

**CROW WING COUNTY HOUSING  
AND REDEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF CROW WING COUNTY)  
BRAINERD, MINNESOTA**

**FINANCIAL STATEMENTS AND  
REQUIRED SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



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## **INTRODUCTORY SECTION**

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY  
ORGANIZATION  
DECEMBER 31, 2023**

NAME	POSITION	TERM EXPIRES
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**Board of Commissioners**

Michael Aulie	Commissioner	December 31, 2026
Zach Tabatt	Chair	December 31, 2024
Michael Morford	Secretary	December 31, 2023
Vacant	Commissioner	December 31, 2025
Richard Burton	Vice-Chair	December 31, 2027
Eric Charpentier	Executive Director	

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Crow Wing County Housing and Redevelopment Authority  
Brainerd, Minnesota

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Crow Wing County Housing and Redevelopment Authority (HRA), a component unit of Crow Wing County, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the HRA'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 and each major fund of the HRA, as of December 31, 2023, and the respective changes in financial position 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 HRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the HRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the HRA'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 and budgetary comparison information on pages 5 through 9 and 24 through 29, respectively, 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.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, on our consideration of the HRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the HRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the HRA's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
March 26, 2024

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

As management of the Crow Wing County Housing and Redevelopment Authority (HRA), we offer the following narrative overview and analysis of the HRA's financial statements and activities for the fiscal year ended December 31, 2023:

### **FINANCIAL HIGHLIGHTS**

- The assets of the HRA exceed its liabilities at the close of the most recent fiscal year by \$2,510,483 (net position). The HRA reports unrestricted net position of \$193,996 at year-end.
- The HRA's total net position increased by \$477,232.
- At December 31, 2023, the HRA's governmental funds reported an ending fund balance of \$2,510,483, an increase of \$477,232 in comparison with the prior year. \$401,828 of this increase relates directly to the trust fund. Of this total fund balance, \$193,996 is available for spending at the HRA's discretion.

### **FINANCIAL STATEMENTS OVERVIEW**

#### **The HRA's Basic Financial Statements are Comprised of the Following Components:**

- Government-wide financial statements, providing information on the HRA as a whole.
- Fund financial statements providing detailed information on each fund the HRA operates.
- Notes to financial statements providing additional information to assist the reader in understanding the HRA's financial condition.
- Required Supplementary information providing the Budgetary Comparison Schedules.
- Independent Auditors' Report on the financial statements.

#### **The HRA's Basic Financial Statements Consist of the Following Activity Type:**

- Governmental Activities: The governmental funds consist of local government and state government funded activities. They are comprised of the following funds:

General Fund  
Housing Trust Fund  
Revolving Loan Fund TIF  
Development Fund  
Tax Forfeited Property Fund

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2023**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

	Governmental Activities	
	2023	2022
Current Assets	\$ 1,246,189	\$ 1,968,877
Noncurrent Assets	1,485,724	361,886
Current Liabilities	75,913	61,000
Long-Term Liabilities	145,517	236,512
Restricted	2,316,487	1,898,618
Unrestricted	193,996	134,633
<b>Total Net Position</b>	<b>\$ 2,510,483</b>	<b>\$ 2,033,251</b>

**The Statement of Activities** presents information showing how the HRA's net position changed during the most recent fiscal year.

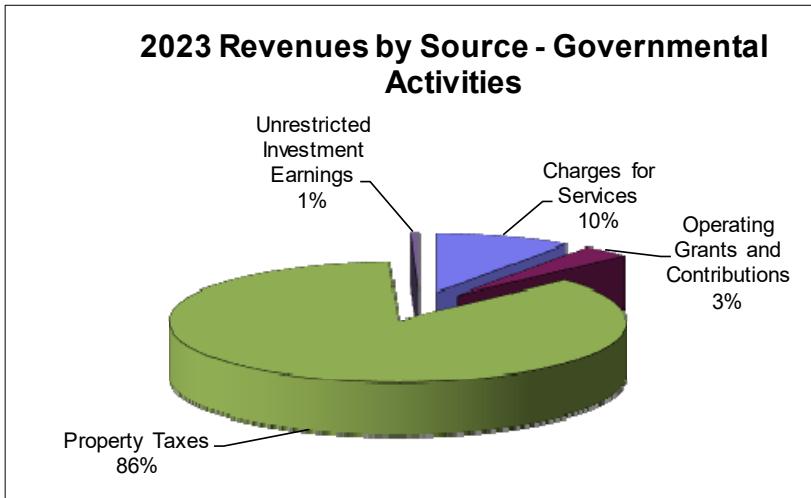
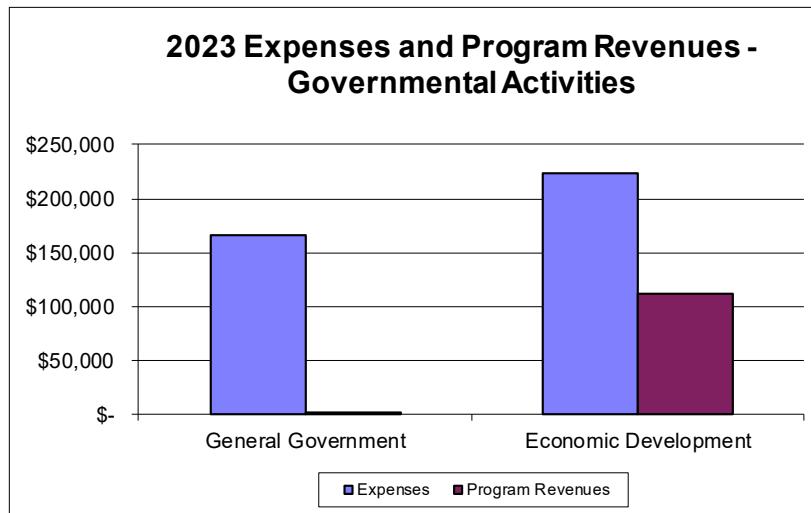
	Governmental Activities	
	2023	2022
<b>REVENUES</b>		
Program Revenues:		
Charges for Services	\$ 83,398	\$ 97,511
Operating Grants and Contributions	30,274	28,519
General Revenues:		
Property Taxes	747,693	730,240
Unrestricted Investment Earnings	4,926	559
Gain on Sale of Property	-	2,375
<b>Total Revenues</b>	<b>866,291</b>	<b>859,204</b>
<b>EXPENSES</b>		
General Government	165,838	152,416
Economic Development	223,221	251,825
<b>Total Expenses</b>	<b>389,059</b>	<b>404,241</b>
<b>CHANGE IN NET POSITION</b>	<b>477,232</b>	<b>454,963</b>
Net Position - Beginning of Year	2,033,251	1,578,288
<b>NET POSITION - END OF YEAR</b>	<b>\$ 2,510,483</b>	<b>\$ 2,033,251</b>

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**FINANCIAL ANALYSIS**

**Governmental Activities**

Governmental activities increased the HRA's total net position by \$477,232. Program expenses were less than program revenues.



**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

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

**Governmental Funds**

As the HRA completed the year, its governmental funds reported a combined fund balance of \$2,510,483.

Revenues for the HRA's governmental funds were \$866,291, while total expenditures were \$389,059.

The General Fund's fund balance increased \$68,736 from the prior year mostly due to an increase in the levy.

The Housing Trust Fund balance increased \$401,828 from the prior year due to no major expenses. The Trust Fund had significant loans issued in the current year dropping cash significantly from the prior year.

The Revolving Loan Fund TIF's fund balance increased \$6,688 from the prior year. This is due primarily to receiving interest on outstanding loans.

The Development Fund's fund balance was zero as of the end of the year.

The Tax Forfeited Property Fund's fund balance was negative as of the end of the year due to expenditures incurred by the HRA. This negative fund balance may be funded through future lot purchases and sales.

**General Fund Budgetary Highlights**

Over the course of the year, the HRA did not revise the annual operating budget. Historically, the HRA has not made budget amendments during the year.

- Actual revenues were \$4,457 less than expected. This is primarily due to less loan repayments from the County than expected.
- The actual expenditures were \$57,273 less than budget. This is primarily due to disbursing less small cities development program funds than what was budgeted.

**ECONOMIC FACTORS AND NEXT YEAR'S ITEMS**

In Calendar year 2024, staff will continue to market the Housing Trust Fund (HTF) loan programs to our partners and developers. It is anticipated that a New Construction/Development Program loan will deplete a majority of the funds available through the HTF in 2024. The agency is also anticipating applying for additional funding through Minnesota Housing for a matching grant for the housing trust fund that will leverage the levy dollars that the County has previously appropriated to the fund, which will allow additional applicants to receive funding for their projects. The County is also considering additional funding in the housing trust fund through their Statewide Affordable Housing Aid (SAHA) appropriation which could lead to an additional \$157,000 throughout the year.

Staff will continue to work with CWC to utilize the Tax Forfeited Property Policy for the return of tax forfeited property in CWC to productive use. We anticipate working with Lakes Area Habitat for Humanity on the purchase of tax forfeited lots as well as other interested developers throughout the County. Staff will use these redevelopment tools to replace deteriorating housing in the County and to promote infill development projects for new housing units on these parcels.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**ECONOMIC FACTORS AND NEXT YEAR'S ITEMS (CONTINUED)**

It is also anticipated that we will consider funding a loan request for the development of housing units through the TIF Revolving Loan program. This loan will be in tandem with a project that is being funded through the housing trust fund and will utilize a revolving loan fund that has been stagnant for several years.

In 2024, Level Contracting will continue to acquire parcels of land in the Development Fund. Staff will monitor the construction of homes and progress of the developer. The agency is also working on adding an additional 4+ acre parcel to the development agreement to build additional units within Brainerd Oaks, land that is currently owned by the Brainerd HRA that has been identified by that agency as a target for development and will be a joint initiative between the agencies and the developer.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the HRA's finances and to demonstrate the HRA's accountability. If you have any questions regarding this report or need additional information, please contact the Crow Wing County HRA's Accountant at 324 East River Road, Brainerd, Minnesota 56401 or call (218) 824-3423 or by e-mail at [Karen@brainerdhra.org](mailto:Karen@brainerdhra.org).

## **BASIC FINANCIAL STATEMENTS**

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 1,221,903
Accounts Receivable	37
Taxes Receivable	19,622
Loans Receivable	4,627
Total Current Assets	<u>1,246,189</u>
Noncurrent Assets:	
Land Held for Resale	145,517
Loans Receivable	<u>1,340,207</u>
Total Noncurrent Assets	<u>1,485,724</u>
Total Assets	2,731,913
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	75,913
Noncurrent Liabilities:	
Land Conveyance Liability	145,517
Total Liabilities	<u>221,430</u>
<b>NET POSITION</b>	
Restricted for Payments to Individuals	1,790,330
Restricted for Economic Development	526,157
Unrestricted	193,996
Total Net Position	<u>\$ 2,510,483</u>

*See accompanying Notes to Financial Statements.*

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>GOVERNMENTAL ACTIVITIES</b>						
General Government	\$ 165,838	\$ -	\$ 1,264	\$ -	\$ (164,574)	
Economic Development	223,221	83,398	29,010	-	(110,813)	
<b>Total Governmental Activities</b>	<b>\$ 389,059</b>	<b>\$ 83,398</b>	<b>\$ 30,274</b>	<b>\$ -</b>	<b>(275,387)</b>	
<b>GENERAL REVENUES</b>						
Property Taxes					747,693	
Unrestricted Investment Earnings					4,926	
<b>Total General Revenues</b>					<b>752,619</b>	
<b>CHANGE IN NET POSITION</b>						
Net Position - Beginning of Year					477,232	
<b>NET POSITION - END OF YEAR</b>					<b>2,033,251</b>	
					<b>\$ 2,510,483</b>	

See accompanying Notes to Financial Statements.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

	General Fund	Housing Trust Fund	Revolving Loan Fund TIF	Development Fund	Tax Forfeited Property Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 349,819	\$ 447,239	\$ 424,845	\$ -	\$ -	\$ 1,221,903
Taxes Receivable	-	19,622	-	-	-	19,622
Due from Other Funds	2,146	-	-	-	-	2,146
Accounts Receivable	-	-	-	37	-	37
Loans Receivable	-	1,340,207	4,627	-	-	1,344,834
<b>Total Assets</b>	<b>\$ 351,965</b>	<b>\$ 1,807,068</b>	<b>\$ 429,472</b>	<b>\$ 37</b>	<b>\$ -</b>	<b>\$ 2,588,542</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 59,175	\$ 16,738	\$ -	\$ -	\$ -	\$ 75,913
Due to Other Funds	-	-	-	37	2,109	2,146
<b>Total Liabilities</b>	<b>59,175</b>	<b>16,738</b>	<b>-</b>	<b>37</b>	<b>2,109</b>	<b>78,059</b>
<b>FUND BALANCES</b>						
Restricted:						
Revolving Loan Fund - TIF	-	-	429,472	-	-	429,472
Small Cities Development Grant	96,685	-	-	-	-	96,685
Housing Trust Fund	-	1,790,330	-	-	-	1,790,330
Unassigned	196,105	-	-	-	(2,109)	193,996
<b>Total Fund Balances</b>	<b>292,790</b>	<b>1,790,330</b>	<b>429,472</b>	<b>-</b>	<b>(2,109)</b>	<b>2,510,483</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 351,965</b>	<b>\$ 1,807,068</b>	<b>\$ 429,472</b>	<b>\$ 37</b>	<b>\$ -</b>	<b>\$ 2,588,542</b>

See accompanying Notes to Financial Statements.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2023**

Total Fund Balances for Governmental Funds	\$ 2,510,483
Total net position reported for governmental activities in the statement of net position is different because:	
Long-term liabilities that pertain to governmental funds are not due and payable in the current period and, therefore, are not reported as fund liabilities. This liability is reported in the statement of net position.	(145,517)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds. This asset is reported in the statement of net position.	<u>145,517</u>
Total Net Position of Governmental Activities	<u>\$ 2,510,483</u>

*See accompanying Notes to Financial Statements.*

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General Fund	Housing Trust Fund	Revolving Loan Fund TIF	Development Fund	Tax Forfeited Property Fund	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 348,320	\$ 399,373	\$ -	\$ -	\$ -	\$ 747,693
Interest	4,926	12,695	6,962	-	-	24,583
Miscellaneous	10,617	-	-	-	-	10,617
Sale of Land Held for Resale	-	-	-	81,396	2,002	83,398
<b>Total Revenues</b>	<b>363,863</b>	<b>412,068</b>	<b>6,962</b>	<b>81,396</b>	<b>2,002</b>	<b>866,291</b>
<b>EXPENDITURES</b>						
Current:						
General Government	165,838	-	-	-	-	165,838
Economic Development	129,289	10,240	274	82,061	1,357	223,221
Total Expenditures	295,127	10,240	274	82,061	1,357	389,059
<b>NET CHANGE IN FUND BALANCE</b>	<b>68,736</b>	<b>401,828</b>	<b>6,688</b>	<b>(665)</b>	<b>645</b>	<b>477,232</b>
Fund Balance - Beginning of Year	224,054	1,388,502	422,784	665	(2,754)	2,033,251
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 292,790</b>	<b>\$ 1,790,330</b>	<b>\$ 429,472</b>	<b>\$ -</b>	<b>\$ (2,109)</b>	<b>\$ 2,510,483</b>

See accompanying Notes to Financial Statements.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Governmental Funds \$ 477,232

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

Governmental funds report do not report long-term liabilities nor other long-term assets. Therefore, the change in the liabilities and assets are recorded on the statement of activities.

Net Change in Land Held for Resale and Land Conveyance Liability -

Revenues that do not provide current financial resources are not reported as revenues in the governmental funds.

Property Taxes

Change in Net Position of Governmental Activities \$ 477,232

See accompanying Notes to Financial Statements.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Crow Wing County Housing and Redevelopment Authority (HRA) was created by Crow Wing County to carry out redevelopment of blighted areas and to establish safe and sanitary dwelling accommodations for veterans, persons of low income, and the elderly. The HRA was formed and operates pursuant to applicable Minnesota laws. The governing board consists of a five-member board who are appointed by the Crow Wing County Board. The diversion of the incremental property taxes to the HRA by the County is a financial burden on the County.

The HRA is considered to be a component unit of Crow Wing County, Minnesota.

The accounting policies of the HRA conform to generally accepted accounting principles.

**A. Financial Reporting Entity**

The HRA's policy is to include in the financial statements all funds, departments, agencies, boards, commissions, and other component units for which the HRA is considered to be financially accountable.

Component units are legally separate entities for which the HRA (Primary Government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the Primary Government misleading. The criteria used to determine if the Primary Government is financially accountable for a component unit include whether or not the Primary Government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the HRA.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) include the financial activities of the overall HRA. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately.

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

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**B. Government-Wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus and Basis of Accounting**

The government-wide 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. The HRA considers all revenues to be available if they are collected within 60 days after the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recognized as expenditures to the extent that they have matured.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the HRA.

The HRA reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the HRA. It accounts for all the financial resources of the HRA, except those required to be accounted for in another fund.

Housing Trust Fund – The Housing Trust fund, a special revenue fund, accounts for revenues restricted for housing needs of moderate, low and very low-income households of the County.

Revolving Loan Fund - TIF – The Revolving Loans Fund, a special revenue fund, accounts for current loan repayment proceeds, which are restricted in that they are to be used in funding various revolving loans maintained by the HRA. These loans are made based on criteria set by TIF requirements.

Development Fund – The Development Fund is used to account for the land held for resale to develop Brainerd Oaks, Dalmar Estates, and Serene Pines.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**C. Measurement Focus and Basis of Accounting (Continued)**

**Tax Forfeited Property Fund** – The Tax Forfeited Property Fund is used to account for resources from the purchase and sale of tax forfeited properties.

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

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

**1. Cash**

Cash balances from all funds are deposited in depositories authorized by Minnesota Statutes.

**2. Accounts Receivable**

No substantial losses are anticipated from present receivable balances; therefore, the HRA does not judge an allowance for doubtful accounts to be necessary.

**3. Taxes Receivable**

Taxes which remain unpaid are classified as delinquent taxes receivable. Delinquent taxes represent the past seven years of uncollected tax years. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred because it is not available to finance the operations of the HRA in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material.

**Property Tax Collection Calendar**

The County, on behalf of the HRA, levies its property tax for the subsequent year during the month of December. In Minnesota, the lien date and assessment date is January 2. The property tax is recorded as revenue when it becomes available. The County is the collecting agency for the levy and then remits the collections to the HRA. All taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The county auditor establishes the listing of all taxable property in the County, applying the applicable tax capacity rate to the tax capacity value of individual properties, to arrive at the actual tax for each property.

The county auditor turns over a list of taxes to be collected on each parcel of property to the county treasurer in January of each year. Property owners are required to pay one-half of their real estate taxes by May 15 and the balance by October 15.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

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

**3. Taxes Receivable (Continued)**

Within 30 days after the May settlement, the county treasurer is required to pay 70% of the estimated collections of taxes to the County HRA. The county treasurer must pay the balance to the County HRA within 60 days after settlement, provided that after 45 days interest begins to accrue.

Within 10 business days after November 15, the county treasurer shall pay to each taxing district, except any school district, 100% of the estimated collections arising from taxes levied by and belonging to each taxing district from May 20 to November 20.

**4. Loans Receivable**

This represents the amount of revolving loans the HRA has made to individuals or organizations. There is no allowance account as of the end of the year as substantially all loan balances are deemed to be collectible.

**5. Land Held for Resale**

Land held for resale by the HRA is for redevelopment purposes and for subsequent sale. Land held for resale is reported as an asset at the lower of cost or estimated fair value.

**6. Equity**

Equity is divided into the following sections:

Net Position – Net position represents the difference between assets and liabilities in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

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

**6. Equity (Continued)**

Fund Balance – In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that will never be converted to cash or will not be converted to cash soon enough to affect the current period. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. The Executive Director or Finance Director and the Board of Commissioners have the authority to establish or modify assigned fund balance. Unassigned fund balance is the residual classification for the HRA's general fund and includes all spendable amounts not contained in the other classifications. When restricted, committed, assigned, and unassigned fund balance are all available for an expenditure, it is the HRA's policy to first use restricted, then committed, assigned and finally unassigned fund balance.

**E. Tax Status**

As a local government organization, the HRA is exempt from income taxes.

**F. New Accounting Pronouncements**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The HRA adopted the requirements of the guidance effective January 1, 2023, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard did not result in any material agreements being identified.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**A. Budgetary Information**

Budget appropriations lapse at the end of the year. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**B. Deficit Fund Balance**

The Tax Forfeited Property Fund has a deficit fund balance as of December 31, 2023 of \$2,109. This deficit may be eliminated through future lot purchases and sales.

**NOTE 3 DEPOSITS**

The HRA's deposits are held by the Housing and Redevelopment Authority of Brainerd. These deposits are available for use at any time without restriction and are for use by all funds. Each fund type's portion of this cash is displayed on the statement of net position and balance sheet as "Cash." The Housing and Redevelopment Authority of Brainerd maintains its deposits in accordance with Minnesota Statutes and at financial institutions which are authorized by the Housing and Redevelopment Authority of Brainerd's Board of Commissioners.

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

Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository.

Deposits held by the Housing and Redevelopment Authority of Brainerd as of December 31, 2023 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

**NOTE 4 INTERFUND RECEIVABLE AND PAYABLE**

An interfund payable was set up to offset deficit cash in the Development Fund and the Tax Forfeited Property Fund at the end of December 31, 2023.

Due To:	Due From:	
	Development Fund	Tax Forfeited Property Fund
General Fund	\$ 37	\$ 2,109

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 LOANS RECEIVABLE**

Revenues of the HRA are reported net of uncollectible amounts. There was no allowance for uncollectible accounts related to the HRA as of December 31, 2023.

The HRA had the following loans receivable as of December 31, 2023:

	<u>Amount</u>
<b>Revolving Loan Fund TIF</b>	
PaulSquared Properties of Crosby; 5-year loan, including interest at 6% accruing annually; commencing February 2019 and ending February 2024 with monthly payments of \$1,450.	<u>\$ 4,627</u>
Borrower of Crow Wing County HRA, 30-year loan, with no interest: with one payment in full on July 7, 2052 for a total of \$20,000	\$ 20,000
Borrower of Crow Wing County HRA, 20-year loan, with no interest: with one payment in full on July 28, 2042 for a total of \$23,326	23,326
Borrower of Crow Wing County HRA, 20-year loan, with no interest: with one payment in full on August 25, 2042 for a total of \$24,876	24,876
Borrower of Crow Wing County HRA, 20-year loan, with no interest: with one payment in full on September 21, 2042 for a total of \$24,486	24,486
Borrower of Crow Wing County HRA, 30-year loan, with no interest: with one payment in full on November 10, 2052 for a total of \$20,000	20,000
Borrower of Crow Wing County HRA, 30-year loan, with no interest: with one payment in full on November 22, 2052 for a total of \$20,000	20,000
Borrower of Crow Wing County HRA, 20-year loan, with no interest: with one payment in full on December 6, 2042 for a total of \$21,671	21,671
Borrower of Crow Wing County HRA, 30-year loan, with no interest: with one payment in full on February 24, 2053 for a total of \$20,000	20,000
Borrower of Crow Wing County HRA, 20-year loan, with no interest: with one payment in full on February 27, 2043 for a total of \$19,046	19,046
Borrower of Crow Wing County HRA, 30-year loan, with no interest: with one payment in full on March 28, 2053 for a total of \$20,000	20,000
Borrower of Crow Wing County HRA, 20-year loan, with no interest: with one payment in full on April 3, 2043 for a total of \$20,341	24,341
Borrower of Crow Wing County HRA, 30-year loan, with no interest: with one payment in full on April 21, 2053 for a total of \$20,000	20,000
Borrower of Crow Wing County HRA, 20-year loan, with no interest: with one payment in full on May 1, 2043 for a total of \$20,629	20,629
Borrower of Crow Wing County HRA, 30-year loan, with no interest: with one payment in full on June 27, 2053 for a total of \$20,000	20,000
Borrower of Crow Wing County HRA, 20-year loan, with no interest: with one payment in full on September 21, 2043 for a total of \$1,000,000	1,000,000
Borrower of Crow Wing County HRA, 30-year loan, with no interest: with one payment in full on July 20, 2053 for a total of \$20,000	20,000
Borrower of Crow Wing County HRA, 20-year loan, with no interest: with one payment in full on August 7, 2043 for a total of \$21,216	21,216
Borrower of Crow Wing County HRA, 20-year loan, with no interest: with one payment in full on September 5, 2043 for a total of \$25,000	<u>616</u>
	<u>\$ 1,340,207</u>

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 6 LAND HELD FOR RESALE**

During 2016, the HRA entered into an agreement with Crow Wing County whereby the county would convey title to 113 lots to the HRA. The lots were divided into three development areas, Brainerd Oaks, Dalmar Estates, and Serene Pines. As part of the agreement, the HRA entered into a purchase and development agreement with a private developer who will purchase and develop the lots over a period of years. The land was valued at \$912,300 in total based on the contract between the HRA and the contractor. As the land gets transferred to the developer, the proceeds, less costs incurred by the HRA, will be paid to the City of Brainerd as payment for park dedication fees, SAC fees, WAC fees and in lieu of special assessments. During 2023, the HRA transferred 11 lots to the developer for a total of \$90,995. The remaining land is valued at \$145,517 as of December 31, 2023.

**NOTE 7 CONDUIT DEBT**

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 \$730,000 as of December 31, 2023.

**NOTE 8 RISK MANAGEMENT**

The HRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; public official liability; and natural disasters for which the HRA carries commercial insurance policies. The HRA retains risk for the deductible portions of the insurance policies and for any exclusion from the insurance policies. These amounts are considered immaterial to the financial statements. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past four fiscal years.

**NOTE 9 LAND CONVEYANCE LIABILITY**

In accordance with the purchase and development agreement, the HRA has an obligation from the acquisition of the land held for resale payable to the City of Brainerd at the time of the sale of those lots. Based on this obligation, the HRA has recorded a \$145,517 land conveyance liability due to the City of Brainerd. The land conveyance liability recorded is an estimate and is subject to change.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget Original and Final	Actual	Variance With Budget Over (Under)
<b>REVENUES</b>			
Taxes	\$ 348,320	\$ 348,320	\$ -
Interest	-	4,926	4,926
Miscellaneous	20,000	10,617	(9,383)
Total Revenues	<u>368,320</u>	<u>363,863</u>	<u>(4,457)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	167,620	165,838	(1,782)
Economic Development	184,780	129,289	(55,491)
Total Expenditures	<u>352,400</u>	<u>295,127</u>	<u>(57,273)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ 15,920</u></b>	<b><u>68,736</u></b>	<b><u>\$ 52,816</u></b>
Fund Balance - Beginning of Year		<u>224,054</u>	
<b>FUND BALANCE - END OF YEAR</b>		<b><u>\$ 292,790</u></b>	

See accompanying Note to Required Supplementary Information.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**HOUSING TRUST FUND**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget Original and Final	Actual	Variance With Budget Over (Under)
<b>REVENUES</b>			
Taxes	\$ 400,000	\$ 399,373	\$ (627)
Interest	-	12,695	12,695
Total Revenues	<u>400,000</u>	<u>412,068</u>	<u>12,068</u>
<b>EXPENDITURES</b>			
Current:			
Economic Development	<u>40,000</u>	<u>10,240</u>	<u>(29,760)</u>
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>\$ 360,000</u>	<u>401,828</u>	<u>\$ 41,828</u>
Fund Balance - Beginning of Year		<u>1,388,502</u>	
<b>FUND BALANCE - END OF YEAR</b>			
		<u>\$ 1,790,330</u>	

*See accompanying Note to Required Supplementary Information.*

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**REVOLVING LOAN FUND – TIF**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget Original and Final	Actual	Variance With Budget Over (Under)
<b>REVENUES</b>			
Interest	\$ 820	\$ 6,962	\$ 6,142
<b>EXPENDITURES</b>			
Current:			
Economic Development	<u>275</u>	<u>274</u>	<u>(1)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 545</u></u>	<u><u>6,688</u></u>	<u><u>\$ 6,143</u></u>
Fund Balance - Beginning of Year		<u><u>422,784</u></u>	
<b>FUND BALANCE - END OF YEAR</b>		<u><u>\$ 429,472</u></u>	

See accompanying Note to Required Supplementary Information.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEVELOPMENT FUND**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget Original and Final	Actual	Variance With Budget Over (Under)
<b>REVENUES</b>			
Sale of Land Held for Resale	\$ 191,200	\$ 81,396	\$ (109,804)
<b>EXPENDITURES</b>			
Current:			
Economic Development	<u>191,200</u>	<u>82,061</u>	<u>(109,139)</u>
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>\$ -</u>	<u>(665)</u>	<u>\$ (665)</u>
Fund Balance (Deficit) - Beginning of Year			
		<u>665</u>	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			
	<u>\$ -</u>		

See accompanying Note to Required Supplementary Information.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TAX FORFEITED PROPERTY FUND**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget Original and Final	Actual	Variance With Budget Over (Under)
<b>REVENUES</b>			
Miscellaneous	\$ 10,000	\$ -	\$ (10,000)
Sale of Land Held for Resale	- -	2,002	2,002
Total Revenues	<u>10,000</u>	<u>2,002</u>	<u>(7,998)</u>
<b>EXPENDITURES</b>			
Current:			
Economic Development	<u>10,000</u>	<u>1,357</u>	<u>(8,643)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>645</u></u>	<u><u>\$ 645</u></u>
Fund Balance (Deficit) - Beginning of Year			<u>(2,754)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>		<u><u>\$ (2,109)</u></u>	

See accompanying Note to Required Supplementary Information.

**CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2023**

**NOTE 1 LEGAL COMPLIANCE – BUDGETS**

The budget and the actual are both prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

## **REPORTS RELATED TO *GOVERNMENT AUDITING STANDARDS***



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

Board of Commissioners  
Crow Wing County Housing and Redevelopment Authority  
Brainerd, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Crow Wing County Housing and Redevelopment Authority (HRA), a component unit of the Crow Wing County, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the HRA's basic financial statements, and have issued our report thereon dated March 26, 2024.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Commissioners  
Crow Wing County Housing and Redevelopment Authority

***Report on Compliance and Other Matters***

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

***Purpose of this Report***

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
March 26, 2024



## INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Commissioners  
Crow Wing County Housing and Redevelopment Authority  
Brainerd, Minnesota

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Crow Wing County Housing and Redevelopment Authority (HRA), a component unit of the Crow Wing County, Minnesota, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the HRA's basic financial statements and have issued our report thereon dated March 26, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the HRA failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the HRA's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
March 26, 2024



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