	80,488	94,332	13,844
Total Revenues	\$ 4,661,295	\$ 4,661,295	\$ 4,747,345	\$ 86,050
EXPENDITURES				
Current				
General government				
Administrative Services				
Information technology	212,500	247,556	170,110	77,446
Facilities	328,500	386,633	270,389	116,244
Total general government	\$ 541,000	\$ 634,189	\$ 440,499	\$ 193,690
Public safety				
Public Safety Services				
Sheriff	\$ 43,000	\$ 43,000	\$ 30,577	\$ 12,423
Health and human services				
Community Services				
Human services	\$ 72,000	\$ 72,000	\$ 27,496	\$ 44,504
Capital outlay				
General government	\$ 232,000	\$ 331,119	\$ 104,176	\$ 226,943
Public safety	392,000	927,102	664,487	262,615
Highways and streets	494,000	494,000	484,604	9,396
Health and human services	76,000	76,000	-	76,000
Total capital outlay	\$ 1,194,000	\$ 1,828,221	\$ 1,253,267	\$ 574,954
Total Expenditures	\$ 1,850,000	\$ 2,577,410	\$ 1,751,839	\$ 825,571
Excess of Revenues Over (Under) Expenditures	\$ 2,811,295	\$ 2,083,885	\$ 2,995,506	\$ 911,621
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	\$ -	\$ -	\$ 57,830	\$ 57,830
Net Change in Fund Balance	\$ 2,811,295	\$ 2,083,885	\$ 3,053,336	\$ 969,451
Fund Balance - January 1	3,017,395	3,017,395	3,017,395	-
Prior Period Adjustment (See Note V)	-	-	266,764	\$ 266,764
Fund balance - January 1, as Restated	<u>3,017,395</u>	<u>3,017,395</u>	<u>3,284,159</u>	<u>266,764</u>
Fund Balance - December 31	<u>\$ 5,828,690</u>	<u>\$ 5,101,280</u>	<u>\$ 6,337,495</u>	<u>\$ 1,236,215</u>

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Nonmajor Governmental Funds

Special Revenue Funds

Solid Waste (Non-Landfill) – The Solid Waste (Non-Landfill) fund is used to account for the County's recycling program.

Unorganized Townships – This fund is used to account for the activity of the First Assessment District and the Second Assessment District. Since they are unorganized townships, the County Board is responsible for oversight.

Small Cities Development Program – This fund is used to account for the activity of an economic development grant.

Ditch – This fund is used to account for special assessments and expenditures for ditch improvements.

Permanent Fund

Environmental Trust – This fund is used to report resources legally restricted to the extent that only earnings, and not principal, may be used for environmental purposes in accordance with Minn. Stat. § 373.475.

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue Funds			
	Small Cities Development Program			
	Solid Waste (Non-Landfill)	Unorganized Townships	Ditch	
ASSETS				
Cash and investments	\$ 3,180,814	\$ 7,649	\$ 1,036,323	\$ 11,160
Taxes receivable - delinquent	-	-	17,579	-
Accounts receivable	25,860	-	-	-
Accrued interest receivable	-	50	-	-
Due from other governments	1,429	-	77,231	-
Loans receivable	-	75,465	-	-
Prepaid items	992	-	-	-
Total Assets	<u>\$ 3,209,095</u>	<u>\$ 83,164</u>	<u>\$ 1,131,133</u>	<u>\$ 11,160</u>
LIABILITIES				
Accounts payable	\$ 44,196	\$ -	\$ 35,547	\$ -
Salaries payable	1,706	-	-	-
Accrued payroll taxes payable	130	-	-	-
Due to other funds	-	-	115,058	-
Due to other governments	-	-	2,432	-
Total Liabilities	<u>\$ 46,032</u>	<u>\$ -</u>	<u>\$ 153,037</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue (Note III.D.)	\$ -	\$ 75,465	\$ 17,579	\$ -
FUND BALANCES				
Nonspendable:				
Prepays	992	\$ -	\$ -	\$ -
Environmental trust corpus	-	-	-	-
Restricted for:				
Solid waste (non-landfill)	2,190,801	-	-	-
Greater Minnesota Landfill Cleanup Fee	430,066	-	-	-
Economic development revolving loans	-	7,699	-	-
Environmental uses	-	-	-	-
Unorganized townships	-	-	960,517	-
Ditch #13	-	-	-	11,160
Assigned for:				
Solid waste (non-landfill)	541,204	-	-	-
Total Fund Balances	<u>\$ 3,163,063</u>	<u>\$ 7,699</u>	<u>\$ 960,517</u>	<u>\$ 11,160</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,209,095</u>	<u>\$ 83,164</u>	<u>\$ 1,131,133</u>	<u>\$ 11,160</u>

Permanent Fund

Total Special Revenue Funds	Environmental Trust	Total
\$ 4,235,946	\$ 2,065,704	\$ 6,301,650
17,579	-	17,579
25,860	-	25,860
50	2,665	2,715
78,660	-	78,660
75,465	-	75,465
992	-	992
<u>\$ 4,434,552</u>	<u>\$ 2,068,369</u>	<u>\$ 6,502,921</u>
\$ 79,743	\$ -	\$ 79,743
1,706	-	1,706
130	-	130
115,058	-	115,058
2,432	-	2,432
<u>\$ 199,069</u>	<u>\$ -</u>	<u>\$ 199,069</u>
<u>\$ 93,044</u>	<u>\$ -</u>	<u>\$ 93,044</u>
\$ 992	\$ -	\$ 992
-	1,846,499	1,846,499
2,190,801	-	2,190,801
430,066	-	430,066
7,699	-	7,699
-	221,870	221,870
960,517	-	960,517
11,160	-	11,160
<u>541,204</u>	<u>-</u>	<u>541,204</u>
<u>\$ 4,142,439</u>	<u>\$ 2,068,369</u>	<u>\$ 6,210,808</u>
<u>\$ 4,434,552</u>	<u>\$ 2,068,369</u>	<u>\$ 6,502,921</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds			
	Small Cities			
	Solid Waste (Non-Landfill)	Development Program	Unorganized Townships	Ditch
REVENUES				
Taxes	\$ -	\$ -	\$ 1,124,356	\$ -
Special assessments	598,673	-	24,526	14,339
Licenses and permits	-	-	99	-
Intergovernmental	270,326	-	80,194	35,168
Charges for services	394,613	-	-	-
Investment earnings	-	1,629	-	-
Miscellaneous	<u>111,141</u>	<u>31,426</u>	<u>60,163</u>	<u>-</u>
Total Revenues	<u>\$ 1,374,753</u>	<u>\$ 33,055</u>	<u>\$ 1,289,338</u>	<u>\$ 49,507</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ 103,551	\$ -
Public safety	-	-	201,676	-
Highways and streets	-	-	743,318	-
Conservation of natural resources	1,113,500	-	-	38,118
Economic development	<u>-</u>	<u>28,618</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 1,113,500</u>	<u>\$ 28,618</u>	<u>\$ 1,048,545</u>	<u>\$ 38,118</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 261,253</u>	<u>\$ 4,437</u>	<u>\$ 240,793</u>	<u>\$ 11,389</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 134,036	\$ -	\$ -	\$ -
Transfers out	<u>(134,036)</u>	<u>-</u>	<u>(97,286)</u>	<u>(1,429)</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,286)</u>	<u>\$ (1,429)</u>
Net Change in Fund Balances	<u>\$ 261,253</u>	<u>\$ 4,437</u>	<u>\$ 143,507</u>	<u>\$ 9,960</u>
Fund Balance - January 1	<u>2,901,810</u>	<u>3,262</u>	<u>817,010</u>	<u>1,200</u>
Fund Balance - December 31	<u>\$ 3,163,063</u>	<u>\$ 7,699</u>	<u>\$ 960,517</u>	<u>\$ 11,160</u>

Permanent Fund

Total Special Revenue Funds	Environmental Trust	Total
\$ 1,124,356	\$ -	\$ 1,124,356
637,538	-	637,538
99	-	99
385,688	-	385,688
394,613	-	394,613
1,629	(32,105)	(30,476)
202,730	-	202,730
\$ 2,746,653	\$ (32,105)	\$ 2,714,548
\$ 103,551	\$ -	\$ 103,551
201,676	-	201,676
743,318	-	743,318
1,151,618	3,621	1,155,239
28,618	-	28,618
\$ 2,228,781	\$ 3,621	\$ 2,232,402
\$ 517,872	\$ (35,726)	\$ 482,146
\$ 134,036	\$ -	\$ 134,036
(232,751)	-	(232,751)
\$ (98,715)	\$ -	\$ (98,715)
\$ 419,157	\$ (35,726)	\$ 383,431
3,723,282	2,104,095	5,827,377
\$ 4,142,439	\$ 2,068,369	\$ 6,210,808

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
SOLID WASTE (NON-LANDFILL) SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Special assessments	\$ 600,000	\$ 600,000	\$ 598,673	\$ (1,327)
Intergovernmental	226,500	226,500	270,326	43,826
Charges for services	400,000	400,000	394,613	(5,387)
Miscellaneous	68,500	68,500	111,141	42,641
Total Revenues	\$ 1,295,000	\$ 1,295,000	\$ 1,374,753	\$ 79,753
EXPENDITURES				
Current				
Conservation of natural resources				
Solid waste (non-landfill)	<u>\$ 1,041,265</u>	<u>\$ 1,041,265</u>	<u>\$ 1,113,500</u>	<u>\$ (72,235)</u>
Capital outlay				
Conservation of natural resources	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>
Total Expenditures	<u>\$ 1,291,265</u>	<u>\$ 1,291,265</u>	<u>\$ 1,113,500</u>	<u>\$ 177,765</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 3,735</u>	<u>\$ 3,735</u>	<u>\$ 261,253</u>	<u>\$ 257,518</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 153,500	\$ 153,500	\$ 134,036	\$ (19,464)
Transfers out	(150,000)	(150,000)	(134,036)	15,964
Total Other Financing Sources (Uses)	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ (3,500)</u>
Net Change in Fund Balance	<u>\$ 7,235</u>	<u>\$ 7,235</u>	<u>\$ 261,253</u>	<u>\$ 254,018</u>
Fund Balance - January 1	<u>2,901,810</u>	<u>2,901,810</u>	<u>2,901,810</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 2,909,045</u>	<u>\$ 2,909,045</u>	<u>\$ 3,163,063</u>	<u>\$ 254,018</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
UNORGANIZED TOWNSHIPS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,121,805	\$ 1,121,805	\$ 1,124,356	\$ 2,551
Special assessments	-	-	24,526	24,526
Licenses and permits	-	-	99	99
Intergovernmental	47,000	47,000	80,194	33,194
Miscellaneous	-	-	60,163	60,163
Total Revenues	<u>\$ 1,168,805</u>	<u>\$ 1,168,805</u>	<u>\$ 1,289,338</u>	<u>\$ 120,533</u>
EXPENDITURES				
Current				
General government				
Unorganized township general revenue	\$ 105,344	\$ 105,344	\$ 103,551	\$ 1,793
Public safety				
Unorganized township fire	201,225	201,225	201,676	(451)
Highways and streets				
Unorganized township roads	912,785	912,785	743,318	169,467
Total Expenditures	<u>\$ 1,219,354</u>	<u>\$ 1,219,354</u>	<u>\$ 1,048,545</u>	<u>\$ 170,809</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (50,549)</u>	<u>\$ (50,549)</u>	<u>\$ 240,793</u>	<u>\$ (50,276)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(97,286)	(97,286)
Net Change in Fund Balance	<u>\$ (50,549)</u>	<u>\$ (50,549)</u>	<u>\$ 143,507</u>	<u>\$ 194,056</u>
Fund Balance - January 1	<u>817,010</u>	<u>817,010</u>	<u>817,010</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 766,461</u>	<u>\$ 766,461</u>	<u>\$ 960,517</u>	<u>\$ 194,056</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
DITCH SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Special assessments	\$ 14,201	\$ 14,201	\$ 14,339	\$ 138
Intergovernmental	-	-	35,168	35,168
Total Revenues	\$ 14,201	\$ 14,201	\$ 49,507	\$ 35,306
EXPENDITURES				
Current				
Conservation of natural resources				
Ditch	14,201	14,201	38,118	(23,917)
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 11,389	\$ 11,389
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(1,429)	(1,429)
Net Change in Fund Balance	\$ -	\$ -	\$ 9,960	\$ 9,960
Fund Balance - January 1	1,200	1,200	1,200	-
Fund Balance - December 31	\$ 1,200	\$ 1,200	\$ 11,160	\$ 9,960

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL TRUST PERMANENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 43,000	\$ 43,000	\$ (32,105)	\$ (75,105)
EXPENDITURES				
Current				
Conservation of natural resources				
Environmental services	43,000	43,000	3,621	39,379
Net Change in Fund Balance	\$ -	\$ -	\$ (35,726)	\$ (35,726)
Fund Balance - January 1	<u>2,104,095</u>	<u>2,104,095</u>	<u>2,104,095</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 2,104,095</u>	<u>\$ 2,104,095</u>	<u>\$ 2,068,369</u>	<u>\$ (35,726)</u>

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Fiduciary Funds

Custodial Funds

Collaborative – This fund is used to account for the activities of the family services collaborative. The collaborative sets goals to address the health, development, educational, and family-related needs of children and youth and uses outcome-based indicators to measure progress toward achieving those goals.

Child Protection Team – The Crow Wing County Child Protection Team fund was created to account for funds raised from the Annual Regional Radiothon to End Child Abuse. The Crow Wing County Child Protection Team consists of various agencies within Crow Wing County that are responsible for deciding how these funds should be used to help prevent child abuse. Currently there are 19 agencies that are members of the CWC Child Protection Team.

Taxes and Penalties – This fund is used to account for the inflows of tax collections and the disbursement of taxes during the settlement process.

MN Estate Recoveries – This fund is used to hold the estates of deceased parties within the County until such a time they can be analyzed and disbursed appropriately.

Snowmobile, ATV, Ski Trails – This fund is used to account for grants received for trail maintenance and trail equipment.

Mississippi Headwaters Board – This fund is used to account for the grants or appropriations received by the Board, and the disbursements made in the effort to increase water quality awareness around the Mississippi River.

Lake Improvement Districts – This fund is used to account for the activity of eleven lake improvement districts within the County.

Jail Canteen – This fund is used to account for deposits and withdrawals made by inmates of the Crow Wing County Jail.

Region V+ Adult Mental Health Initiative – This fund is used to account for activity related to enhanced services to vulnerable populations and improve the mental health delivery system for adults with serious and persistent mental illnesses.

State Revenue – This fund is used for the collection of fees on behalf of the State.

Private-Purpose Trust Funds

North Long Lake Sanitary Sewer District (NLLSSD) Trust – This fund is used as a long-term replacement fund for the sewer system of the District.

Social Welfare – This fund is used to account for the activity related to income received and payments made on behalf of individuals for whom the County is responsible to assist in accordance with Minn. Stat. § 256.8.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
DECEMBER 31, 2021**

	Custodial Funds			
	Collaborative	Child Protection Team	Taxes and Penalties	MN Estate Recoveries
ASSETS				
Cash and investments	\$ 335,589	\$ 50,495	\$ 3,069,917	\$ 334,495
Due from other governments	82,262	-	-	-
Taxes for other governments	-	-	1,574,397	-
Total Assets	<u>417,851</u>	<u>50,495</u>	<u>4,644,314</u>	<u>334,495</u>
LIABILITIES				
Due to others	-	-	7,204	-
Due to other governments	114,773	-	2,984,099	334,495
Total Liabilities	<u>114,773</u>	<u>-</u>	<u>2,991,303</u>	<u>334,495</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes collected for subsequent period	-	-	78,614	-
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	<u>\$ 303,078</u>	<u>\$ 50,495</u>	<u>\$ 1,574,397</u>	<u>\$ -</u>

Custodial Funds

Snowmobile, ATV, Ski Trails	Mississippi Headwaters Board	Lake Improvement Districts	Jail Canteen	Region V + Adult Mental Health Initiative	State Revenue	Total Custodial Funds
\$ 160,331	\$ 256,328	\$ 194,686	\$ 28,938	\$ 209,993	\$ 762,621	\$ 5,403,393
101,315	-	-	-	313,616	408	497,601
-	-	-	-	-	-	1,574,397
261,646	256,328	194,686	28,938	523,609	763,029	7,475,391
 261,646	 7,078	 63	 -	 38,684	 -	 314,675
 -	 -	 -	 -	 -	 763,029	 4,196,396
261,646	7,078	63	-	38,684	763,029	4,511,071
 - \$ -	 - \$ 249,250	 - \$ 194,623	 - \$ 28,938	 - \$ 484,925	 - \$ -	 - \$ 2,885,706
						 78,614

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
DECEMBER 31, 2021**

	Custodial Funds			
	Collaborative	Child Protection Team	Taxes and Penalties	MN Estate Recoveries
ADDITIONS				
Contributions				
Individuals	\$ -	\$ -	\$ -	\$ -
Gifts and contributions	903,726	44,993	- 88,376,015	- - - 585,038
Property tax collections for other governments	-	-	88,376,015	-
License and fees collected for state	-	-	-	-
Miscellaneous	-	-	-	585,038
Total Additions	903,726	44,993	88,376,015	585,038
DEDUCTIONS				
Beneficiary payments to individuals	-	-	-	-
Payments of property tax to other governments	-	-	88,867,461	-
Administrative expense	70,510	-	-	-
Payments to other entities	1,019,389	31,347	- 88,867,461	585,038
Total Deductions	1,089,899	31,347	88,867,461	585,038
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION				
Fiduciary Net Position - Beginning of Year	(186,173)	13,646	(491,446)	-
FIDUCIARY NET POSITION - END OF YEAR	489,251	36,849	2,065,843	-
	\$ 303,078	\$ 50,495	\$ 1,574,397	\$ -

Custodial Funds

Snowmobile, ATV, Ski Trails	Mississippi Headwaters Board	Lake Improvement Districts	Jail Canteen	Region V + Adult Mental Health Initiative	State Revenue	Total Custodial Funds
\$ -	\$ -	\$ -	\$ 732,058	\$ -	\$ -	\$ 732,058
-	-	-	-	-	-	948,719
-	-	-	-	-	-	88,376,015
-	-	-	-	-	18,883,420	18,883,420
<u>524,588</u>	<u>249,174</u>	<u>262,580</u>	<u>732,058</u>	<u>1,552,998</u>	<u>-</u>	<u>3,174,378</u>
<u>524,588</u>	<u>249,174</u>	<u>262,580</u>	<u>732,058</u>	<u>1,552,998</u>	<u>18,883,420</u>	<u>112,114,590</u>
<hr/>						
-	-	-	722,972	-	-	722,972
-	-	-	-	-	-	88,867,461
-	653	-	-	-	-	71,163
<u>524,588</u>	<u>335,103</u>	<u>658,255</u>	<u>-</u>	<u>1,916,120</u>	<u>18,883,420</u>	<u>23,953,260</u>
<u>524,588</u>	<u>335,756</u>	<u>658,255</u>	<u>722,972</u>	<u>1,916,120</u>	<u>18,883,420</u>	<u>113,614,856</u>
<hr/>						
-	(86,582)	(395,675)	9,086	(363,122)	-	(1,500,266)
-	<u>335,832</u>	<u>590,298</u>	<u>19,852</u>	<u>848,047</u>	<u>-</u>	<u>4,385,972</u>
<u>\$ -</u>	<u>\$ 249,250</u>	<u>\$ 194,623</u>	<u>\$ 28,938</u>	<u>\$ 484,925</u>	<u>\$ -</u>	<u>\$ 2,885,706</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
DECEMBER 31, 2021**

	Private-Purpose Trust			Total Private-Purpose Trust Funds	
	NLLSSD	Social Welfare	Total Private-Purpose Trust Funds		
	NLLSSD	Social Welfare			
ASSETS					
Cash and investments	\$ 9,928	\$ 11,286	<u>21,214</u>		
LIABILITIES					
Due to others	-	250	<u>250</u>		
Total Liabilities	<u>-</u>	<u>250</u>	<u>250</u>		
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments	<u>\$ 9,928</u>	<u>\$ 11,036</u>	<u>\$ 20,964</u>		

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
DECEMBER 31, 2021**

	Private-Purpose Trust		Total Private-Purpose Trust Funds
	NLLSSD	Social Welfare	
ADDITIONS			
Contributions			
Individuals	\$ -	\$ 140,464	\$ 140,464
Miscellaneous	1,343	-	1,343
Total Additions	1,343	140,464	141,807
DEDUCTIONS			
Beneficiary payments to individuals			
	-	163,370	163,370
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	1,343	(22,906)	(21,563)
Fiduciary Net Position - Beginning of Year	8,585	33,942	42,527
FIDUCIARY NET POSITION - END OF YEAR	\$ 9,928	\$ 11,036	\$ 20,964

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Governmental Funds and Total Primary Government
Shared Revenues	
State	
Highway users tax	\$ 7,773,160
Market value credit	154,384
Supplemental taconite credit	510,133
Pension contribution	99,523
Aquatic invasive species aid	440,901
Out of home placement aid	36,730
Disparity reduction aid	14,086
County program aid	2,620,116
Police aid	360,042
E-911	<u>222,122</u>
Total Shared Revenues	<u>\$ 12,231,197</u>
Reimbursement for Services	
State	
Minnesota Department of Human Services	<u>\$ 4,073,141</u>
Payments	
Local	
Local contributions	\$ 32,290
Payments in lieu of taxes	<u>574,414</u>
Total Payments	<u>\$ 606,704</u>

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021**
(Continued)

	Governmental Funds and Total Primary Government
Grants	
State	
Minnesota Department of	
Agriculture	\$ 1,777
Corrections	968,809
Health	716,632
Human Services	2,195,266
Natural Resources	224,845
Public Safety	13,092
Trial Courts	68,498
Veterans Affairs	15,000
Peace Officers Board	45,336
Pollution Control Agency	268,549
Water and Soil Resources	<u>166,507</u>
Total State	<u>\$ 4,684,311</u>
Federal	
Department of	
Agriculture	1,060,705
Health and Human Services	5,857,480
Homeland Security	287,077
Interior	4,496
Justice	39,772
Transportation	1,226,349
Treasury	<u>12,985</u>
Total Federal	<u>\$ 8,488,864</u>
Total State and Federal Grants	<u>\$ 13,173,175</u>
Total Intergovernmental Revenue	<u>\$ 30,084,217</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Health				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not provided	\$ 328,345	\$ -
Passed Through Minnesota Department of Human Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Part of SNAP Cluster)	10.561	222MN101S2514	\$ 727,436	- -
	10.561	222MN101S2520	469	- -
	10.561	222MN127Q7503	4,455	- -
			<u>732,360</u>	<u>- -</u>
Total U.S. Department of Agriculture			\$ 1,060,705	\$ -
U.S. Department of the Interior				
Passed Through Minnesota Department of Natural Resources				
Great Lakes Restoration	15.662	190556	\$ 4,496	\$ -
U.S. Department of Justice				
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	F-CVS-2020-CROWWAO	\$ 39,772	\$ -
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction (Part of Highway Planning and Construction Cluster)	20.205	STPF 1821 (140)	\$ 1,040,000	\$ -
	20.205	HSIP 1821 (182)	<u>112,379</u>	<u>\$ 1,152,379</u>
Passed Through Minnesota Department of Trial Courts				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not provided	<u>73,970</u>	<u>- -</u>
Total U.S. Department of Transportation			\$ 1,226,349	\$ -
U.S. Department of the Treasury				
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 2,985	\$ -
Passed Through Minnesota Department of Health				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not provided	<u>10,000</u>	<u>- -</u>
Total U.S. Department of Treasury			\$ 12,985	\$ -
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	NU90TP922026	\$ 50,808	\$ -
Early Hearing Detection and Intervention	93.251	H6100035	1,625	- -
Immunization Cooperative Agreements	93.268	NH23IP922628	123,289	- -
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	NU50DD000096	225	- -
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000508	106,291	- -
Temporary Assistance for Needy Families	93.558	2101MNTANF	80,351	- -
(Total Temporary Assistance for Needy Families 93,558 \$757,025)				
Maternal and Child Health Services Block Grant to the States	93.994	B0440142	65,215	- -
			(Continued)	

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**
(Continued)

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed Through Minnesota Department of Human Services				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	H79SM080155	\$ 64,726	\$ -
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2101MNPSS	10,745	-
Temporary Assistance for Needy Families	93.558	2101MNTANF	676,674	-
(Total Temporary Assistance for Needy Families 93.558 \$757,025)				
Child Support Enforcement	93.563	2101MNCEST	\$ 918,791	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.563	2101MNCSSES	307,917	1,226,708
Community-Based Child Abuse Prevention Grants	93.566	2101MNRCMA	1,549	-
Child Care Block Grant and Development Fund (Part of CCDF Cluster)	93.590	2001MNBCAP	15,488	-
Stephanie Tubbs Jones Child Welfare Services Program	93.575	2101MNCCDF	36,127	-
COVID-19 Stephanie Tubbs Jones Child Welfare Services Program	93.645	2101MNCWSS	\$ 5,801	-
Foster Care Title IV-E	93.645	2001MNCWC3	5,446	11,247
Social Services Block Grant	93.658	2101MINFOST		544,863
Child Abuse and Neglect State Grants	93.667	2101MNSOSR		326,056
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2101MNCILP	\$ 18,825	-
COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	63.674	2101MNCILP	14,954	33,779
Children's Health Insurance Program	93.767	2105MN5021		3,635
Medical Assistance Program (Part of Medicaid Cluster)	93.778	2105MN5ADM	\$ 2,439,749	-
	93.778	2105MN5MAP	43,112	2,482,861
Total U.S. Department of Health and Human Services			\$ 5,863,612	\$ -
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	Not provided	\$ 49,237	\$ -
Passed Through Minnesota Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4531	24,843	-
Emergency Management Performance Grants	97.042	F-EMPG-2020-CROWWICO	39,900	-
Homeland Security Grant Program	97.067	F-SHSP-2020-CROWWICO	173,097	-
Total U.S. Department of Homeland Security			\$ 287,077	\$ -
Total Federal Expenditures			\$ 8,494,996	\$ -

Clusters of programs are groupings of closely related programs that share common requirements.

Total expenditures by cluster are:

SNAP Cluster	\$ 732,360
CCDF Cluster	36,127
Medicaid Cluster	2,482,861
Highway Planning and Construction Cluster	1,152,379

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Crow Wing County. The County's reporting entity is defined in Note I.A. to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Crow Wing County under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) from the Office of Management and Budget. Because the schedule presents only a selected portion of the operations of Crow Wing County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Crow Wing 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Crow Wing County has elected not to use the ten percent de minimus indirect cost rate allowed under the Uniform Guidance.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 8,488,864
 Grants received more than 60 days after year-end, deferred in 2021	
Public Health Emergency Preparedness	6,900
Temporary Assistance for Needy Families	170,784
Community-Based Child Abuse Prevention Grants	4,296
Children's Health Insurance Program	2,602
Medical Assistance Program (Part of Medicaid Cluster)	24,390
 Deferred in 2020, recognized as revenue in 2021	
Temporary Assistance for Needy Families	<u>(202,840)</u>
Expenditures Per Schedule of Federal Awards	<u>\$ 8,494,996</u>

Statistical Section

This part of Crow Wing County's Annual Comprehensive Financial Report presents detailed information to provide context in understanding the financial statements, note disclosures, and required supplementary information. All portions of this report should be considered when examining the County's overall financial health.

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Financial Trends schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

CROW WING COUNTY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 132,167,372	\$ 137,032,435	\$ 146,262,282	\$ 154,361,324
Restricted	14,924,912	15,100,842	14,440,695	14,387,092
Unrestricted	46,594,361	43,888,807	40,448,984	18,313,794
Total governmental activities net position	<u><u>\$ 193,686,645</u></u>	<u><u>\$ 196,022,084</u></u>	<u><u>\$ 201,151,961</u></u>	<u><u>\$ 187,062,210</u></u>
Business-type activities				
Net investment in capital assets	\$ 4,601,273	\$ 4,137,889	\$ 3,714,862	\$ 3,230,662
Restricted	-	1,823,923	1,678,777	1,470,941
Unrestricted	7,127,230	6,358,525	7,138,379	7,664,239
Total business-type activities net position	<u><u>\$ 11,728,503</u></u>	<u><u>\$ 12,320,337</u></u>	<u><u>\$ 12,532,018</u></u>	<u><u>\$ 12,365,842</u></u>
Primary government				
Net investment in capital assets	\$ 136,768,645	\$ 141,170,324	\$ 149,977,144	\$ 157,591,986
Restricted	14,924,912	16,924,765	16,119,472	15,858,033
Unrestricted	53,721,591	50,247,332	47,587,363	25,978,033
Total primary governments activities net position	<u><u>\$ 205,415,148</u></u>	<u><u>\$ 208,342,421</u></u>	<u><u>\$ 213,683,979</u></u>	<u><u>\$ 199,428,052</u></u>

(Unaudited)

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 161,945,002	\$ 175,970,678	\$ 187,498,002	\$ 197,321,553	\$ 213,757,439	\$ 219,184,157
16,098,569	23,365,483	26,628,305	24,838,282	20,445,521	23,305,954
11,487,228	(1,205,633)	(26,000,200)	(26,095,697)	(18,976,149)	(11,087,173)
<u>\$ 189,530,799</u>	<u>\$ 198,130,528</u>	<u>\$ 188,126,107</u>	<u>\$ 196,064,138</u>	<u>\$ 215,226,811</u>	<u>\$ 231,402,938</u>
\$ 2,939,450	\$ 2,821,144	\$ 3,727,297	\$ 6,367,272	\$ 7,443,860	\$ 7,350,755
1,436,133	1,260,375	1,175,578	2,017,980	1,766,948	1,790,687
8,335,332	9,022,817	8,677,817	5,631,164	5,572,602	6,255,070
<u>\$ 12,710,915</u>	<u>\$ 13,104,336</u>	<u>\$ 13,580,692</u>	<u>\$ 14,016,416</u>	<u>\$ 14,783,410</u>	<u>\$ 15,396,512</u>
\$ 164,884,452	\$ 178,791,822	\$ 191,225,299	\$ 203,688,825	\$ 221,201,299	\$ 226,534,912
17,534,702	24,625,858	27,803,883	26,856,262	22,212,469	25,096,641
19,822,560	7,817,184	(17,322,383)	(20,464,533)	(13,403,547)	(4,832,103)
<u>\$ 202,241,714</u>	<u>\$ 211,234,864</u>	<u>\$ 201,706,799</u>	<u>\$ 210,080,554</u>	<u>\$ 230,010,221</u>	<u>\$ 246,799,450</u>

(Unaudited)

CROW WING COUNTY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities				
General government	\$ 12,956,270	\$ 13,436,948	\$ 16,542,474	\$ 16,937,785
Public safety	13,437,415	17,320,145	14,045,336	16,111,366
Highways and streets	7,008,995	8,871,390	9,130,552	10,277,136
Sanitation	-	-	-	1,102,479
Health and human services ¹	20,570,268	20,173,438	20,730,571	22,537,452
Health ¹	1,555,816	1,504,136	1,448,443	-
Culture and recreation	669,106	683,872	741,199	720,945
Conservation of natural resources	1,589,004	1,755,941	1,994,144	1,909,052
Economic development	-	-	-	17,053
Interest	1,928,665	763,965	1,214,835	1,018,348
Total governmental activities expenses	<u>\$ 59,715,539</u>	<u>\$ 64,509,835</u>	<u>\$ 65,847,554</u>	<u>\$ 70,631,616</u>
Business-type activities				
Solid waste	\$ 2,131,373	\$ 1,703,792	\$ 1,981,974	\$ 2,466,616
Total primary governments activities expenses	<u>\$ 61,846,912</u>	<u>\$ 66,213,627</u>	<u>\$ 67,829,528</u>	<u>\$ 73,098,232</u>
Program Revenues				
Governmental activities				
Charge for services:				
General government	\$ 1,829,766	\$ 1,851,275	\$ 1,826,772	\$ 2,065,967
Public safety	1,586,547	2,177,386	2,608,265	2,335,386
Highways and streets	589,297	429,836	336,177	327,438
Health and human services ¹	2,030,299	1,227,820	1,786,393	1,861,936
Health ¹	257,855	233,016	157,675	-
Culture and recreation	-	-	-	-
Conservation of natural resources	1,421,929	1,674,068	2,368,173	1,854,236
Economic development	11,497	13,252	13,656	13,881
Operating grants and contributions	19,091,574	19,929,435	21,384,878	22,449,358
Capital grants and contributions	13,883,256	903,557	1,232,623	3,597,081
Total governmental activities program revenues	<u>\$ 40,702,020</u>	<u>\$ 28,439,645</u>	<u>\$ 31,714,612</u>	<u>\$ 34,505,283</u>
Business-type activities				
Charges for services:				
Solid Waste	\$ 2,064,133	\$ 1,986,447	\$ 2,132,298	\$ 2,327,381
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>\$ 2,064,133</u>	<u>\$ 1,986,447</u>	<u>\$ 2,132,298</u>	<u>\$ 2,327,381</u>
Total primary governments activities program revenues	<u>\$ 42,766,153</u>	<u>\$ 30,426,092</u>	<u>\$ 33,846,910</u>	<u>\$ 36,832,664</u>
Net (Expense) Revenue				
Governmental activities	\$ (19,013,519)	\$ (36,070,190)	\$ (34,132,942)	\$ (36,126,333)
Business-type activities	(67,240)	282,655	150,324	(139,235)
Total primary government net expense	<u>\$ (19,080,759)</u>	<u>\$ (35,787,535)</u>	<u>\$ (33,982,618)</u>	<u>\$ (36,265,568)</u>

¹In 2015 the County combined the functions of Health and Human Services.

(Unaudited)

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 17,685,593	\$ 16,513,663	\$ 16,819,477	\$ 17,623,743	\$ 17,438,271	\$ 16,997,377	
20,329,416	19,750,170	17,875,341	18,519,174	18,124,461	19,372,688	
10,924,855	10,997,480	15,980,286	13,760,044	14,050,967	12,610,573	
12,833	249	8,333	5,533	5,589	5,645	
24,189,396	24,748,890	24,937,883	25,616,323	25,004,482	23,490,682	
-	-	-	-	-	-	
707,490	822,656	720,633	712,275	740,934	729,739	
1,967,863	2,331,978	2,384,527	3,055,512	3,614,092	3,199,213	
72,562	50,872	56,416	47,689	5,945,478	1,286,835	
828,184	616,015	398,779	169,040	25,584	10,461	
\$ 76,718,192	\$ 75,831,973	\$ 79,181,675	\$ 79,509,333	\$ 84,949,858	\$ 77,703,213	
\$ 2,459,765	\$ 2,560,056	\$ 2,593,282	\$ 2,632,683	\$ 2,578,034	\$ 2,666,038	
<u>\$ 79,177,957</u>	<u>\$ 78,392,029</u>	<u>\$ 81,774,957</u>	<u>\$ 82,142,016</u>	<u>\$ 87,527,892</u>	<u>\$ 80,369,251</u>	
\$ 2,166,648	\$ 2,296,987	\$ 3,041,026	\$ 3,021,334	\$ 2,461,388	\$ 2,910,047	
3,330,412	3,890,005	3,065,290	2,800,353	2,087,797	1,970,045	
419,817	231,767	1,469,000	2,304,444	2,267,984	1,003,330	
1,913,528	1,610,358	1,418,144	1,440,180	1,834,082	1,908,688	
-	-	-	-	-	-	
74	22	456	-	2,359	356	
1,950,817	2,095,457	2,604,681	2,933,867	3,577,902	4,213,578	
13,990	275,152	3,743	-	-	-	
24,608,021	27,224,671	24,411,021	23,751,768	36,419,534	25,278,763	
1,185,355	804,528	6,942,389	7,620	2,466,458	1,375,822	
<u>\$ 35,588,662</u>	<u>\$ 38,428,947</u>	<u>\$ 42,955,750</u>	<u>\$ 36,259,566</u>	<u>\$ 51,117,504</u>	<u>\$ 38,660,629</u>	
\$ 2,721,935	\$ 2,838,890	\$ 2,921,411	\$ 2,909,938	\$ 3,196,269	\$ 3,145,104	
<u>596</u>	<u>46</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ 2,722,531</u>	<u>\$ 2,838,936</u>	<u>\$ 2,921,411</u>	<u>\$ 2,909,938</u>	<u>\$ 3,196,269</u>	<u>\$ 3,145,104</u>	
<u>\$ 38,311,193</u>	<u>\$ 41,267,883</u>	<u>\$ 45,877,161</u>	<u>\$ 39,169,504</u>	<u>\$ 54,313,773</u>	<u>\$ 41,805,733</u>	
\$ (41,129,530)	\$ (37,403,026)	\$ (36,225,925)	\$ (43,249,767)	\$ (33,832,354)	\$ (39,042,584)	
<u>262,766</u>	<u>278,880</u>	<u>328,129</u>	<u>277,255</u>	<u>618,235</u>	<u>479,066</u>	
<u>\$ (40,866,764)</u>	<u>\$ (37,124,146)</u>	<u>\$ (35,897,796)</u>	<u>\$ (42,972,512)</u>	<u>\$ (33,214,119)</u>	<u>\$ (38,563,518)</u>	

(Continued)

(Unaudited)

CROW WING COUNTY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (Continued)

	Fiscal Year			
	2012	2013	2014	2015
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 35,814,571	\$ 35,488,689	\$ 35,541,480	\$ 35,684,227
Transportation sales and use tax	-	-	-	-
Mortgage registry and deed tax	86,114	92,199	72,421	73,139
Payments in lieu of tax	429,758	515,879	505,570	505,242
Unrestricted grants and contributions	1,293,122	2,261,079	2,570,579	2,814,469
Investment income	201,695	(33,980)	348,758	450,410
Miscellaneous	610,553	331,763	224,011	291,139
Gain on sale of capital assets	17,915	-	-	-
Transfers	(250,000)	(250,000)	-	-
Total governmental activities	<u>\$ 38,203,728</u>	<u>\$ 38,405,629</u>	<u>\$ 39,262,819</u>	<u>\$ 39,818,626</u>
Business-type activities:				
Unrestricted grants and contributions	\$ 595	\$ 595	\$ 595	\$ 595
Investment income	91,746	58,584	60,762	73,736
Miscellaneous	-	-	-	-
Transfers	250,000	250,000	-	-
Total business-type activities	<u>\$ 342,341</u>	<u>\$ 309,179</u>	<u>\$ 61,357</u>	<u>\$ 74,331</u>
Total primary government	<u><u>\$ 38,546,069</u></u>	<u><u>\$ 38,714,808</u></u>	<u><u>\$ 39,324,176</u></u>	<u><u>\$ 39,892,957</u></u>
Change in Net Position				
Governmental activities	\$ 19,190,209	\$ 2,335,439	\$ 5,129,877	\$ 3,692,293
Business-type activities	275,101	591,834	211,681	(64,904)
Total primary government	<u><u>\$ 19,465,310</u></u>	<u><u>\$ 2,927,273</u></u>	<u><u>\$ 5,341,558</u></u>	<u><u>\$ 3,627,389</u></u>

(Unaudited)

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 35,457,806	\$ 36,033,341	\$ 36,269,538	\$ 38,217,125	\$ 40,749,596	\$ 42,460,710	
4,020,905	6,077,340	6,417,078	7,003,669	7,554,696	8,627,535	
94,583	106,854	105,494	112,094	152,553	182,819	
505,634	492,162	562,442	573,695	572,945	574,414	
2,752,954	2,651,420	2,839,173	2,933,555	3,295,298	3,298,719	
436,639	353,506	897,569	1,650,168	1,124,483	(260,361)	
329,598	288,132	222,925	178,817	168,473	334,875	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ 43,598,119	\$ 46,002,755	\$ 47,314,219	\$ 50,669,123	\$ 53,618,044	\$ 55,218,711	
\$ 595	\$ 595	\$ 595	\$ 595	\$ -	\$ -	
81,712	108,861	140,327	157,874	148,759	134,036	
-	5,085	-	-	-	-	
-	-	-	-	-	-	
\$ 82,307	\$ 114,541	\$ 140,922	\$ 158,469	\$ 148,759	\$ 134,036	
\$ 43,680,426	\$ 46,117,296	\$ 47,455,141	\$ 50,827,592	\$ 53,766,803	\$ 55,352,747	
\$ 2,468,589	\$ 8,599,729	\$ 11,088,294	\$ 7,419,356	\$ 19,785,690	\$ 16,176,127	
345,073	393,421	469,051	435,724	766,994	613,102	
\$ 2,813,662	\$ 8,993,150	\$ 11,557,345	\$ 7,855,080	\$ 20,552,684	\$ 16,789,229	

(Unaudited)

CROW WING COUNTY
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 15,000	\$ 15,000	\$ 115,000	\$ 15,000
Restricted	2,545,786	2,399,772	2,316,891	1,534,345
Committed	1,669,644	1,387,066	1,405,253	1,592,561
Unassigned	15,857,951	11,643,351	12,444,007	13,265,687
Total General Fund	<u><u>\$ 20,088,381</u></u>	<u><u>\$ 15,445,189</u></u>	<u><u>\$ 16,281,151</u></u>	<u><u>\$ 16,407,593</u></u>
All Other Governmental Funds				
Nonspendable	\$ 793,537	\$ 2,782,100	\$ 2,844,125	\$ 2,888,674
Restricted	5,976,805	9,903,970	9,164,679	9,949,073
Committed	-	7,566,908	6,447,090	3,635,338
Assigned	18,578,042	13,774,715	14,972,976	13,875,559
Unassigned	-	-	-	-
Total all other governmental funds	<u><u>\$ 25,348,384</u></u>	<u><u>\$ 34,027,693</u></u>	<u><u>\$ 33,428,870</u></u>	<u><u>\$ 30,348,644</u></u>

(Unaudited)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 88,478	\$ 722,070	\$ 482,643	\$ 442,045	\$ 540,196	\$ 926,764
1,342,572	1,230,717	1,403,453	1,107,828	2,423,920	1,880,627
1,713,514	1,903,387	2,214,897	1,955,062	1,915,722	2,079,261
13,286,490	9,839,901	8,623,412	8,868,911	11,766,342	11,121,436
\$ 16,431,054	\$ 13,696,075	\$ 12,724,405	\$ 12,373,846	\$ 16,646,180	\$ 16,008,088
\$ 2,954,769	\$ 2,795,080	\$ 2,762,192	\$ 2,834,890	\$ 2,508,942	\$ 3,036,136
11,712,750	13,417,206	16,595,773	17,063,285	12,222,040	15,412,641
4,267,218	3,063,645	3,803,621	3,800,188	322	4,738,149
11,802,920	12,323,648	9,477,041	5,007,122	14,091,448	15,392,099
-	-	(148,623)	689,863	-	-
\$ 30,737,657	\$ 31,599,579	\$ 32,490,004	\$ 29,395,348	\$ 28,822,752	\$ 38,579,025

(Unaudited)

CROW WING COUNTY
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
REVENUES				
Taxes	\$ 36,054,509	\$ 35,764,319	\$ 35,692,434	\$ 35,867,692
Special assessments	609,522	609,115	613,607	608,992
Licenses and permits	1,287,873	1,048,897	1,073,536	1,281,108
Intergovernmental	34,811,026	21,373,104	28,043,509	28,052,796
Charges for services	4,998,184	5,640,717	5,883,900	5,434,236
Fines and forfeits	82,796	58,800	41,724	45,354
Gifts and contributions	25,145	48,129	31,681	71,420
Investment earnings	253,954	11,981	364,783	529,616
Sales	166,959	131,836	364,344	622,047
Miscellaneous	3,385,313	3,251,407	2,728,398	2,492,269
Total Revenues	<u>\$ 81,675,281</u>	<u>\$ 67,938,305</u>	<u>\$ 74,837,916</u>	<u>\$ 75,005,530</u>
EXPENDITURES				
Current				
General government	\$ 12,232,650	\$ 12,492,804	\$ 13,828,033	\$ 14,461,781
Public safety	13,599,885	12,636,973	12,605,736	14,225,602
Highways and streets	11,255,631	6,189,673	6,579,224	7,011,820
Health and human services ¹	19,519,474	19,321,787	20,762,422	22,113,076
Health ¹	1,452,535	1,429,224	1,410,744	-
Sanitation	-	-	-	1,239,329
Culture and recreation	716,183	667,685	727,300	663,326
Conservation of natural resources	13,110,749	1,897,142	2,276,905	2,777,174
Economic development	-	-	-	17,053
Capital outlay ²	1,223,403	-	-	-
General government	-	382,325	443,895	436,883
Public safety	-	957,440	1,004,799	434,930
Highways and streets	-	5,028,125	8,707,930	9,195,148
Health and human services ¹	-	31,068	47,000	20,072
Culture and recreation	-	-	25,211	18,992
Conservation of natural resources	-	91,538	57,229	57,229
Intergovernmental				
Highways and streets	350,996	360,631	331,178	350,932
Debt service				
Principal	3,786,400	2,372,450	4,432,750	3,907,750
Interest	1,885,639	923,233	1,421,596	1,203,941
Bond issuance costs	-	124,981	-	-
Payment to refunded bond escrow agent	-	4,943,110	-	-
Administrative charges	4,288	2,538	850	5,675
Total Expenditures	<u>\$ 79,137,833</u>	<u>\$ 69,852,727</u>	<u>\$ 74,662,802</u>	<u>\$ 78,140,713</u>
Excess of revenues over (under) expenditures	<u>\$ 2,537,448</u>	<u>\$ (1,914,422)</u>	<u>\$ 175,114</u>	<u>\$ (3,135,183)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,652,782	\$ 9,381,540	\$ 122,772	\$ 187,110
Transfers out	(1,902,782)	(9,631,540)	(122,772)	(187,110)
Discount on bonds/notes issued	-	-	-	-
Refunding bonds issued	-	29,520,000	-	-
Bonds and notes issued	-	-	-	136,850
Payment to refunded bond escrow agent	-	(33,061,540)	-	-
Premium on bonds/notes issued	-	3,669,102	-	-
Proceeds from sale of capital assets	17,915	-	-	-
Insurance proceeds	-	-	-	-
Compensation for loss of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (232,085)</u>	<u>\$ (122,438)</u>	<u>\$ -</u>	<u>\$ 136,850</u>
Net Change in Fund Balances	<u>\$ 2,305,363</u>	<u>\$ (2,036,860)</u>	<u>\$ 175,114</u>	<u>\$ (2,998,333)</u>
Debt service as a percentage of noncapital expenditures	9.8%	5.2%	9.1%	7.5%

¹In 2015 the County combined the functions of Health and Human Services.

²Beginning with the 2013 Comprehensive Annual Financial Report, the County reported capital outlay by function.

(Unaudited)

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 39,712,574	\$ 42,436,831	\$ 42,467,215	\$ 44,957,327	\$ 49,004,099	\$ 51,629,984	
621,398	724,944	632,609	622,306	631,485	637,538	
1,050,158	1,697,062	1,389,658	1,442,678	1,738,757	1,920,482	
28,124,758	30,508,611	34,554,701	28,105,222	42,729,869	30,084,217	
6,139,651	6,330,045	6,941,495	7,590,750	7,355,926	6,412,243	
64,349	92,135	90,609	68,671	30,940	55,678	
64,024	58,690	42,060	36,985	21,769	122,046	
616,672	427,982	965,654	1,864,274	1,415,942	(145,427)	
753,533	831,225	1,248,078	1,228,569	1,810,083	2,297,698	
2,954,330	2,525,559	2,280,653	2,062,777	1,897,651	2,124,199	
\$ 80,101,447	\$ 85,633,084	\$ 90,612,732	\$ 87,979,559	\$ 106,636,521	\$ 95,138,658	
\$ 14,650,561	\$ 14,076,747	\$ 14,575,517	\$ 14,809,508	\$ 16,542,023	\$ 16,301,272	
15,577,683	17,246,989	17,983,983	18,526,526	19,072,562	19,129,308	
7,715,638	7,031,539	11,673,819	8,310,991	8,181,981	7,310,377	
23,440,807	23,005,362	23,377,256	24,867,762	24,370,518	23,506,669	
-	-	-	-	-	-	
58,868	3,533	-	-	-	-	
688,256	767,105	676,807	681,744	650,521	621,637	
2,503,865	3,435,452	3,047,423	3,409,585	3,678,901	3,542,174	
72,562	50,872	56,416	47,688	5,945,477	1,286,835	
-	-	-	-	-	-	
1,170,319	1,490,007	2,216,513	1,260,530	290,358	114,011	
343,511	904,588	530,386	3,257,106	1,124,262	912,460	
7,603,072	13,833,479	10,689,220	10,565,095	15,369,684	12,341,278	
12,753	-	-	42,887	1,434	-	
434,752	63,266	54,737	66,905	109,455	-	
57,229	81,172	277,771	831,842	1,164,245	1,099,051	
-	-	-	-	-	-	
364,361	364,212	424,552	420,909	437,955	403,021	
-	-	-	-	-	-	
4,091,205	4,284,050	4,650,065	4,678,200	4,900,850	196,000	
1,010,687	807,095	592,652	368,006	133,371	10,746	
-	-	-	-	-	-	
4,974	1,183	2,887	1,634	178	635	
\$ 79,801,103	\$ 87,446,651	\$ 90,830,004	\$ 92,146,918	\$ 101,973,775	\$ 86,775,474	
\$ 300,344	\$ (1,813,567)	\$ (217,272)	\$ (4,167,359)	\$ 4,662,746	\$ 8,363,184	
\$ 304,050	\$ 3,130,795	\$ 1,065,950	\$ 1,203,087	\$ 156,553	\$ 1,475,269	
(304,050)	(3,130,795)	(1,065,950)	(1,203,087)	(156,553)	(1,475,269)	
-	-	-	-	-	-	
-	-	-	-	-	-	
46,035	3,284	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	124,263	35,691	61,663	14,475	57,830	
-	111,815	83,217	39,734	70,141	70,894	
-	-	-	-	-	-	
\$ 46,035	\$ 239,362	\$ 118,908	\$ 101,397	\$ 84,616	\$ 128,724	
\$ 346,379	\$ (1,574,205)	\$ (98,364)	\$ (4,065,962)	\$ 4,747,362	\$ 8,491,908	

7.3% 7.2% 6.8% 6.6% 6.0% 0.3%

(Unaudited)

CROW WING COUNTY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Assessment Year Ended December 31	Payable Year Ended December 31¹	Residential Homestead Property	Residential Non - Homestead Property	Commercial Industrial Property	Agricultural Property	Commercial Residential Seasonal/Rec. Property
2011	2012	\$ 37,437,781 34.63%	\$ 6,904,894 6.39	\$ 15,857,928 14.67	\$ 6,370,119 5.89	\$ 41,372,915 38.26
2012	2013	34,920,502 34.39%	6,380,632 6.28	15,661,644 15.42	5,773,778 5.69	38,655,486 38.07
2013	2014	33,817,682 34.36%	6,193,124 6.29	15,357,315 15.60	5,449,292 5.54	37,448,265 38.04
2014	2015	34,354,193 34.51%	6,545,894 6.57	15,149,613 15.22	5,235,764 5.26	38,132,690 38.30
2015	2016	36,087,799 35.16%	6,808,652 6.64	14,786,101 14.41	5,314,328 5.18	39,472,324 38.47
2016	2017	37,829,072 35.56%	7,082,810 6.66	14,941,071 14.05	5,321,937 5.00	40,843,109 38.40
2017	2018	39,112,439 36.17%	7,115,058 6.58	14,580,066 13.48	5,541,411 5.12	41,283,081 38.18
2018	2019	41,239,092 36.71%	7,181,167 6.39	14,948,409 13.31	5,709,185 5.08	42,946,574 38.23
2019	2020	44,140,564 39.29%	8,274,285 7.37	14,712,046 13.10	5,776,005 5.14	45,150,446 40.19
2020	2021	47,306,557 39.94%	9,419,955 7.95	15,554,536 13.13	6,234,052 5.26	45,769,127 38.64

Source: Land Services

¹Applicable taxes are collectible in the subsequent year.

²Total direct tax rate shown is for the payable year.

³Property estimated market value is for the assessment year indicated.

(Unaudited)

Other Property	Personal Property	Less: Tax Incremented Financing	Total Taxable Assessed Value	Total Direct Tax Rate²	Estimated Actual Taxable Value³	Assessed Value as a Percentage of Actual Value
\$ 224,307 0.21	\$ 1,071,195 0.99	\$ 1,115,686 (1.04)	\$ 108,123,453 100.00%	32.408%	\$ 10,013,341,000	1.080%
209,522 0.21	1,074,665 1.06	1,139,183 (1.12)	101,537,046 100.00%	34.342%	9,399,678,500	1.080%
185,960 0.19	1,121,697 1.14	1,139,339 (1.16)	98,433,996 100.00%	35.269%	9,121,473,200	1.079%
167,745 0.17	1,108,003 1.11	1,130,367 (1.14)	99,563,535 100.00%	34.653%	9,235,920,600	1.078%
166,072 0.16	1,144,562 1.12	1,170,572 (1.14)	102,609,266 100.00%	33.574%	9,548,387,800	1.075%
175,891 0.17	1,213,309 1.14	1,042,600 (0.98)	106,364,599 100.00%	32.308%	9,885,450,596	1.076%
232,899 0.22	1,286,454 1.19	1,018,439 (0.94)	108,132,969 100.00%	31.741%	10,077,476,226	1.073%
173,599 0.15	1,238,974 1.10	1,091,785 (0.97)	112,345,215 100.00%	32.689%	10,476,197,170	1.072%
174,957 0.16	1,232,908 1.10	1,017,579 (0.91)	118,443,632 105.44%	33.154%	11,041,783,697	1.073%
172,900 0.15	1,311,286 1.11	1,064,248 (0.90)	124,704,165 105.28%	33.069%	11,617,920,173	1.073%

(Unaudited)

CROW WING COUNTY
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	Year Taxes Are Payable									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County Direct Rates										
General revenue	15.398 %	17.422 %	18.303 %	18.483 %	17.953 %	16.575 %	15.684 %	16.175 %	18.162 %	18.654 %
Road and bridge	3.621	3.835	3.904	3.644	3.343	1.966	1.886	1.681	1.594	1.515
Community services	7.101	6.412	6.344	5.904	5.705	7.209	8.552	9.781	11.418	11.007
Capital Projects	1.742	1.855	0.917	0.906	1.048	1.241	0.390	-	1.442	1.370
Bonded debt	3.874	4.115	5.100	5.034	4.884	4.711	4.634	4.484	-	-
Transit system	0.033	0.034	0.036	0.035	0.014	0.002	0.002	-	-	-
Airport bonds	0.098	0.103	0.101	0.090	0.087	0.084	0.082	0.079	0.075	0.081
Library	0.541	0.566	0.564	0.557	0.540	0.520	0.511	0.489	0.463	0.442
Total direct rate	<u>32.408</u> %	<u>34.342</u> %	<u>35.269</u> %	<u>34.653</u> %	<u>33.574</u> %	<u>32.308</u> %	<u>31.741</u> %	<u>32.689</u> %	<u>33.154</u> %	<u>33.069</u> %
Cities										
Baxter	51.474 %	53.613 %	54.563 %	53.281 %	53.426 %	50.313 %	51.423 %	52.949 %	55.788 %	56.755 %
Brainerd	54.540	58.941	64.879	71.659	74.579	75.058	77.420	80.385	79.332	73.430
Breezy Point	39.281	42.202	44.389	44.175	42.683	42.454	42.870	42.048	46.697	45.478
Crosby	123.070	123.670	121.245	117.873	116.408	106.766	103.187	104.352	114.201	90.348
Crosslake	21.287	22.900	23.824	24.518	27.643	28.134	29.088	30.157	30.684	30.357
Cuyuna	49.064	54.002	57.443	60.047	55.893	57.466	61.128	57.432	55.101	49.306
Deerwood	88.211	92.043	92.880	93.798	95.337	95.395	90.776	95.971	89.193	85.786
Emily	30.934	35.833	40.146	41.507	39.278	41.665	41.632	41.457	37.374	37.486
Fifty Lakes	24.451	24.177	24.122	24.944	24.390	23.480	23.452	22.305	22.147	22.383
Fort Ripley	24.692	25.063	26.224	25.202	26.339	27.830	27.577	29.068	28.332	27.515
Garrison	66.237	71.709	68.487	67.769	69.215	71.537	70.426	71.531	75.015	81.179
Iron ton	161.394	155.436	146.417	156.855	115.073	126.202	108.297	105.692	102.359	101.030
Jenkins	51.425	54.264	56.787	62.062	57.126	56.120	56.748	58.132	56.030	51.002
Manhattan Beach	28.272	26.618	26.541	27.011	27.094	23.602	23.999	22.060	20.904	19.736
Nisswa	26.804	29.058	30.996	31.029	30.778	30.428	31.577	33.215	31.642	30.885
Pequot Lakes	74.466	75.464	71.181	63.037	57.118	56.577	57.140	57.385	56.412	55.354
Riverton	54.056	43.619	46.641	45.075	46.551	42.496	40.409	38.454	39.239	38.484
Trommald	39.082	44.387	45.947	46.111	44.676	42.711	40.829	39.794	43.872	40.677
Townships										
Bay Lake fire district 1	5.848	5.856	6.148	6.446	9.343	9.037	9.706	8.825	8.927	9.830
Bay Lake fire district 2	6.352	6.419	6.652	6.797	9.938	9.603	9.482	9.224	9.141	10.122
Center	15.826	17.601	17.644	17.429	17.334	16.397	16.160	16.403	18.559	17.389
Crow Wing	20.136	19.725	20.483	21.529	20.152	30.875	29.795	27.252	25.590	23.332
Daggett Brook	25.377	26.528	24.230	25.005	23.794	22.614	20.700	18.062	17.295	16.206
Deerwood	12.412	13.365	15.624	17.074	17.356	17.347	17.964	20.059	19.483	18.421
Fairfield	19.470	20.867	21.821	21.925	21.436	21.868	21.191	20.102	19.405	18.298
Fort Ripley	18.894	20.162	16.907	14.039	13.532	5.660	7.867	12.501	11.366	14.651
Gail Lake	7.042	7.391	10.232	10.415	10.090	9.780	9.522	9.191	9.012	8.921
Garrison	12.603	13.417	13.747	14.003	16.476	17.999	19.882	21.704	21.358	20.663
Ideal	8.750	9.965	10.324	10.537	10.610	10.452	10.723	10.250	9.829	11.445
Irondale	45.381	46.983	51.190	50.748	47.054	45.366	44.401	45.161	41.597	40.321
Jenkins	9.570	13.185	10.784	13.094	13.077	12.425	11.823	10.942	10.691	10.437
Lake Edward	8.866	9.344	9.714	9.607	9.315	9.032	8.836	8.367	8.260	7.807
Little Pine	25.683	25.935	26.908	33.396	31.105	31.228	29.022	29.134	28.712	27.712
Long Lake	14.333	14.595	16.507	17.408	16.630	17.300	17.663	15.922	15.993	14.789
Maple Grove	9.845	11.487	12.763	13.002	11.780	10.381	10.039	9.990	11.225	13.272
Mission	15.198	15.328	17.642	18.045	18.483	18.665	17.329	17.768	15.855	11.983
Nokay Lake	22.811	23.422	25.591	25.746	25.894	24.949	29.182	31.504	34.301	38.313
Oak Lawn	20.023	21.044	21.863	22.149	20.286	19.252	19.176	18.098	20.689	18.572
Pelican	9.295	8.981	9.186	10.217	10.687	11.253	11.975	12.090	11.790	11.381
Perry Lake	8.703	9.678	10.689	11.797	12.259	12.166	12.142	11.894	11.617	11.341
Platte Lake	16.560	17.466	18.115	18.370	17.704	24.459	17.341	16.829	16.558	15.281
Rabbit Lake	28.977	30.719	30.696	30.840	30.255	28.294	28.460	27.096	26.205	23.729
Roosevelt	17.294	18.759	19.988	20.180	25.045	25.019	24.000	18.064	17.093	15.137
Ross Lake	9.293	9.979	11.309	10.998	9.623	9.929	10.848	10.955	12.056	14.544
St. Mathias	20.797	22.251	23.674	25.096	25.889	24.019	24.830	24.105	24.091	22.309
Timothy	5.779	6.294	6.514	6.622	6.618	6.566	6.565	6.480	6.184	5.089
Wolford	13.393	14.355	16.349	15.892	15.787	15.804	16.919	16.669	16.590	15.659
Unorganized - Dean Lake	19.233	27.003	31.214	33.972	32.889	35.055	34.462	34.471	17.831	21.505
Unorganized - 1st Asmnt	8.769	9.551	10.300	10.231	9.938	10.360	11.169	11.816	12.344	12.525
School Districts										
001 - Aitkin	2.868	3.135	3.029	3.400	4.604	4.030	4.435	4.068	3.975	3.404
181 - Brainerd	23.638	24.415	24.952	25.520	25.443	24.739	24.833	29.988	29.058	29.146
182 - Crosby	14.171	14.656	15.452	15.291	15.056	15.087	15.536	15.524	15.111	13.523
186 - Pequot Lakes	12.745	14.667	14.807	13.768	14.019	12.954	12.833	12.809	12.170	11.529
480 - Onamia	18.326	20.246	19.415	13.622	22.369	19.704	19.837	21.572	20.820	18.158
482 - Little Falls	18.237	15.624	14.160	14.648	14.544	21.395	21.104	21.060	20.814	18.575
484 - Pierz	18.383	21.096	21.089	19.595	18.695	18.789	16.672	28.851	29.571	28.392
2174 - Pine River	4.956	5.027	6.332	6.060	6.560	5.447	7.022	6.741	6.233	6.113
Special Districts										
Region five	0.119	0.128	0.133	0.133	0.131	0.131	0.134	0.133	0.128	0.125
County HRA	0.058	0.062	0.064	0.063	0.062	0.103	0.101	0.098	0.067	0.053
Cuyuna hospital district	1.057	1.125	1.181	1.174	1.141	1.114	1.083	1.052	0.993	0.951
Thirty lakes watershed	1.152	-	-	-	-	-	-	-	-	-
Brainerd HRA	1.836	1.625	1.677	1.702	1.669	1.687	1.725	1.719	1.692	1.622
Pequot Lakes HRA	1.378	1.399	1.483	1.442	1.406	1.355	1.334	1.292	1.193	1.387
Mille Lacs sewer district	13.577	20.817	21.676	21.766	23.062	22.968	22.593	22.025	21.923	20.974

Source: Land Services

(Unaudited)

CROW WING COUNTY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2021			2012		
	Net Tax Capacity Value	Rank	Percentage of Total Taxable Net Tax Capacity Value	Net Tax Capacity Value	Rank	Percentage of Total Taxable Net Tax Capacity Value
Burlington Northern Santa Fe Railroad	\$ 850,320	1	0.72 %			
Minnesota Power and Light	758,318	2	0.64	\$ 750,899	2	0.69 %
Brainerd Lakes Integrated Health	609,742	3	0.51			
Mills Property Investments LLC	586,374	4	0.50	792,291	1	0.73
Northern States Power	550,344	5	0.46	347,138	7	0.32
Etoc Co. Inc.	488,393	6	0.41	378,218	5	0.35
SUSO 2 Brainerd LP	436,296	7	0.37			
Great River Energy	306,354	8	0.26			
Crow Wing Coop Power & Light	295,150	9	0.25	478,635	3	0.44
Bement, Harry & Arliss	272,542	10	0.23			
United Power Assoc.				399,776	4	0.37
Wausau Paper of Minnesota				362,404	6	0.33
Potlatch Lakes States Timberland				245,364	9	0.22
KTJ Limited Partnership				267,196	8	0.24
Pelican Lake Outing Club				223,756	10	0.20
Total	<u>\$ 5,153,833</u>		<u>4.35 %</u>	<u>\$ 4,245,677</u>		<u>3.89 %</u>

Source: Land Services; 2012 Annual Comprehensive Financial Report

(Unaudited)

CROW WING COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 34,156,910	\$ 33,461,342	97.96 %	\$ 639,222	\$ 34,100,564	99.84 %
2013	34,031,875	33,420,595	98.20	558,229	33,978,824	99.84
2014	33,998,443	33,431,295	98.33	516,988	33,948,283	99.85
2015	33,812,569	33,267,090	98.39	431,068	33,698,158	99.66
2016	33,803,532	33,284,458	98.46	401,060	33,685,518	99.65
2017	33,759,283	33,299,392	98.64	311,699	33,611,091	99.56
2018	33,735,266	33,252,082	98.57	377,032	33,629,114	99.69
2019	35,947,543	35,055,616	97.52	692,898	35,748,514	99.45
2020	38,474,200	37,993,013	98.75	335,293	38,328,306	99.62
2021	41,074,898	40,653,166	98.97	-	40,653,166	98.97

Source: Land Services

¹The net levy has been adjusted for abatements and additions

(Unaudited)

CROW WING COUNTY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Notes (3)	Lease Payable to Component Unit	Capital Lease			
2012	\$ 38,045,839	\$ -	\$ -	\$ 1,097,100	\$ 39,142,939	1.73 %	\$ 623
2013	33,636,404	-	-	1,009,650	34,646,054	1.49	549
2014	28,740,498	-	-	916,900	29,657,398	1.20	469
2015	24,369,592	136,850	-	824,150	25,330,592	0.98	399
2016	19,818,686	182,080	-	728,750	20,729,516	0.77	324
2017	15,082,780	179,364	-	630,700	15,892,844	0.58	248
2018	10,156,876	-	-	530,000	10,686,876	0.36	165
2019	5,023,471	-	-	429,300	5,452,771	0.18	84
2020	180,954	-	-	325,950	506,904	0.02	8
2021	92,381	-	-	219,950	312,331	N/A (2)	5

Source: Administrative Services. Additional details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Demographic and Economics Statistics schedule for population and personal income data.

(2) Personal income data for 2021 is unavailable at this time.

(3) The draw down of the Revenue Notes is recorded in the County's Capital Project Fund, as per the terms of the agreement with the Minnesota Public Facilities Authority. Payment of the Revenue notes will consist of repayments from the North Long Lake Sanitary Sewer District.

(Unaudited)

CROW WING COUNTY
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Revenue Notes (2)		Subtotal	Less: Amounts Available in Debt Service Fund (3)		Total	Percentage of Estimated Actual Taxable Value of Property (4)		Per Capita
2012	\$ 38,045,839	\$ -		\$ 38,045,839	\$ 2,360,000		\$ 35,685,839	0.36 %	\$ 568	
2013	33,636,404	-		33,636,404	4,415,000		29,221,404	0.31	463	
2014	28,740,498	-		28,740,498	3,890,000		24,850,498	0.27	393	
2015	24,369,592	136,850		24,506,442	3,995,000		20,511,442	0.22	323	
2016	19,818,686	182,080		20,000,766	4,180,000		15,820,766	0.17	247	
2017	15,082,780	179,364		15,262,144	4,370,000		10,892,144	0.11	170	
2018	10,156,876	-		10,156,876	4,577,500		5,579,376	0.06	86	
2019	5,023,471	-		5,023,471	4,797,500		225,971	0.00	3	
2020	180,954	-		180,954	87,500		93,454	0.00	1	
2021	92,381	-		92,381	90,000		2,381	0.00	0	

Source: Administrative Services. Additional details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Net of original issuance discounts and premiums

(2) The draw down of the Revenue Notes is recorded in the County's Capital Project Fund, as per the terms of the agreement with the Minnesota Public Facilities Authority. Payment of the Revenue notes will consist of repayments from the North Long Lake Sanitary Sewer District.

(3) This is the amount restricted for debt service principal payments

(4) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property

(Unaudited)

CROW WING COUNTY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Direct debt			
Crow Wing County	\$ 312,331	100.000 %	\$ 312,331
Overlapping debt			
School district 1 - Aitkin	\$ 2,780,000	6.698 %	\$ 186,204
School district 181 - Brainerd	218,110,000	85.863	187,275,789
School district 182 - Crosby	25,420,000	99.941	25,405,002
School district 186 - Pequot Lakes	61,300,000	95.523	58,555,599
School district 480 - Onamia	8,271,333	20.689	1,711,256
School district 482 - Little Falls	26,420,000	0.036	9,511
School district 484 - Pierz	15,870,000	0.383	60,782
School district 2174 - Pine River-Backus	4,734,363	42.141	1,995,108
Garrison-Kathio-West Mille Lacs Lake Sanitary Sewer District	4,126,889	7.017	289,584
Total overlapping debt	<u>\$ 367,032,585</u>		<u>\$ 275,488,835</u>
Total debt	<u><u>\$ 367,344,916</u></u>		<u><u>\$ 275,801,166</u></u>

Source: Land Services; 2021 Bonded Indebtedness Reporting

¹Applicable percentages were estimated by determining the portion of the governmental unit's net tax capacity that is within the County's boundaries and dividing it by each unit's total net tax capacity.

(Unaudited)

CROW WING COUNTY
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2013	2014	2015
Market value of taxable property	\$ 10,013,341,000	\$ 9,399,678,500	\$ 9,121,473,200	\$ 9,235,920,600
Debt limit (3% of market value)	\$ 300,400,230	\$ 281,990,355	\$ 273,644,196	\$ 277,077,618
Debt applicable to limit:				
General obligation bonds	\$ 37,917,500	\$ 30,257,500	\$ 25,917,500	\$ 22,102,500
Revenue notes	-	-	-	136,850
Less: Amount set aside for repayment of general obligation debt	(4,674,240)	(5,075,811)	(4,454,886)	(4,540,823)
Total net debt applicable to limit	\$ 33,243,260	\$ 25,181,689	\$ 21,462,614	\$ 17,698,527
Legal debt margin	\$ 267,156,970	\$ 256,808,666	\$ 252,181,582	\$ 259,379,091
Total net debt applicable to the limit as a percentage of the debt limit	11.07%	8.93%	7.84%	6.39%

Source: Land Services; Annual Comprehensive Financial Report

(Unaudited)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 9,548,387,800	\$ 9,885,450,596	\$ 10,077,476,226	\$ 10,476,197,170	\$ 11,041,783,697	\$ 11,617,920,173
<u>\$ 286,451,634</u>	<u>\$ 296,563,518</u>	<u>\$ 302,324,287</u>	<u>\$ 314,285,915</u>	<u>\$ 331,253,511</u>	<u>\$ 348,537,605</u>
\$ 18,107,500 182,080	\$ 13,927,500 179,364	\$ 9,557,500 -	\$ 4,980,000 -	\$ 182,500 -	\$ 92,500 -
(4,627,998)	(4,713,769)	(4,801,263)	(1,675,000)	-	-
<u>\$ 13,661,582</u>	<u>\$ 9,393,095</u>	<u>\$ 4,756,237</u>	<u>\$ 3,305,000</u>	<u>\$ 182,500</u>	<u>\$ 92,500</u>
<u><u>\$ 272,790,052</u></u>	<u><u>\$ 287,170,423</u></u>	<u><u>\$ 297,568,050</u></u>	<u><u>\$ 310,980,915</u></u>	<u><u>\$ 331,071,011</u></u>	<u><u>\$ 348,445,105</u></u>
4.77%	3.17%	1.57%	1.05%	0.06%	0.03%

(Unaudited)

CROW WING COUNTY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	(1) (5) Population	(1) (5) Personal Income	(1) (5) Per Capita Personal Income	(2) (5) Annual Average Labor Force	(3) (5) School Enrollment	(2) (5) Unemployment Rate
2012	62,854	\$ 2,260,488,000	\$ 35,964	30,912	9,501	7.6 %
2013	63,075	2,324,633,000	36,855	31,397	9,610	6.8
2014	63,220	2,472,709,000	39,113	31,351	9,365	5.8
2015	63,428	2,582,156,000	40,710	31,262	9,352	5.2
2016	63,940	2,678,279,000	41,887	31,636	9,411	5.1
2017	64,000	2,755,387,000	42,770	32,038	9,508	4.6
2018	64,889	2,959,558,000	45,610	32,069	9,805	5.2
2019	65,055	2,972,016,000	45,685	32,232	9,971	4.3
2020	65,274	3,222,590,000	49,092	32,904	10,015	4.3
2021	66,123 (6)	- (4)	- (4)	32,311	9,588	6.8

(1) Source: US Department of Commerce, Bureau of Economic Analysis

(2) Source: Minnesota Department of Employment and Economic Development

(3) Source: Minnesota Department of Education

(4) Not available at this time

(5) Annual data is only an estimate and subject to change.

(6) Source: Minnesota State Demographic Center

(Unaudited)

**CROW WING COUNTY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2019*			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Essentia Health - Central Region ¹	1,496	1	4.7 %	1,335	1	4.0 %
Grand View Lodge Resort & Spa ²	997	2	3.2	540	4	1.6
Cuyuna Regional Medical Center	973	3	3.1	700	3	2.1
Independent School District 181	900	4	2.8	900	2	2.7
Clow Stamping	545	5	1.7	300	10	0.9
Breezy Point Resort	525	6	1.7	420	8	1.2
Madden's Inc. ²	500	7	1.6	500	5	1.5
Ascensus ³	480	8	1.5	440	6	1.3
Crow Wing County	471	9	1.5	417	9	1.2
Cragun's Resort ²	408	10	1.3			
Wal-Mart Supercenter				437	7	1.3
Total	<u><u>7,295</u></u>		<u><u>23.1 %</u></u>	<u><u>5,989</u></u>		<u><u>17.8 %</u></u>

Source: Brainerd Lakes Area Economic Development Corporation (BLAEDC); bonding documents

*2021 and 2020 data was not available; 2019 was used.

¹ Formerly St. Joseph's Medical Center

² Employee numbers indicate seasonal peak.

³ Formerly owned by Universal Pensions & Bisys Retirement Services.

(Unaudited)

CROW WING COUNTY
FULL-TIME EQUIVALENT COUNTY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Full-Time Equivalent Employees			
	2012	2013	2014	2015
General government	93.8	95.9	98.1	100.9
Public safety	120.2	122.6	122.1	127.5
Highways and streets	36.2	36.5	36.8	36.7
Sanitation	-	-	-	-
Health and human services ¹	129.9	130.0	128.0	142.0
Health ¹	17.8	17.0	15.5	-
Culture and recreation	0.8	0.7	0.8	0.2
Conservation of natural resources	8.7	8.8	9.5	6.3
Landfill enterprise fund	1.3	1.2	1.3	2.0
Total Full-Time Equivalents	408.7	412.7	412.1	415.6

Source: Administrative Services

¹ In 2015 Crow Wing County combined the functions of Health and Human Services.

(Unaudited)

Full-Time Equivalent Employees

2016	2017	2018	2019	2020	2021
95.0	95.8	99.1	107.3	114.1	114.8
141.8	151.1	154.3	158.3	160.7	161.3
35.9	37.1	37.2	35.5	35.7	35.8
-	-	-	-	-	-
148.6	150.5	153.4	156.0	159.4	163.4
-	-	-	-	-	-
0.9	1.1	0.8	1.3	1.5	0.8
8.5	8.4	12.5	12.7	12.5	14.1
<u>1.3</u>	<u>1.3</u>	<u>1.5</u>	<u>2.4</u>	<u>2.6</u>	<u>2.5</u>
<u>432.0</u>	<u>445.3</u>	<u>458.8</u>	<u>473.5</u>	<u>486.5</u>	<u>492.7</u>

(Unaudited)

CROW WING COUNTY
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2012	2013	2014	2015
General Government				
Customer Services				
Birth Certificates	2,560	2,611	2,582	2,599
Marriage Licenses	454	462	405	421
Marriage Certificates	356	368	307	286
Notary Registrations	137	131	270	257
Abstract Documents	17,384	16,513	14,181	14,533
Torrens Documents	5,588	5,137	4,575	4,741
Warranty Deeds	1,946	2,114	2,285	2,622
Foreclosures	273	192	135	122
Environmental Services				
Township Permits Issued (All Types)	991	815	864	991
Information Technology				
Computers Purchased	128	63	197	135
Telephones Purchased	-	17	1	6
iPads/Tablets Purchased	-	-	24	13
Work Orders Completed	3,905	3,281	2,245	2,315
Assessing Services				
Number of Parcels	82,100	82,181	82,083	82,042
Number of Improved Parcels	42,227	42,414	42,582	42,823
Number of Personal Property Parcels	1,465	1,451	1,396	1,347
Number of Exempt Parcels	8,705	8,846	9,058	9,077
All Property Notices Printed (Except Exempt)	73,569	73,548	73,522	73,441
Public Safety				
Sheriff				
Part I Crimes	695	706	406	466
Part II Crimes	834	818	838	967
Non Reportable Crimes/Incidents	21,043	22,154	22,791	22,717
Dispatch				
911 Emergency Calls	35,176	28,566	33,480	30,301
Jail				
Average Monthly Bookings	280	276	297	308
Average Monthly Inmate Population	137	165	173	183
Highways and Streets				
Miles of Overlay	11	11	20	17
Miles of Construction	4	-	8	6
Tons of Crushing	35,000	3,223	-	14,560
Miles of Crack Sealing	37	17	15	49
Health and Human Services				
Health				
Family Health Contacts	8,768	7,839	7,523	7,819
Health Promotion Contacts	13,620	9,257	12,817	10,275
Disease Prevention & Control Immunizations (2)	1,772	1,660	532	N/A
Community Screenings (2)	42	43	75	N/A
Human Services				
Children In/Out of Home Placement	228	185	188	184
Persons Receiving DD Waivered Services	162	166	163	167
Child Support Cases	3,779	3,867	3,707	3,524
Financial Assistance Cases	6,433	6,030	8,409	9,796
Conservation of Natural Resources				
Solid Waste (Non-Landfill)				
Solid Waste (Non-Landfill) Funded Residential Recycling (Ton)	4,517	4,513	4,871	4,583
Commercial Recycling (Ton)	25,687	26,734	39,010	40,770
Solid Waste (Non-Landfill) - Problem Material Management				
Hazardous Waste (Ton)	62	57	58	49
Electronics (Ton)	144	136	156	186
Tires (Each)	8,828	6,175	6,393	6,942
White Goods (Each)	3,025	3,021	3,149	3,699
Used Oil (Gallon)	36,576	28,324	30,431	18,172
Mattresses Recycled (Each)	3,138	3,275	3,645	3,993
Sanitation				
Landfill				
Municipal Solid Waste Land filled SW376 (Ton)	36,563	38,286	40,508	42,660
Industrial Waste Land filled SW376 (Ton)	4,194	3,555	3,418	4,043
Demolition Waste Land filled SW440 (Cu Yd)	32,769	12,232	13,714	13,849

Source: Survey of County departments

(1)Due to computer conversion this data is based on 9 1/2 months of data.

(2)The County is no longer reporting on these indicators.

N/A - Data not available or not applicable.

(Unaudited)

Fiscal Year					
2016	2017	2018	2019	2020	2021
2,814	2,598	2,778	3,078	2,188	12,215
451	404	885	424	365	889
315	285	407	563	1,013	1,467
136	150	142	202	188	153
14,854	15,096	14,486	14,483	17,759	19,576
4,787	4,919	4,921	4,858	5,730	6,201
2,804	2,894	2,945	2,936	2,937	3,660
92	74	66	51	51	18
929	1,014	847	763	1,896	2,220
66	149	73	98	239	111
11	71	156	24	49	15
76	12	32	47	104	36
3,166	4,254	5,804	6,543	7,627	8,688
82,039	81,353	81,486	85,385	85,325	85,418
43,095	43,418	43,807	45,671	45,647	46,242
1,456	1,495	1,183	1,104	1,119	1,372
9,046	8,485	8,402	9,717	10,947	10,760
73,516	73,583	73,242	73,272	73,292	73,411
456	463	421	304	N/A	N/A
998	1,200	865	752	N/A	N/A
21,929	20,513	20,977	19,473	15,971	17,297
34,044	40,364	40,450	39,909	36,209	40,443
354	396	374	351	171	238
207	232	209	544	109	108
27	46	50	38	32	32
2	9	32	43	80	67
13,120	-	-	-	-	10,000
101	141	108	90	144	118
7,728	7,483	7,008	7,971	8,053	8,019
10,352	11,422	24,868	24,181	20,120	20,253
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
255	254	297	243	206	203
171	167	162	165	166	170
3,319	3,305	3,423	3,428	3,320	3,068
9,530	10,184	9,928	9,701	10,506	11,054
4,464	3,435	3,825	3,999	1,136	3,341
42,358	59,640	20,756	33,746	58,768	27,405
56	61	71	64	57	56
207	212	180	158	180	161
8,789	6,870	6,966	6,901	9,995	9,605
4,098	4,213	4,056	3,977	5,679	4,972
42,177	39,474	2,913	2,913	2,090	1,743
4,299	4,708	4,784	4,600	3,818	2,831
45,359	46,776	47,217	47,291	47,803	46,095
3,911	3,244	4,406	4,706	4,205	7,073
12,789	10,081	8,178	7,498	11,214	9,980

(Unaudited)

CROW WING COUNTY
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2012	2013	2014	2015
General Government				
Courthouse	1	1	1	1
Judicial Center	1	1	1	1
Central Services Building	1	1	1	1
Land Services Building (1)	1	1	1	1
Veteran's Services Vehicles	N/A	N/A	N/A	2
Facilities Vehicles and Motorized Equipment	N/A	N/A	N/A	9
Environmental Services Vehicles	N/A	N/A	N/A	5
Public Safety				
Vehicles, Boats, Trailers, and Motorized Equipment	83	82	82	85
Law Enforcement Center	1	1	1	1
Jails	1	1	1	1
Mobile Emergency Operations Centers	1	1	1	2
Highways and Streets				
Vehicles	64	61	60	60
Graders, Loaders and Heavy Trucks	32	30	30	29
Miles of County Roads	182	182	177	177
Miles of County State Aid Highways	380	380	380	380
Garage and Storage Buildings	11	11	11	11
Health and Human Services				
Community Services Building	1	1	1	1
Vehicles	N/A	N/A	N/A	9
Culture and Recreation				
Parks	4	4	4	4
Accesses	17	17	17	16
Recreational Trails	23	23	23	23
Vehicles and Motorized Equipment	N/A	N/A	N/A	4
Conservation of Natural Resources				
Vehicles and Motorized Equipment	N/A	N/A	N/A	8
Landfill Enterprise Fund				
Demolition Landfills	2	2	2	2

Source: Survey of County departments

N/A - Data not applicable or not available.

(1) The Land Services Building is used for general government, conservation of natural resources, and culture and recreation functions.

(Unaudited)

Fiscal Year					
2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	3	3	3	2	2
9	11	11	10	14	13
6	5	5	8	7	8
81	77	82	77	81	84
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
67	67	68	67	60	55
30	23	27	27	28	29
168	168	166	166	167	165
377	377	377	377	375	377
11	12	11	11	11	12
1	1	1	1	1	1
9	9	10	9	14	11
4	4	5	5	5	5
16	17	17	17	18	18
23	23	23	23	28	28
2	1	1	N/A	N/A	N/A
13	12	12	8	7	10
2	2	2	2	2	2

(Unaudited)