

State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

Audit Practice Division

Norman County Ada, Minnesota

Annual Financial Report and
Management and Compliance Report

Year Ended December 31, 2023

Norman County Ada, Minnesota

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Introductory Section

Norman County Ada, Minnesota

Organization December 31, 2023

Term Expires

Elected

Commissioners

Board Member	Marvin Gunderson	District 1	January 2025
Board Member	Jesse Lee	District 2	January 2027
Board Member	Steve Jacobson	District 3	January 2027
Vice Chair	LeeAnn Hall	District 4	January 2027
Chair	Steven Bommersbach	District 5	January 2025
Attorney	Elizabeth Brainard		January 2027
County Sheriff	Ben Fall*		January 2027

Appointed

Auditor-Treasurer	Donna Hanson		January 2027
Assessor	Marti Sip		December 2024
County Engineer	Keith Berndt		Indefinite
County Recorder	Stacy Erickson		January 2027
Court Administrator	Carissa Scholz		Indefinite
Emergency Services	Garry Johanson		Indefinite
Registrar of Deeds	Stacy Erickson		January 2027
Veterans Service Officer	John Rosenberger		Indefinite

Social Services Board

Chair	LeeAnn Hall		January 2027
Vice Chair	Steve Jacobson		January 2027
Secretary	Nancy Rhen		Indefinite
Member	Jesse Lee		January 2027
Member	Marvin Gunderson		January 2025
Member	Angela Nelson		May 2025
Member	Steve Bommersbach		January 2025
Director	Nancy Rhen		Indefinite

*Appointed January 19, 2023, to serve Jeremy Thornton's term ending January 2027.

Financial Section



Independent Auditor's Report

Board of County Commissioners
Norman County
Ada, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Norman County, Minnesota, as of and for the year ended December 31, 2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Norman County as of December 31, 2023, and the respective changes in financial position 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 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 Auditor's 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 – Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2023, the County adopted new accounting guidance by implementing the State of Minnesota's guidance on the reporting of the Property Assessed Clean Energy (PACE) loans, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 auditor's 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison schedules for the General Fund and each major special revenue fund, Schedule of Changes in Total OPEB Liability and Related Ratios – Other Postemployment Benefits, PERA retirement plan schedules, and Notes to the Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Norman County's basic financial statements. The combining nonmajor governmental fund financial statements; the

budgetary comparison schedules for the County Homes, Public Health, and Solid Waste special revenue funds; combining fiduciary fund financial statements; Schedule of Intergovernmental Revenue; and Schedule of Expenditures of Federal Awards and related notes, 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 auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information as identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2026, on our consideration of Norman County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Norman 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 Norman County's internal control over financial reporting and compliance.

/s/Julie Blaha

Julie Blaha
State Auditor

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor

January 21, 2026

Management's Discussion and Analysis

Norman County Ada, Minnesota

Management's Discussion and Analysis December 31, 2023 (Unaudited)

Norman County's Management's Discussion and Analysis (MD&A) provides an overview of County financial activities for the fiscal year ended December 31, 2023. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with Norman County's financial statements and the notes to the financial statements. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

The assets and deferred outflows of resources of Norman County exceeded its liabilities and deferred inflows of resources by \$85,972,301 at the close of 2023. Of this amount, \$4,617,700 (unrestricted net position) may be used to meet Norman County's ongoing obligations to citizens and creditors.

The County's net position increased by \$1,873,769 for the year ended December 31, 2023.

At the close of 2023, Norman County's governmental funds reported combined ending fund balances of \$12,918,364, a decrease of \$4,691,914 in comparison with the prior year.

At the close of 2023, unrestricted fund balance for the General Fund was \$5,116,635, or 43.40 percent, of total General Fund expenditures.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to Norman County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund level financial statements, and (3) notes to the financial statements. The MD&A (this section) is required to accompany the basic financial statements and is included as required supplementary information. 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 Norman County's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of Norman County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Norman 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 only in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

The County's government-wide financial statements report functions of the County that are principally supported by taxes and intergovernmental revenues. The governmental activities of Norman County include general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, economic development, and interest.

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

Fund Level 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. Norman County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Norman County can be divided into two categories: governmental 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, County fund level financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Norman County reports 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Road and Bridge Special Revenue Fund, and Social Services Special Revenue Fund, which are considered to be major funds. Data from the other eight governmental funds 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 after the notes to the financial statements.

Reporting the County's Fiduciary Responsibilities

Norman County serves as a trustee or fiduciary over assets which can be used only for beneficiaries or other entities. The County reports its fiduciary activities in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes to the financial statements provide additional information essential to a full understanding of the data provided.

Other Information

In addition to the basic financial statements and notes, supplementary information is provided on Norman County's budgeted funds, deposits, ditch balances, intergovernmental revenues, and expenditures of federal awards.

Norman County adopts an annual appropriated budget for its General Fund and all special revenue funds, except for the Ditch Special Revenue Fund, Gravel Reserve Tax Special Revenue Fund, and Opioid Settlement Special Revenue Fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

Government-Wide Financial Analysis

Over time, net position serves as a useful indicator of the County's financial position. Norman County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$85,972,301 at the close of 2023. The largest portion of Norman County's net position (89.54 percent) reflects its investment in capital assets (land, infrastructure, buildings, and equipment). However, it should be noted that these assets are not available for future spending.

Governmental Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 15,542,853	\$ 23,058,210
Capital assets	86,462,399	76,612,801
Total Assets	\$ 102,005,252	\$ 99,671,011
Deferred Outflows of Resources		
Deferred pension outflows	\$ 1,948,975	\$ 2,569,188
Deferred other postemployment benefits outflows	27,199	27,951
Total Deferred Outflows of Resources	\$ 1,976,174	\$ 2,597,139
Liabilities		
Long-term liabilities outstanding	\$ 14,184,416	\$ 15,795,562
Other liabilities	1,661,807	1,668,904
Total Liabilities	\$ 15,846,223	\$ 17,464,466
Deferred Inflows of Resources		
Deferred pension inflows	\$ 2,136,853	\$ 106,117
Deferred other postemployment benefits inflows	26,049	38,076
Prepaid property taxes	-	52,941
Total Deferred Inflows of Resources	\$ 2,162,902	\$ 197,134
Net Position		
Investment in capital assets	\$ 76,980,834	\$ 73,000,094
Restricted	4,373,767	4,726,038
Unrestricted	4,617,700	6,880,418
Total Net Position, as reported	\$ 85,972,301	\$ 84,606,550

The unrestricted net position amount of \$4,617,700 as of December 31, 2023, may be used to meet the County's ongoing obligations to citizens and creditors.

Governmental Activities

Norman County's activities increased net position by \$1,873,769, or 2.23 percent, over the restated beginning 2023 net position. The key element of the increase was an increase in capital assets.

Changes in Net Position

	2023	2022
Revenues		
Program revenues		
Charges for services	\$ 1,594,063	\$ 1,698,092
Operating grants and contributions	9,096,144	10,106,989
Capital grants and contributions	766,022	2,150,214
General revenues		
Property taxes	6,866,337	6,646,218
Gravel taxes	504,793	209,786
Wheelage tax	81,199	79,893
Grants and contributions not restricted to specific programs	844,325	750,143
Other	969,372	508,917
Total Revenues	<u>\$ 20,722,255</u>	<u>\$ 22,150,252</u>
Expenses		
General government	\$ 2,901,895	\$ 6,172,053
Public safety	2,275,449	2,328,532
Highways and streets	8,001,376	4,064,572
Sanitation	434,430	716,209
Human services	3,001,947	2,677,349
Health	1,082,386	1,513,793
Culture and recreation	175,337	159,770
Conservation of natural resources	697,560	344,580
Economic development	-	80,467
Interest	278,106	168,510
Total Expenses	<u>\$ 18,848,486</u>	<u>\$ 18,225,835</u>
Increase (Decrease) in Net Position	\$ 1,873,769	\$ 3,924,417
Net Position – January 1, as restated	<u>84,098,532</u>	<u>80,682,133</u>
Net Position – December 31	<u>\$ 85,972,301</u>	<u>\$ 84,606,550</u>

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the County's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balance 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 current fiscal year, the County's governmental funds reported combined ending fund balances of \$12,918,364, a decrease of \$4,691,914, which is mainly attributable to the expenditures related to the construction of the new highway building in comparison with the prior year.

The General Fund is the chief operating fund of Norman County. At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$5,116,635, while total fund balance was \$7,781,884. As a measure of the General Fund’s liquidity, it may be useful to compare unrestricted fund balance to total fund expenditures. Unrestricted fund balance represents 43.40 percent of total General Fund expenditures. The County Board has determined that the County should maintain a minimum unrestricted fund balance of 16 percent of the total General Fund expenditures. At December 31, 2023, the unrestricted fund balance of the General Fund is well above the minimum balance established by the Board. In 2023, fund balance in the General Fund decreased by \$4,737,190.

The Road and Bridge Special Revenue Fund’s fund balance decreased by \$200,386 in 2023, due to a decrease in inventories at year end of 2023.

The Social Services Special Revenue Fund’s fund balance increased by \$128,861 in 2023, due to more than anticipated intergovernmental revenues.

General Fund Budgetary Highlights

The actual revenues were higher than budgeted revenues by \$1,446,874, and actual expenditures were higher than budgeted expenditures by \$6,306,075. The largest revenue variance was in intergovernmental revenue received in excess of budget. The largest expenditure overrun variance was for the highway building project.

Capital Assets and Debt Administration

Capital Assets

The County’s investment in capital assets for its governmental activities as of December 31, 2023, was \$86,462,399 (net of accumulated depreciation and amortization). This investment in capital assets includes land; buildings; machinery, furniture, and equipment; and infrastructure. The total increase in Norman County’s investment in capital assets for the current fiscal year was 12.86 percent.

Governmental Capital Assets (Net of Depreciation and Amortization)

	2023	2022
Land	\$ 1,730,447	\$ 1,730,447
Construction in progress	9,761,761	3,482,247
Buildings	1,574,267	1,532,492
Machinery, furniture, and equipment	3,038,665	3,035,514
Infrastructure	69,503,569	66,674,371
Capital assets amortized	853,690	157,730
	\$ 86,462,399	\$ 76,612,801
Total		

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

Long-Term Debt

At the end of the current fiscal year, Norman County has \$8,535,000 bonded debt in General Obligation Bonds for the Highway Building project that was issued during 2022.

Economic Factors and Next Year's Budgets

Norman County's elected and appointed officials considered many factors when setting the fiscal year 2024 budget, tax rates, and fees that will be charged for governmental activities.

- Norman County is dependent on state-paid aids, credits, and grants. Should the State of Minnesota significantly change the formula for state-aid payments to the County, it would have a significant impact on the next year's budget.
- Norman County is in the process of building a new Highway Department building which will have an impact on the budget. The County issued \$8,535,000 General Obligation bonds in FY2022 and also instituted a transit sales tax to help lessen the impact on the budget and reserves.
- The County is reviewing revenue sources and considering cost-effective and efficient ways to deliver Norman County's programs and services that will influence future budgets.

Requests for Information

This annual financial report is designed to provide a general overview of Norman County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Norman County Auditor-Treasurer, PO Box 266, Ada, Minnesota 56510.

Basic Financial Statements

Government-Wide Financial Statements

Exhibit 1**Norman County
Ada, Minnesota****Statement of Net Position
Governmental Activities
December 31, 2023****Assets**

Cash and pooled investments	\$	11,746,571
Taxes receivable – delinquent		86,252
Special assessments receivable		
Delinquent		26,273
Accounts receivable		140,400
Accrued interest receivable		68,118
Due from other governments		1,816,598
Inventories		1,658,641
Capital assets		
Non-depreciable		11,492,208
Depreciable and amortizable – net of accumulated depreciation and amortization		74,970,191
Total Assets	\$	102,005,252

Deferred Outflows of Resources

Deferred pension outflows	\$	1,948,975
Deferred other postemployment benefits outflows		27,199
Total Deferred Outflows of Resources	\$	1,976,174

Liabilities

Accounts payable	\$	783,226
Salaries payable		333,889
Contracts payable		370,891
Due to other governments		63,675
Customer deposits		6,433
Accrued interest payable		103,693
Long-term liabilities		
Due within one year		641,456
Due in more than one year		9,466,402
Other postemployment benefits liability due within one year		28,705
Other postemployment benefits liability due in more than one year		335,181
Net pension liability		3,712,672
Total Liabilities	\$	15,846,223

Deferred Inflows of Resources

Deferred pension inflows	\$	2,136,853
Deferred other postemployment benefits inflows		26,049
Total Deferred Inflows of Resources	\$	2,162,902

Exhibit 1
(Continued)

Norman County
Ada, Minnesota

Statement of Net Position
Governmental Activities
December 31, 2023

Net Position

Net investment in capital assets	\$	76,980,834
Restricted for		
General government		1,063,809
Public safety		709,849
Highways and streets		786,629
Health		58,946
Conservation of natural resources		1,754,534
Unrestricted		<u>4,617,700</u>
Total Net Position	\$	<u><u>85,972,301</u></u>

Exhibit 2

Norman County
Ada, Minnesota

Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Primary government					
Governmental activities					
General government	\$ 2,901,895	\$ 394,405	\$ 449,080	\$ -	\$ (2,058,410)
Public safety	2,275,449	71,326	315,600	-	(1,888,523)
Highways and streets	8,001,376	60,920	5,542,756	766,022	(1,631,678)
Sanitation	434,430	291,836	72,440	-	(70,154)
Human services	3,001,947	438,553	1,583,551	-	(979,843)
Health	1,082,386	332,324	784,448	-	34,386
Culture and recreation	175,337	4,699	34,301	-	(136,337)
Conservation of natural resources	697,560	-	313,968	-	(383,592)
Interest	278,106	-	-	-	(278,106)
Total Governmental Activities	\$ 18,848,486	\$ 1,594,063	\$ 9,096,144	\$ 766,022	\$ (7,392,257)
General Revenues					
Property taxes					\$ 6,866,337
Gravel taxes					504,793
Wheelage taxes					81,199
Grants and contributions not restricted to specific programs					844,325
Payments in lieu of tax					88,874
Investment earnings					601,615
Miscellaneous					278,883
Total general revenues					\$ 9,266,026
Change in net position					\$ 1,873,769
Net Position – January 1, as previously reported					84,606,550
Restatement (Note 1)					(508,018)
Net Position-January 1, as restated					\$ 84,098,532
Net Position – December 31					\$ 85,972,301

Fund Financial Statements

Governmental Funds

Exhibit 3

**Norman County
Ada, Minnesota**

**Balance Sheet
Governmental Funds
December 31, 2023**

	General	Road and Bridge	Social Services	Nonmajor Funds	Total
<u>Assets</u>					
Cash and pooled investments	\$ 7,387,745	\$ 68,749	\$ 1,815,267	\$ 2,469,810	\$ 11,741,571
Petty cash and change funds	4,700	200	-	100	5,000
Taxes receivable – delinquent	45,139	26,383	11,655	3,075	86,252
Special assessments receivable					
Delinquent	25,527	-	-	746	26,273
Accounts receivable	20,033	25,274	19,396	75,697	140,400
Accrued interest receivable	68,118	-	-	-	68,118
Due from other funds	795,186	11,125	-	-	806,311
Due from other governments	99,670	1,132,285	211,873	204,128	1,647,956
Inventories	-	1,658,641	-	-	1,658,641
Total Assets	\$ 8,446,118	\$ 2,922,657	\$ 2,058,191	\$ 2,753,556	\$ 16,180,522
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities					
Accounts payable	\$ 171,858	\$ 444,171	\$ 50,505	\$ 116,692	\$ 783,226
Salaries payable	125,820	90,295	81,497	36,277	333,889
Contracts payable	289,143	81,748	-	-	370,891
Due to other funds	9,161	623,221	1,325	3,962	637,669
Due to other governments	8,060	3,595	20,620	31,400	63,675
Customer deposits	2,033	-	-	4,400	6,433
Total Liabilities	\$ 606,075	\$ 1,243,030	\$ 153,947	\$ 192,731	\$ 2,195,783
Deferred Inflows of Resources					
Unavailable revenue	\$ 58,159	\$ 815,152	\$ 28,636	\$ 164,428	\$ 1,066,375

Exhibit 3

(Continued)

**Norman County
Ada, Minnesota**

**Balance Sheet
Governmental Funds
December 31, 2023**

	General	Road and Bridge	Social Services	Nonmajor Funds	Total
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
(Continued)					
Fund Balances					
Nonspendable					
Inventories	\$ -	\$ 1,658,641	\$ -	\$ -	\$ 1,658,641
Restricted for					
Debt service	-	-	-	833,048	833,048
Law library	55,350	-	-	-	55,350
Recorder's technology and equipment	15,179	-	-	-	15,179
Affordable housing	83,955	-	-	-	83,955
Public safety	137,886	-	-	-	137,886
Real estate tax shortfall	61,760	-	-	-	61,760
Aquatic invasive species	6,554	-	-	-	6,554
Opioid remediation	-	-	-	58,946	58,946
E-911	532,542	-	-	-	532,542
Recorder's enhancements	13,472	-	-	-	13,472
Gravel pit restoration	-	-	-	198,452	198,452
Highway maintenance and construction	-	22,902	-	-	22,902
Uncompleted contracts	826,450	-	-	-	826,450
Ditch maintenance and construction	-	-	-	664,491	664,491
K-9 unit	14,041	-	-	-	14,041
Law enforcement	25,380	-	-	-	25,380
Prosecutorial purposes	7,643	-	-	-	7,643
Enforce riparian protection	885,037	-	-	-	885,037
Committed to					
Election equipment	150,500	-	-	-	150,500
Sheriff's contingencies	5,000	-	-	-	5,000
Assigned to					
Human services	-	-	1,875,608	-	1,875,608
County homes	-	-	-	199,501	199,501
Health	-	-	-	374,692	374,692
Sanitation	-	-	-	67,267	67,267
Unassigned	4,961,135	(817,068)	-	-	4,144,067
Total Fund Balances	\$ 7,781,884	\$ 864,475	\$ 1,875,608	\$ 2,396,397	\$ 12,918,364
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,446,118	\$ 2,922,657	\$ 2,058,191	\$ 2,753,556	\$ 16,180,522

Exhibit 4

**Norman County
Ada, Minnesota**

**Reconciliation of Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position—Governmental Activities
December 31, 2023**

Fund balance – total governmental funds (Exhibit 3)	\$ 12,918,364
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>\$ 86,462,399</u>
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.	<u>\$ 1,948,975</u>
Deferred outflows of resources resulting from changes in the components of the other postemployment benefits liability are not reported in the governmental funds.	<u>\$ 27,199</u>
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	<u>\$ 1,066,375</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
General obligation bonds	\$ (8,535,000)
Lease liability	(853,691)
Bond premium	(92,875)
Accrued interest payable	(103,693)
Compensated absences	(626,292)
Other postemployment benefits liability	(363,886)
Net pension liability	<u>(3,712,672)</u>
Long-term liabilities not reported in the governmental funds	<u>\$ (14,288,109)</u>
Deferred inflows of resources resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>\$ (2,136,853)</u>
Deferred inflows of resources resulting from changes in the components of the other postemployment benefits liability are not reported in the governmental funds.	<u>\$ (26,049)</u>
Net Position of Governmental Activities (Exhibit 1)	<u>\$ 85,972,301</u>

Exhibit 5

**Norman County
Ada, Minnesota**

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023**

	General	Road and Bridge	Social Services	Nonmajor Funds	Total
Revenues					
Taxes	\$ 4,104,178	\$ 2,087,055	\$ 973,466	\$ 285,109	\$ 7,449,808
Special assessments	221,146	-	-	111,766	332,912
Licenses and permits	16,435	-	-	400	16,835
Intergovernmental	1,945,733	8,639,650	1,651,283	807,140	13,043,806
Charges for services	297,811	62,042	254,102	394,008	1,007,963
Gifts and contributions	36,086	-	-	50	36,136
Investment earnings	601,615	-	-	-	601,615
Miscellaneous	180,997	174,541	182,576	55,993	594,107
Total Revenues	\$ 7,404,001	\$ 10,963,288	\$ 3,061,427	\$ 1,654,466	\$ 23,083,182
Expenditures					
Current					
General government	\$ 2,833,504	\$ -	\$ -	\$ 12,748	\$ 2,846,252
Public safety	2,303,767	-	-	-	2,303,767
Highways and streets	5,807,949	11,237,216	-	-	17,045,165
Sanitation	-	-	-	466,685	466,685
Human services	3,450	-	2,921,732	-	2,925,182
Health	228,806	-	-	1,032,637	1,261,443
Culture and recreation	163,727	-	-	-	163,727
Conservation of natural resources	390,696	-	-	188,355	579,051
Intergovernmental					
Highways and streets	-	436,759	-	-	436,759
Debt service					
Principal	49,921	78,593	10,356	1,984	140,854
Interest	8,070	8,566	478	328,746	345,860
Administrative (fiscal) charges	-	-	-	1,225	1,225
Total Expenditures	\$ 11,789,890	\$ 11,761,134	\$ 2,932,566	\$ 2,032,380	\$ 28,515,970
Excess of Revenues Over (Under)					
Expenditures	\$ (4,385,889)	\$ (797,846)	\$ 128,861	\$ (377,914)	\$ (5,432,788)
Other Financing Sources (Uses)					
Transfers in	\$ -	\$ -	\$ -	\$ 476,181	\$ 476,181
Transfers out	(476,181)	-	-	-	(476,181)
Leases issued	124,880	720,671	-	18,534	864,085
Total Other Financing Sources (Uses)	\$ (351,301)	\$ 720,671	\$ -	\$ 494,715	\$ 864,085
Net Change in Fund Balance	\$ (4,737,190)	\$ (77,175)	\$ 128,861	\$ 116,801	\$ (4,568,703)
Fund Balance – January 1	12,519,074	1,064,861	1,746,747	2,279,596	17,610,278
Increase (decrease) in inventories	-	(123,211)	-	-	(123,211)
Fund Balance – December 31	\$ 7,781,884	\$ 864,475	\$ 1,875,608	\$ 2,396,397	\$ 12,918,364

Exhibit 6

**Norman County
Ada, Minnesota**

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds to the Government-Wide
Statement of Activities—Governmental Activities
For the Year Ended December 31, 2023**

Net change in fund balance – total governmental funds (Exhibit 5) \$ (4,568,703)

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

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 and amortization expense.

Expenditures for general capital assets and infrastructure	\$	12,543,578
Current year depreciation and amortization		<u>(2,693,980)</u>
 Total adjustment to the government-wide statements for current year capital asset activity	 \$	 <u>9,849,598</u>

In the funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenue between the fund statements and the statement of activities is the increase or decrease in unavailable revenue.

Deferred inflows of resources – unavailable revenue – December 31	\$	1,066,375
Deferred inflows of resources – unavailable revenue – January 1, as stated with the change in accounting principle.		<u>(3,387,434)</u>
 Total adjustment to revenue in the government-wide statements for current and prior year unavailable revenue	 \$	 <u>(2,321,059)</u>

Issuing long-term debt provides current financial resources to governmental funds, while the repayment of debt consumes current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued; whereas, those amounts are deferred and amortized over the life of the debt in the statement of activities.

Proceeds of new debt		
Leases issued	\$	<u>(864,085)</u>
 Amortization of premium on bonds	 \$	 <u>3,307</u>
 Principal repayments	 \$	 <u>140,854</u>
Leases		

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	\$	65,672
Change in compensated absences		(43,538)
Change in other postemployment benefits liability		(27,134)
Change in net pension liability		2,401,742
Change in deferred pension outflows		(620,213)
Change in deferred pension inflows		(2,030,736)
Change in deferred other postemployment benefits outflows		(752)
Change in deferred other postemployment benefits inflows		12,027
Change in inventories		<u>(123,211)</u>
 Total adjustment to the government-wide statements for other activities not reported in governmental funds	 \$	 <u>(366,143)</u>

Change in Net Position of Governmental Activities (Exhibit 2) \$ 1,873,769

Fiduciary Funds

Exhibit 7

**Norman County
Ada, Minnesota**

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023**

	Social Welfare Private-Purpose	
	Trust Fund	Custodial Funds
<u>Assets</u>		
Cash and pooled investments	\$ 5,296	\$ 402,054
Taxes receivable for other governments	-	233,440
Accounts receivable	-	23,164
Special assessments for others - noncurrent	-	452,952
Due from other funds	-	2,798
Due from other governments	-	1,344
Loans receivable	-	53,075
Total Assets	\$ 5,296	\$ 1,168,827
<u>Liabilities</u>		
Due to other governments	\$ -	\$ 303,798
Due to other funds	-	171,440
Due to others	-	315
Total Liabilities	\$ -	\$ 475,553
<u>Net Position</u>		
Restricted for individuals, organizations, and other governments	\$ 5,296	\$ 859,122
Unrestricted	-	(165,848)
Total Net Position	\$ 5,296	\$ 693,274

Exhibit 8

**Norman County
Ada, Minnesota**

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023**

	Social Welfare	
	Private-Purpose Trust Fund	Custodial Funds
Additions		
Contributions		
Individuals	\$ 85,758	\$ 63,367
Property tax collections for other governments	-	6,051,156
Assessment collections for others	-	25,401
Administration fees	-	19,938
Contributions from participants	-	6,900
Grants received	-	6,928
Payments from the state	-	983
Payments from the county	-	171,023
License and fees collected for the state	-	243,309
Fuel sales	-	6,048
Rent	-	1,800
Miscellaneous	-	10,664
Total Additions	\$ 85,758	\$ 6,607,517
Deductions		
Beneficiary payments to individuals	\$ 84,148	\$ -
Loan repayments	-	80,467
Payments of property tax to other governments	-	6,090,206
Payments to the state	-	305,557
Administrative expense	-	13,467
Operating expense	-	320,011
Distributions to participants	-	21,000
Payments to the county	-	171,023
Total Deductions	\$ 84,148	\$ 7,001,731
Change in net position	\$ 1,610	\$ (394,214)
Net Position – January 1, as previously reported	\$ 3,686	\$ 579,470
Restatement (Note 1)	-	508,018
Net Position-January 1, as restated	\$ 3,686	\$ 1,087,488
Net Position – December 31	\$ 5,296	\$ 693,274

Norman County Ada, Minnesota

Notes to the Financial Statements

As of and for the Year Ended December 31, 2023

Note 1 – Summary of Significant Accounting Policies

The County's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as of and for the year ended December 31, 2023. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

Financial Reporting Entity

Norman County was established February 17, 1881, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year.

Joint Ventures, Related Organization, and Jointly-Governed Organizations

The County participates in joint ventures, related organizations, and jointly-governed organizations described in Note 5.

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 County. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

In the government-wide statement of net position, the governmental activities present all assets, liabilities, deferred inflows and outflows of resources, and net position on a full accrual accounting basis, with an economic resource focus. The County's net position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities are offset by program revenues. Direct expenses are those clearly identifiable with a specific function, segment, 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. The County does not allocate indirect expenses to functions within the financial statements. Revenues not classified as program revenues, including all taxes, are presented as general revenues. The County does not allocate indirect expenses to functions within the financial statements.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds.

Norman County Ada, Minnesota

Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of governmental fund financial statements is on major individual governmental funds, with each displayed as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

The Road and Bridge Special Revenue Fund is used to account for revenues and expenditures of the County Highway Department, which is responsible for the construction and maintenance of roads, bridges, and other projects affecting County roadways.

The Social Services Special Revenue Fund is used to account for economic assistance and community social services programs.

Additionally, the County reports the following fund types:

The Debt Service Funds account for the resources accumulated and payments made for the principal and interest on long-term debt of the government.

The Social Welfare Private-Purpose Trust Fund accounts for funds held in trust that the County acts on behalf of individuals as representative payee.

Custodial funds are custodial in nature. These funds account for activity that the County holds for others in an agent capacity.

Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. Norman County considers all revenues as available if collected within 60 days after the end of the current period. Property taxes are recognized as revenues in the year for which they are levied, provided they are also available. Shared revenues are generally recognized in the period the appropriation goes into effect and the revenues are available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and are available. Property and other taxes, licenses, and interest are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of long-term debt and acquisitions under leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources as needed, unless the County Board takes specific action to

Norman County Ada, Minnesota

appropriate those unrestricted resources.

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

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor-Treasurer together with the Chief Financial Officer for the purpose of increasing earnings through interest-earning activities. Pooled and fund investments, if any, are reported at their fair value at December 31, 2023. A market approach is used to value all investments. Pursuant to Minn. Stat. § 385.07, interest earnings on cash are credited to the General Fund. Other funds received interest earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2023 were \$601,615.

Receivables and Payables

Activities between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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.”

No allowance has been made for uncollectible receivables because such amounts are not expected to be material.

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

Special Assessments Receivable

Special assessments receivable consist of delinquent special assessments payable in the years 2018 to 2023 and noncurrent special assessments payable in 2024 and after. No provision has been made for an estimated uncollectible amount.

Inventories and Prepaid Items

All inventories are valued at cost using the weighted average method. Inventories in governmental funds are recorded as expenditures when purchased rather than when consumed. Inventories at the government-wide level are recorded as expenses when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (for example, roads, bridges, sidewalks, and similar items) and right-to-use assets acquired under leasing arrangements, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than the capitalization threshold and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital

Norman County Ada, Minnesota

assets are recorded at acquisition value at the date of donation. The government’s capitalization threshold for capital assets is as follows:

Capitalization Threshold

Assets	Capitalization Threshold
Land	\$ 1
All other classes of assets	5,000

Additions, improvements, and other capital outlays that significantly extend the useful life or increase capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful lives while right-to-use assets are amortized over the shorter of the underlying asset’s estimated useful life or the lease term:

Estimated Useful Lives of Capital Assets

Assets	Years
Buildings	25-50
Improvements other than buildings	20-35
Public domain infrastructure	15-75
Furniture, equipment, and vehicles	3-15
Right-to use machinery and equipment	4-5

Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements and are charged to the department from which the employee resigned or retired. The government-wide statement of net position reports both current and noncurrent portions of compensated absences. The current portion consists of vacation or sick leave earned in one year. The noncurrent portion consists of the remaining amount of vacation and total vested sick leave. The compensated absences liability is primarily liquidated by the General Fund and the Road and Bridge, Social Services, and Public Health Special Revenue Funds.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association of Minnesota (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

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recognized as of employer payroll paid dates, and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value. The pension liability is liquidated through the General Fund and other governmental funds that have personal services.

Deferred Outflows/Inflows of Resources and Unearned Revenue

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 consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until that time. The County reports deferred outflows of resources only under the full accrual basis of accounting associated with pension plans and other postemployment benefits (OPEB) and, accordingly, are reported only in the statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenue associated with revenue received after the period of availability. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. The County also reports deferred inflows of resources associated with pension and OPEB benefits. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Classification of Net Position

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

Net investment in capital assets – represents capital assets, net of accumulated depreciation and amortization, 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.

Norman County Ada, Minnesota

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

Classification of Fund Balances

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

Nonspendable – amounts that cannot be spent because they are not in spendable form or 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 – amounts on which constraints have been placed on the use of resources externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

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

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

Unassigned – the residual classification for the General Fund 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 or committed.

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

Minimum Fund Balance

The fund balance policy establishes a minimum unrestricted fund balance equal to 16 percent of total General Fund expenditures. In the event that the balance drops below the established minimum level, the County Board will develop a plan to replenish the fund balance to the established minimum level within two years.

Unrestricted fund balance (committed, assigned, and unassigned) may be accessed in the event of unexpected expenditures up to the minimum established level upon approval of a budget revision by the County Board. In the event of projected revenue shortfalls, it is the responsibility of the County Auditor-Treasurer to report the projections to the County Board on a quarterly basis.

Norman County Ada, Minnesota

Any budget revision that will result in the unrestricted fund balance dropping below the minimum level will require the approval of a three-fifths vote of the County Board.

Use of Estimates

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

Change in Accounting Principle

As a result of a change in the State of Minnesota’s guidance on the reporting of the PACE loans, special assessments starting in the year ended December 31, 2023, are recorded in a custodial fund rather than the governmental funds. Beginning Net Position of governmental activities and custodial funds have been restated to reduce beginning net position in governmental activities and increase beginning net position in the Taxes and Penalties Custodial Fund.

Beginning net position has been restated to reflect these changes as follows:

Change in Accounting Principle

Net Position	Governmental Activities	Taxes and Penalties Custodial Fund
Net Position, January 1, 2023, as previously reported	\$ 84,606,550	\$ 285,618
Change in accounting principle:		
PACE Loans	(508,018)	508,018
Net Position, January 1, 2023, as restated	\$ 84,098,532	\$ 793,636

Note 2 – Detailed Notes

Assets and Deferred Outflows of Resources

Deposits and Investments

The County’s total cash is as follows:

Reconciliation of the County’s Total Cash to the Basic Financial Statements as of December 31, 2023

Governmental activities	
Cash and pooled investments	\$ 11,746,571
Fiduciary funds	
Cash and pooled investments	407,350
Total Cash and Pooled Investments	\$ 12,153,921

Norman County Ada, Minnesota

Deposits

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

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2023, the County's deposits were not exposed to custodial credit risk.

Investments

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

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) time deposits fully insured by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County minimizes its exposure to interest rate risk by investing in both short-term and long-term

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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.

Credit Risk

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

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party. The County does not have a policy on custodial credit risk. As of December 31, 2023, the County's investments were not exposed to custodial credit risk.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. 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.

The following table presents the County's deposit and investment balances at December 31, 2023, and information relating to potential investment risks:

Cash and Investments and Information Relating to Potential Investment Risk as of December 31, 2023

Investment Type	Credit Risk		Concentration	Interest Rate	Carrying (Fair) Value
	Credit Rating	Rating Agency	Over 5 Percent of Portfolio	Maturity Date	
Negotiable certificates of deposit with brokers					
Goldman Sachs Bank USA	N/R	N/A	>5%	04/24/2024	\$ 250,000
Safra National Bank of NY	N/R	N/A	>5%	01/12/2024	250,000
U.S. Bank of Cincinnati	N/R	N/A	>5%	01/08/2024	250,000
UMPQUA Bank	N/R	N/A	>5%	03/29/2024	250,000
Total negotiable certificates of deposit with brokers					<u>\$ 1,000,000</u>
Checking					\$ 678,844
Money market					8,158,317
Non-negotiable certificates of deposit					2,311,760
Change funds					<u>5,000</u>
Total Cash and Investments					<u>\$ 12,153,921</u>

N/R – Not Rated

N/A – Not Applicable

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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, 2023, the County had the following recurring fair value measurements:

Recurring Fair Value Measurements as of December 31, 2023

Investments by fair value level	Fair Value Measurements Using			
	December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
Negotiable certificates of deposit	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -

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

Receivables

Receivables as of December 31, 2023, for the County's governmental activities are as follows:

Governmental Activities' Receivables as of December 31, 2023

	Total Receivables
Taxes	\$ 86,252
Special assessments – delinquent	26,273
Accounts	140,400
Interest	68,118
Due from other governments	1,816,598
Total	\$ 2,137,641

Receivables are expected to be collected within the subsequent year.

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Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

Changes in Capital Assets for the Year Ended December 31, 2023

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	\$ 1,730,447	\$ -	\$ -	\$ 1,730,447
Construction in Progress	3,482,247	6,279,514	-	9,761,761
Total capital assets not depreciated	\$ 5,212,694	\$ 6,279,514	\$ -	\$ 11,492,208
Capital assets depreciated or amortized				
Buildings	\$ 4,043,756	\$ 136,728	\$ -	\$ 4,180,484
Machinery, furniture, and equipment	7,743,596	531,282	(137,514)	8,137,364
Infrastructure	98,458,837	4,776,307	-	103,235,144
Lease machinery, furniture and equipment	233,250	864,085	(44,338)	1,052,997
Total capital assets depreciated and amortized	\$ 110,479,439	\$ 6,308,402	\$ (181,852)	\$ 116,605,989
Less: accumulated depreciation and amortization for				
Buildings	\$ 2,511,264	\$ 94,953	\$ -	\$ 2,606,217
Machinery, furniture, and equipment	4,708,082	528,131	(137,514)	5,098,699
Infrastructure	31,784,466	1,947,109	-	33,731,575
Lease machinery, furniture and equipment	75,520	139,222	(15,435)	199,307
Total accumulated depreciation and amortization	\$ 39,079,332	\$ 2,709,415	\$ (152,949)	\$ 41,635,798
Total capital assets depreciated and amortized, net	\$ 71,400,107	\$ 3,598,987	\$ (28,903)	\$ 74,970,191
Governmental Activities Capital Assets, Net	\$ 76,612,801	\$ 9,878,501	\$ (28,903)	\$ 86,462,399

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

Depreciation and Amortization Expense Charged to Functions/Programs

General government	\$ 82,159
Public safety	135,909
Culture and recreation	11,610
Health	1,167
Highways and streets, including depreciation of infrastructure assets	2,441,371
Human services	33,924
Sanitation	3,275
Total Depreciation and Amortization Expense	<u>\$ 2,709,415</u>

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Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2023, is as follows:

Due To/From Other Funds

Interfund Balances as of December 31, 2023

Receivable Fund	Payable Fund	Amount
General Fund	Road and Bridge Special Revenue Fund	\$ 623,221
	Social Services Special Revenue Fund	525
	Norman County-Ada-Twin Valley Airport Authority Custodial Fund	163,153
	State Revenue Custodial Fund	8,287
	Total due to General Fund	
Road and Bridge Special Revenue Fund	General Fund	\$ 7,163
	Ditch Special Revenue Fund	3,009
	Solid Waste Special Revenue Fund	953
Total due to Road and Bridge Special Revenue Fund		\$ 11,125
Custodial Funds		
Children's Collaborative Fund	Social Services Special Revenue Fund	\$ 800
	State Revenue Fund	1,998
Total due to Custodial Funds		\$ 2,798
Total Due To/From Other Funds		\$ 809,109

Outstanding balances between funds result from the elimination of individual fund cash deficits and the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following:

Interfund Transfers for the Year Ended December 31, 2023

Transfer to G.O. Bonds Debt Service Fund from General Fund	<u>\$ 476,181</u>	To transfer funds for bond principal and interest payment.
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Liabilities and Deferred Inflows of Resources

Payables

Payables at December 31, 2023, were as follows:

Payables as of December 31, 2023

Accounts	\$	783,226
Salaries		333,889
Contracts		370,891
Due to other governments		63,675
Customer deposits		6,433
		6,433
Total Payables	\$	1,558,114

Construction Commitments

The County has active construction projects as of December 31, 2023. The projects include the following:

Active Construction Projects and Other Commitments as of December 31, 2023

	Spent-to-Date	Remaining Commitment
Governmental Activities		
General Fund		
County Maintenance Facility	\$ 9,308,237	\$ 826,450

Long-Term Debt

Bond payments are typically made from various debt service funds. Information on individual bonds payable was as follows:

Bonds Payable as of December 31, 2023

Type of Indebtedness	Final Maturity	Installment Amount	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2023
General obligation bonds					
2022 Capital Improvement Bonds	2052	\$200,000- \$435,000	2.00-3.25	\$ 8,535,000	\$ 8,535,000
Add: unamortized premium					92,875
Total General Obligation Bonds, Net					\$ 8,627,875

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Debt Service Requirements

Debt service requirements at December 31, 2023, were as follows:

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2024	\$ 200,000	\$ 246,863
2025	205,000	242,813
2026	210,000	238,663
2027	210,000	234,462
2028	215,000	230,212
2029-2033	1,160,000	1,068,825
2034-2038	1,335,000	891,612
2039-2043	1,550,000	675,687
2044-2048	1,790,000	418,506
2049-2052	1,660,000	110,013
Total	\$ 8,535,000	\$ 4,357,656

Leases

The County has entered into lease agreements as lessee for a copier lease, and five vehicle leases for the highway department, two vehicle leases for the Social Services department, and five vehicle leases for the Sheriff's department. Leases range from four to five years and have been recorded at the present value of their future minimum lease payments as of the inception date. Lease payments are paid from the General Fund, the Road and Bridge Special Revenue Fund, and the Social Services Special Revenue Fund:

Future Minimum Lease Obligations and Present Value of Minimum Lease Payments As of December 31, 2023

Year Ending December 31	Principal	Interest
2024	\$ 212,125	\$ 24,476
2025	206,797	17,608
2026	187,326	10,562
2027	155,366	4,442
2028	92,077	812
Total	\$ 853,691	\$ 57,900

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Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2023, was as follows:

Changes in Long-Term Liabilities for the Year Ended December 31, 2023

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 8,535,000	\$ -	\$ -	\$ 8,535,000	\$ 200,000
Add: unamortized premiums	96,182	-	(3,307)	92,875	-
Total bonds payable	\$ 8,631,182	\$ -	\$ (3,307)	\$ 8,627,875	\$ 200,000
Leases payable	130,460	864,085	(140,854)	853,691	212,125
Compensated absences	582,754	489,348	(445,810)	626,292	229,331
Total Long-Term Liabilities	\$ 9,344,396	\$ 1,353,433	\$ (589,971)	\$ 10,107,858	\$ 641,456

Compensated absences are liquidated by each fund based on actual direct labor hours incurred.

Deferred Inflows of Resources – Unavailable Revenue

Unavailable revenue consists of taxes, special assessments, state and/or federal grants and highway users tax allotments, and other receivables not collected soon enough after year-end to pay liabilities of the current period.

Deferred Inflows of Resources – Unavailable Revenue by Fund As of December 31, 2023

	Taxes	Special Assessments	Grants and Allotments	Other	Total
Major governmental funds					
General	\$ 35,672	\$ 22,487	\$ -	\$ -	\$ 58,159
Special Revenue					
Road and Bridge	21,249	-	791,595	2,308	815,152
Social Services	9,175	-	19,461	-	28,636
Nonmajor governmental funds					
Debt Service					
Ditch	-	483	-	-	483
Special Revenue					
Ditch	105	-	-	-	105
Public Health	824	-	104,737	118	105,679
Opioid Settlement	-	-	41,923	-	41,923
Solid Waste	1,728	14,510	-	-	16,238
Total	\$ 68,753	\$ 37,480	\$ 957,716	\$ 2,426	\$ 1,066,375

Other Postemployment Benefits (OPEB)

Plan Description

Norman County provides a single-employer defined benefit health care plan to eligible retirees and their spouses.

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The plan offers medical insurance benefits. The County provides benefits for retirees as required by Minn. Stat. § 471.61, subd. 2b.

No assets have been accumulated in a trust that meets the criteria in paragraph four of GASB Statement 75. The OPEB plan does not issue a stand-alone financial report.

As of the January 1, 2022, actuarial valuation, the following employees were covered by the benefit terms:

Type of Participant Covered by the OPEB Benefit Terms	Number of Participants
Inactive employees or beneficiaries currently receiving benefit payments	2
Active plan participants	82
Total	84

Total OPEB Liability

The County’s total OPEB liability of \$363,886 was measured as of January 1, 2023, determined by an actuarial valuation as of January 1, 2022. The OPEB liability is liquidated through the General Fund and other governmental funds that have personal service expenditures.

The total OPEB liability in the fiscal year-end December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

OPEB Actuarial Assumptions and Other Inputs

Inflation	2.00 percent
Salary increases	Service graded table
Health care cost trend	6.50 percent, as of January 1, 2022, grading to 5.00 percent over six years and then to 4.00 percent over the next 48 years

The current year discount rate is 2.00 percent based on the estimated yield of 20-Year AA-rated municipal bonds.

Mortality rates are based on Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2021 Generational Improvement Scale.

The actuarial assumptions are currently based on a combination of historical information, projected future data, and the most recent actuarial experience studies for PERA.

The method to develop starting claims costs, by age adjusting the premium information, was done under the Alternative Measurement Method.

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Changes in the Total OPEB Liability

Changes in the Total OPEB Liability for the Year Ended December 31, 2023

Balance at January 1, 2023	\$ 336,752
Changes for the year	
Service cost	\$ 40,102
Interest	7,335
Benefit payments	(20,303)
Net change	\$ 27,134
Balance at December 31, 2023	\$ 363,886

OPEB liability is liquidated by the General Fund and other funds that have personal services.

OPEB Liability Sensitivity

The following presents the total OPEB liability of the County, calculated using the discount rate previously disclosed, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate as of December 31, 2023

	Discount Rate	Total OPEB Liability
1% Decrease	1.00%	\$ 388,211
Current	2.00%	363,886
1% Increase	3.00%	340,838

The following presents the total OPEB liability of the County, calculated using the health care cost trend previously disclosed, as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rate:

Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rates as of December 31, 2023

	Health Care Trend Rate	Total OPEB Liability
1% Decrease	5.25% Decreasing to 3.00%	\$ 322,711
Current	6.25% Decreasing to 4.00%	363,886
1% Increase	7.25% Decreasing to 5.00%	412,711

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OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the County recognized OPEB expense of \$37,284. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB as of December 31, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability gains	\$ -	\$ 24,797
Assumption Changes	5,774	1,252
Contributions paid subsequent to the measurement date	21,425	-
Total	\$ 27,199	\$ 26,049

The \$21,425 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2024.

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

Schedule of Amortization of Deferred Outflows and Inflows of Resources Related to OPEB as of December 31, 2023

Year Ended December 31	OPEB Expense Amount
2024	\$ (10,148)
2025	(3,376)
2026	(3,376)
2027	(3,375)

Changes in Actuarial Assumptions

No changes in actuarial assumptions in 2023.

Pension Plans

Defined Benefit Pension Plans

Plan Description

All full-time and certain part-time employees of Norman County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (the General Employees Plan) and the Public Employees Police and Fire Plan (the Police and Fire Plan), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

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The General Employees Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security, and the Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service. No Norman County employees belong to either the Basic Plan or the Minneapolis Employees Retirement Fund.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on a prorated basis starting with 50 percent after five years and increasing ten percent for each year of service until fully vested after ten years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years and increasing five percent for each year of service until fully vested after 20 years.

Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January.

General Employees Plan benefit recipients will receive a post-retirement increase equal to 50 percent of the cost-of-living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 1.50 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.

Police and Fire Plan benefit recipients will receive a 1.00 percent post-retirement increase. 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.

The benefit provisions stated in the following paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits, but are not yet receiving them, are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any 60 consecutive months of allowable service, age, and years of credit at termination of service. In the General Employees Plan, two methods are used to compute benefits for Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.20 percent of average salary for each of the first ten years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Police and Fire Plan members, the annuity accrual rate is 3.00 percent of average salary for each year of service.

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For General Employees Plan 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. For Police and Fire Plan members, normal retirement age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits are available for vested members and are based on years of service and average high-five salary.

Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. Rates did not change from 2022.

Member and Employer Required Contribution Rates

	Member Required Contribution	Employer Required Contribution
General Employees Plan – Coordinated Plan members	6.50%	7.50%
Police and Fire Plan	11.80%	17.70%

Employer Contributions For the Year Ended December 31, 2023

General Employees Plan	\$	343,456
Police and Fire Plan		93,367

The contributions are equal to the statutorily required contributions as set by state statute.

Pension Costs

General Employees Plan

At December 31, 2023, the County reported a liability of \$3,097,906 for its proportionate share of the General Employees Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on the County’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA’s participating employers. At June 30, 2023, the County’s proportion was 0.0554 percent. It was 0.0544 percent measured as of June 30, 2022. The County recognized pension expense of \$413,629 for its proportionate share of the General Employees Plan’s pension expense.

Legislation requires the State of Minnesota to contribute \$16 million to the General Employees Plan annually until September 15, 2031. The County recognized an additional \$384 as grant revenue and pension expense for its proportionate share of the State of Minnesota’s pension expense related to the special funding situation.

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General Employees Plan Employer's Share of the Net Pension Liability and the State's Related Liability As of December 31, 2023

The County's proportionate share of the net pension liability	\$	3,097,906
State of Minnesota's proportionate share of the net pension liability associated with the County		85,358
Total	\$	3,183,264

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:

General Employees Plan Deferred Outflows of Resources and Deferred Inflows of Resources As of December 31, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 101,295	\$ 21,110
Changes in actuarial assumptions	495,932	849,110
Difference between projected and actual investment earnings	-	129,001
Changes in proportion	89,377	8,540
Contributions paid to PERA subsequent to the measurement date	174,217	-
Total	\$ 860,821	\$ 1,007,761

The \$174,217 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

General Employees Plan Schedule of Amortization of Deferred Outflows and Inflows of Resources As of December 31, 2023

Year Ended December 31	Pension Expense Amount
2024	\$ 111,362
2025	(450,281)
2026	84,966
2027	(67,204)

Police and Fire Plan

At December 31, 2023, the County reported a liability of \$614,766 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The

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County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2023, the County's proportion was 0.0356 percent. It was 0.0415 percent measured as of June 30, 2022. The County recognized pension expense of \$173,358 for its proportionate share of the Police and Fire Plan's pension expense.

The State of Minnesota also contributed \$18 million to the Police and Fire Plan in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation.

Legislation requires the State of Minnesota to pay direct state aid of \$9 million on October 1 each year until full funding is reached, or July 1, 2048, whichever is earlier. The County recognized an additional \$(1,490) as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense related to the special funding situation.

Police and Fire Plan Employer's Share of the Net Pension Liability and the State's Related Liability As of December 31, 2023

The County's proportionate share of the net pension liability	\$	614,766
State of Minnesota's proportionate share of the net pension liability associated with the County		24,740
Total	\$	639,506

Legislation also requires the State of Minnesota to contribute \$9 million to the Police and Fire Plan each year, starting in fiscal year 2014, until the plan is 90 percent funded, or until the State Patrol Plan is 90 percent funded, whichever occurs later. The County also recognized \$3,204 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Police and Fire Plan.

The County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Police and Fire Plan Deferred Outflows of Resources and Deferred Inflows of Resources As of December 31, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 182,710	\$ -
Changes in actuarial assumptions	843,185	865,240
Difference between projected and actual investment earnings	-	35,820
Changes in proportion	8,801	228,032
Contributions paid to PERA subsequent to the measurement date	53,458	-
Total	\$ 1,088,154	\$ 1,129,092

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The \$53,458 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Police and Fire Plan Schedule of Amortization of Deferred Outflows and Inflows of Resources As of December 31, 2023

Year Ended December 31	Pension Expense Amount
2024	\$ 16,240
2025	(13,244)
2026	162,613
2027	(64,687)
2028	(195,318)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2023, was \$586,987.

Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuations were determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Actuarial Assumptions for the Year Ended June 30, 2023

	General Employees Fund	Police and Fire Fund
Inflation	2.25% per year	2.25% per year
Active Member Payroll Growth	3.00% per year	3.00% per year
Investment Rate of Return	7.00%	7.00%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on the Pub-2010 General Employee Mortality table for the General Employees Plan and the Pub-2010 Public Safety Employee Mortality tables for the Police and Fire Plan, with slight adjustments. Cost-of-living benefit increases for retirees are assumed to be 1.25 percent for the General Employees Plan per year through December 31, 2054, and 1.50 percent per year thereafter. For the Police and Fire Plan, cost-of-living benefit increases for retirees are 1.00 percent as set by state statute.

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 27, 2019. The experience study for the Police and Fire Plan was dated July 14, 2020. For both plans, a review of inflation and investment assumptions dated June 29, 2023, was utilized.

The long-term expected rate of return on pension plan investments is 7.00 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term

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expected rate of return on a regular basis 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.

Pension Plan Investment Target Allocation and Best Estimates of Geometric Real Rates of Return for Each Major Asset Class

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33.50%	5.10%
International equities	16.50%	5.30%
Fixed income	25.00%	0.75%
Private markets	25.00%	5.90%

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent for the General Employees Plan in 2023. This was an increase from the 6.50 percent and 5.40 percent used in 2022 for the General Employees Plan and the Police and Fire Plan, respectively. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Plan was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Changes in Actuarial Assumptions and Plan Provisions

The following changes in actuarial assumptions occurred in 2023:

General Employees Plan

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.
- A one-time direct state aid contribution of \$170.1 million occurred on October 1, 2023.
- The vesting period for those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- For Basic Plan members, a one-time, non-compounding benefit increase of 4.00 percent, minus the actual 2024 adjustment, will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- For Coordinated Plan members, a one-time, non-compounding benefit increase of 2.50 percent, minus the actual 2024 adjustment, will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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Police and Fire Plan

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.
- A one-time direct state aid contribution of \$19.4 million occurred on October 1, 2023.
- The vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded ten-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after ten years.
- A one-time, non-compounding benefit increase of 3.00 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member’s occupation.
- A total and permanent duty disability benefit was added effective July 1, 2023.

Pension Liability Sensitivity

The following presents the County’s proportionate share of the net pension liability calculated using the discount rate previously disclosed, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate As of December 31, 2023

	Proportionate Share of the			
	General Employees Plan		Police and Fire Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	6.00%	\$ 5,480,444	6.00%	\$ 1,219,768
Current	7.00%	3,097,906	7.00%	614,766
1% Increase	8.00%	1,138,177	8.00%	117,372

Pension Plan Fiduciary Net Position

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

Defined Contribution Plan

Two commissioners of Norman County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered

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in accordance with Minn. Stat. ch. 353D, which may be amended by the state legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes five percent of salary, which is matched by the employer. Employee and employer 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 0.25 percent of the assets in each member account annually.

Total Contributions by Dollar Amount and Percentage of Covered Payroll Made by the Employer For the Year Ended December 31, 2023

		Employee		Employer
Contribution amount	\$	2,249	\$	2,249
Percentage of covered payroll		5.00%		5.00%

Note 3 – Risk Management

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

The Workers’ Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers’ Compensation Reinsurance Association with coverage at \$500,000 per claim in 2023 and 2024. 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.

Note 4 – Summary of Significant Contingencies and Other Items

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures that may be disallowed by the grantor

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cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County, in connection with the normal conduct of its affairs, is involved in various judgments, claims, and litigations; it is expected that the final settlement of these matters will not materially affect the financial statements of the County.

Joint Ventures

Counties Providing Technology

Counties Providing Technology (CPT) was established in 2018, under the authority conferred upon by member parties by Minn. Stat. § 471.59, for the purpose of purchasing the former software vendor, Computer Professionals Unlimited, Inc., (CPUI) and to provide for the development, operation, and maintenance of technology applications and systems. CPT is comprised of 31 members, of which 24 are voting members of CPT and seven are non-voting members.

Control is vested in the CPT Board, which consists of one individual appointed by each member county's Board of Commissioners. The joint powers agreement provides that initial operating capital contributed by each member is to be repaid from any excess in fund balance at the end of the fiscal year, in proportion to the initial contribution. Excess funds beyond the initial capital contribution shall be distributed to members as determined by the CPT Board. Full repayment of initial capital contributed by members joining after the original signatories to the initial agreement is not to be required to be completed prior to the CPT Board distributing excess fund balances to other members.

Financing is primarily from county member contributions. During 2023, Norman County did not provide any contributions to CPT.

Current financial information can be obtained from the Stevens County Auditor/Treasurer, 400 Colorado Avenue, Suite 303, Morris, Minnesota 56267.

Tri-County Community Corrections

Tri-County Community Corrections was formed in 1975 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes Norman, Polk, and Red Lake Counties. The purpose of Tri-County Community Corrections is to house, supervise, treat, counsel, and provide other correctional services to prisoners throughout the territorial area of the member counties.

Control is vested in the Tri-County Community Corrections Joint Powers Board, composed of two County Commissioners from each member county, as provided in Tri-County Community Corrections' bylaws.

In the event of dissolution of the Tri-County Community Corrections Joint Powers Board, the net position of Tri-County Community Corrections at that time shall be divided among the member counties in the agreed-upon proportions of Norman County (ten percent), Polk County (85 percent), and Red Lake County (five percent).

Tri-County Community Corrections has no long-term debt. Financing is provided by state, federal, and local grants; charges for services; appropriations from member counties; and adequate rates charged so that no member county receives an additional financial benefit or burden.

Polk County reports the transactions of Tri-County Community Corrections as a custodial fund in its financial

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statements. Norman County's contribution for 2023 was \$548,320.

Complete financial information can be obtained from Tri-County Community Corrections at 816 Marin Avenue, Suite 110, Crookston, Minnesota 56716.

[Norman County-Ada-Twin Valley Joint Airport Authority](#)

The Norman County-Ada-Twin Valley Joint Airport Authority was established in 1976 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59. The purpose of the Norman County-Ada-Twin Valley Joint Airport Authority is the construction, development, and maintenance of the Norman County-Ada-Twin Valley Joint Airport. As allowed by Minn. Stat. § 360.032, every municipality, through its governing body, may acquire property, real or personal, for the purpose of establishing, constructing, and enlarging airports. Control of the Norman County-Ada-Twin Valley Joint Airport is vested in the Norman County-Ada-Twin Valley Airport Authority, which consists of six members. As provided in the bylaws, the Norman County Board appoints two members, and each of the two City Councils appoints two members.

The joint powers agreement remains in force until any single member gives the other parties one-year's written notice of termination. Any party terminating the agreement shall transfer its interest in the real and personal assets to the remaining parties for consideration of \$1.

Financing of the capital costs and operations is provided by state and federal grants, charges for services, and appropriations from Norman County and the Cities of Ada and Twin Valley. Norman County's contribution for 2023 was \$4,030.

Complete financial statements for the Norman County-Ada-Twin Valley Joint Airport Authority can be obtained from the Norman County Auditor – Treasurer's Office, 16 – 3rd Avenue East, Ada, Minnesota 56510.

[Northwest Regional Development Commission](#)

The Northwest Regional Development Commission provides services to Kittson, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau Counties in Northwest and West Central Minnesota. Through the Dancing Sky Area Agency on Aging program, the Northwest Regional Development Commission serves 21 counties in Regions I, II, and IV. This combined area on aging was established to administer all aspects of the Older Americans Act by providing programs to meet the needs of the elderly in the 21-county area.

Control is vested in the Northwest Regional Development Commission Board. The Board consists of one Commissioner from each of the seven counties. Each member of the Board is appointed by the County Commissioners of the county he or she represents. The Northwest Regional Development Commission Board meets quarterly to discuss and approve major items such as the area plan and dollar allocations, while the advisory councils and joint powers boards continue to meet monthly to make decisions affecting their local counties.

Financing is provided by appropriations from member parties and by state and federal grants. During 2023, Norman County did not provide any contributions to this organization.

Complete financial information can be obtained from the Northwest Regional Development Commission, 109 South Minnesota Street, Warren, Minnesota 56762.

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Northwest Minnesota Regional Emergency Communications Board

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

The purpose of the Northwest Minnesota Regional Emergency Communications Board is to provide for regional administration of enhancements to the Statewide Public Safety Radio and Communication System (ARMER) owned and operated by the State of Minnesota and to enhance and improve interoperable public safety communications along with coordination of 911 and public safety broadband data services within the region.

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

In the event of dissolution of the Northwest Minnesota Regional Emergency Communications Board, all property, assets, and funds of the Board shall be distributed to the parties of the agreement upon termination in direct proportion to their participation and contribution. Any city, county, or tribal entity that has withdrawn from the agreement prior to termination of the Board shall share in the distribution of property, assets, and funds of the Board only to the extent they shared in the original expense.

The Northwest Minnesota Regional Emergency Communications Board has no long-term debt. Financing is provided by appropriations from member parties and by state and federal grants. During 2023, Norman County did not provide any contributions to this organization.

Complete financial information can be obtained from the Headwaters Regional Development Commission, 403 – 4th Street Northwest, Suite 310, Bemidji, Minnesota 56601.

Pine to Prairie Drug and Violent Crime Task Force

The Pine to Prairie Drug and Violent Crime Task Force was established under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59. The full members are Lake of the Woods, Norman, Pennington, Polk, and Roseau Counties; the Cities of Crookston, East Grand Forks, and Thief River Falls; and the federal agencies of U.S. Customs and Border Protection and Homeland Security Investigations Department. Associate members are Red Lake County and the City of Ada, and liaison members are Kittson and Marshall Counties. The purpose of the Task Force is to coordinate efforts to investigate, apprehend, and prosecute drug, gang, and violent crime offenders.

Control of the Task Force is vested in the Pine to Prairie Drug and Violent Crime Task Force Governing Board, which consists of not less than six members or more than 14 members designated by each participating full member, and up to five additional members selected by the Governing Board. Board members shall not be deemed to be employees of the Task Force and shall not be compensated by it. Full members assign a peace officer to be an agent on the Task Force. Associate members are not required to assign an officer, but participate in operations and activities and contribute funds annually. Liaison members shall participate upon request.

Dissolution would occur when two-thirds of the members agree by resolution to terminate the agreement or when necessitated by law or funding status, at which time the net assets of the Task Force are to be divided

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among the members in the same proportion as their respective full-time equivalent contributions. Any member may withdraw upon six months' written notice and shall not be entitled to any distribution of the net position.

Financing is provided by state and federal grants, charges for services, appropriations from members, and donations. Members do not experience any additional financial benefit or burden. The City of Crookston is designated as the coordinating agency.

During 2023, Norman County did not contribute to the Pine to Prairie Drug and Violent Crime Task Force.

Complete financial information can be obtained from the City of Crookston Police Department, 321 West Robert Street, Crookston, Minnesota 56716.

[Port Authority of the City of Saint Paul Property Assessed Clean Energy Program \(PACE\) of Minnesota](#)

The County has entered into an agreement with the Saint Paul Port Authority to facilitate the implementation and administration of the PACE loan program. Through this program, qualifying commercial building owners within the County can receive loans from the Port Authority for the purpose of financing energy efficiency and conservation building improvement projects. While the County is not liable for the repayment of the loans in any manner, it does have certain responsibilities under the agreement. By participating, the County has agreed to: (1) levy assessments against the related properties in accordance with the loan agreements between the Port Authority and property owners, (2) collect scheduled assessment payments, and (3) transfer all collections to the Port Authority. The County has met those responsibilities for 2023. At December 31, 2023, the outstanding PACE loans to be collected by the County are \$452,952.

[Related Organizations](#)

[Ambulance Service](#)

Norman County and the City of Ada entered into an agreement to establish an Ambulance Advisory Committee, effective March 5, 1991. The purpose of the Committee is to provide coordinated funding and delivery of ambulance services within Norman County.

[Sand Hill River Watershed District](#)

The Sand Hill River Watershed District was formed pursuant to Minn. Stat. § 103D.201, effective August 29, 1974, and includes land within Mahnomon, Norman, and Polk Counties. The purpose of the District is to conserve the natural resources of the state by land-use planning, flood control, the use of sound scientific principles for the protection of public health and welfare, and the provident use of natural resources.

Control of the District is vested in the Sand Hill River Watershed District Board of Managers, composed of five members appointed by the Polk County Board for staggered terms of three years each.

[Jointly-Governed Organizations](#)

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

[Wild Rice Watershed District](#)

The Wild Rice Watershed District was established in 1969, pursuant to Minn. Stat. ch. 103D, and includes Becker,

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Clay, Clearwater, Mahnomen, Norman, and Polk Counties.

The purpose of the Watershed District is to oversee watershed projects, conduct studies for future project planning, administration of legal drainage systems, issuance of applications and permits, public education on conservation issues, and dispute resolution.

Control of the Watershed District is vested in a Board of Managers, which is composed of seven members appointed by the County Commissioners of Clay, Mahnomen, and Norman Counties. Clay County appoints two members, Mahnomen County appoints two members, and Norman County appoints three members.

Complete financial information can be obtained from the Wild Rice Watershed District Office, 11 East 5th Avenue, Ada, Minnesota 56510.

Minnesota Red River Basin of the North Joint Powers Board

The Minnesota Red River Basin of the North Joint Powers Board was established November 29, 1999, by an agreement between Norman County and 17 other counties. The agreement was made to serve as a focal point for land and water concerns for those counties surrounding the Minnesota Red River Basin. Each county is responsible for its proportionate share of the administrative budget.

Control is vested in a Joint Powers Board comprised of one Commissioner from each member county. Each member of the Board is appointed by the County Commissioners of the county he or she represents.

In the event of termination of the agreement, any unexpended funds and surplus property shall be disposed of equally among the member counties. During 2023, Norman County contributed \$186 to the Joint Powers Board.

Complete financial statements can be obtained from the offices of the International Coalition for Land/Water Stewardship in the Red River Basin, 119 – 5th Street South, Moorhead, Minnesota 56560.

Children's Collaborative (Serving Norman County Families)

The Children's Collaborative (Serving Norman County Families) was established in 1999 under the authority of Minn. Stat. § 124D.23 (now 142D.15). The Collaborative includes Norman County Social Services, Ada-Borup Public Schools, Norman County East Public Schools, Norman County West Public Schools, Norman-Mahnomen Community Health Board, Northwestern Mental Health Center, and Tri-Valley Opportunity Council, Inc. The purpose of the Collaborative is to provide coordinated services and to commit resources to an integrated fund. Control of the Collaborative is vested in a Board of Directors, comprised of one member appointed by each member party.

In the event of withdrawal from the Collaborative, the withdrawing party shall give a 180-day notice. The withdrawing party remains liable for fiscal obligations incurred prior to the effective date of withdrawal and shall not be entitled to a refund of contributions made to the integrated fund or other fees paid to operate the Collaborative. The Board shall continue to exist if the Collaborative is terminated for the limited purpose of discharging the Collaborative's debts and liabilities, settling its affairs, and disposing of integrated fund assets, if any. During 2023, Norman County contributed \$1,200 to the Collaborative.

Financing is provided by state and federal grants and contributions from its member parties. Complete financial information can be obtained from Norman County Social Services, 15 Second Avenue East, Ada, Minnesota 56510.

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[Northwest Private Industry Council, Inc./Workforce Council \(WIOA – Northwest Workforce Service Area 1\)](#)

The Northwest Minnesota Private Industry Council, Inc., (NWPIC) is a private, non-profit corporation created in 1983 and began operations in 1985 under the Job Training Partnership Act (JTPA) authorized by Congress to administer and operate job training programs in a seven-county area of Northwest Minnesota, including Kittson, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau Counties. NWPIC provides job training and employment opportunities for economically disadvantaged, under-employed and unemployed persons, and youthful persons in both the private and public sectors.

The NWPIC, in partnership with the Local Elected Officials Board, is responsible for the development of the local plan for workforce development. The NWPIC consists of up to 20 members from the private and public sectors. The NWPIC is the local government body that oversees the area employment and training programs. The NWPIC consists of one County Commissioner from each county, except Kittson County, who appoints two County Commissioners to the Board.

Norman County did not provide any contributions to this organization in 2023.

Financial information can be obtained by contacting the NWPIC, 1301 Highway 1 East, Thief River Falls, Minnesota 56701.

[Minnesota Rural Counties](#)

Minnesota Rural Counties was established in 1997 and includes Aitkin, Becker, Big Stone, Clay, Cottonwood, Douglas, Grant, Kittson, Koochiching, Lake of the Woods, Mahnomen, Marshall, McLeod, Mille Lacs, Mower, Murray, Norman, Pennington, Pine, Pipestone, Polk, Pope, Red Lake, Redwood, Roseau, Stevens, Todd, Traverse, Wadena, Watonwan, Wilkin, and Wright Counties. Control of Minnesota Rural Counties is vested in the Minnesota Rural Counties Executive Committee, which is composed of twelve appointees, each with an alternate, who are appointed annually by each respective County Board they represent. Each county also appoints a delegate and alternate to the Board of Directors. Norman County's responsibility does not extend beyond making these appointments.

[Lake Agassiz Regional Library](#)

The Lake Agassiz Regional Library was formed pursuant to Minn. Stat. §§ 134.20 and 471.59, effective January 1, 1961, and includes Becker, Clay, Clearwater, Mahnomen, Norman, Polk, and Wilkin Counties, as well as the Cities of Breckenridge, Crookston, Detroit Lakes, Mahnomen, and Moorhead. Control of the Library is vested in the Agassiz Regional Library Board of Trustees, with 23 members with staggered terms made up of the following: one member appointed by each Board of County Commissioners, one member appointed by each participating city, and one additional member appointed by each county and city for each 6,000 of population or major percentage (85 percent) thereof.

In 2023, Norman County provided \$108,300 in the form of an appropriation.

Financial information can be obtained from the Lake Agassiz Regional Library Regional Office, 118 – 5th Street South, Moorhead, Minnesota 56560.

[Region Three – Northwest Minnesota Homeland Security Emergency Management Organization](#)

The Region Three – Northwest Minnesota Homeland Security Emergency Management Organization was

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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 region. Control is vested in the Board, which is composed of representatives appointed by each Board of County Commissioners. Norman County's responsibility does not extend beyond making this appointment.

Sentencing to Service

Norman County, in conjunction with other local governments, participates in the State of Minnesota's Sentencing to Service (STS) program. STS is a project of the State Department of Administration's Strive Toward Excellence in Performance (STEP) program. STEP's goal is a statewide effort to make positive improvements in public services. It gives the courts an alternative to jail or fines for the nonviolent offenders who can work on a variety of community or state projects. Private funding, funds from various foundations and initiative funds, as well as the Minnesota Departments of Corrections and Natural Resources, provide the funds needed to operate the STS program. Norman County has no operational or financial control over the STS program and does not budget for a percentage of this program.

Job Training Partnership Act Joint Powers Agreement

The Job Training Partnership Act Joint Powers Agreement was formed in July 1994 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes Kittson, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau Counties. The purpose of the Joint Powers Agreement is to designate the members of the Northwest Regional Development Commission's Board of Directors as the local elected officials to work with the Northwest Private Industry Council for the Northwest Service Delivery Area, including specific duties as listed in the Agreement.

In the event of dissolution of the Joint Powers Agreement, the net position of the Joint Powers Board at that time shall be disposed of in accordance with law.

Financing is provided primarily from federal grants provided through the Job Training Partnership Act of 1982.

Complete financial information can be obtained from the Northwest Regional Development Commission, 115 South Main, Warren, Minnesota 56762.

Communities Caring for Children

The Communities Caring for Children (CCC) Joint Powers Board promotes an implementation and maintenance of a regional immunization information system to ensure age-appropriate immunizations through complete and accurate records. Norman County did not contribute to the CCC during 2023.

Minnesota Criminal Justice Data Communications Network

The Minnesota Criminal Justice Data Communications Network Joint Powers Agreement exists to create access for the County Sheriff and County Attorney to systems and tools available from the State of Minnesota, Department of Public Safety, and the Bureau of Criminal Apprehension to carry out criminal justice. During the year, Norman County made no payments to the Network.

Polk-Norman-Mahnomen Community Health Board

The Polk-Norman-Mahnomen Community Health Board was established in 2012 under the authority of Minn. Stat. ch. 145A and Minn. Stat. § 471.59. The Community Health Board includes the Polk County Local Board of

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

Control of the Community Health Board is vested in a seven-member Board, with Polk, Norman, and Mahnomon Counties each appointing one County Board member, and the Polk County Local Board of Health and the Norman County Local Board of Health each appointing two members, one County Board member, and one community member. The Norman County Local Board of Health appoints one of the members from Norman County and one of the members from Mahnomon County.

In the event of withdrawal from the Community Health Board, the withdrawing party shall give a one-year notice. Should the Community Health Board cease to exist, all property, real and personal, held by the Community Health Board at the time of termination shall be distributed to each joint participant in proportion to its relative financial contributions.

Financing is provided by state and federal grants. Polk County acts as fiscal agent for the Board and reports the cash transactions of the Community Health Board as a custodial fund on its annual financial statements. During 2023, Norman County did not contribute to the Polk-Norman-Mahnomen Community Health Board.

Complete financial information can be obtained from Polk County Public Health, 816 Marin Avenue, Suite 125, Crookston, Minnesota 56716.

Required Supplementary Information

Exhibit A-1

**Norman County
Ada, Minnesota
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 3,799,224	\$ 3,799,224	\$ 4,104,178	\$ 304,954
Special assessments	320,475	320,475	221,146	(99,329)
Licenses and permits	13,303	13,303	16,435	3,132
Intergovernmental	1,384,650	1,384,650	1,945,733	561,083
Charges for services	301,260	301,260	297,811	(3,449)
Gifts and contributions	1,000	1,000	36,086	35,086
Investment earnings	50,100	50,100	601,615	551,515
Miscellaneous	87,115	87,115	180,997	93,882
Total Revenues	\$ 5,957,127	\$ 5,957,127	\$ 7,404,001	\$ 1,446,874
Expenditures				
Current				
General government				
Commissioners	\$ 240,031	\$ 240,031	\$ 248,052	\$ (8,021)
Courts	20,400	20,400	19,825	575
Law library	-	-	531	(531)
County auditor-treasurer	354,110	354,110	349,613	4,497
County assessor	307,941	307,941	296,917	11,024
Elections	13,506	13,506	16,270	(2,764)
Chief financial officer	129,158	129,158	139,485	(10,327)
Human resources	56,442	56,442	100,857	(44,415)
Accounting and auditing	80,000	80,000	120,557	(40,557)
Data processing	76,660	76,660	89,960	(13,300)
Attorney	214,337	214,337	230,160	(15,823)
Victim assistance	66,500	66,500	36,573	29,927
Recorder	337,599	337,599	315,408	22,191
Planning and zoning	39,832	39,832	48,845	(9,013)
County buildings	66,700	66,700	215,323	(148,623)
Buildings and plant	178,885	178,885	216,640	(37,755)
Veterans service officer	93,883	93,883	96,687	(2,804)
Cemeteries	-	-	125	(125)
Miscellaneous – general government	225,461	225,461	291,676	(66,215)
Total general government	\$ 2,501,445	\$ 2,501,445	\$ 2,833,504	\$ (332,059)

Exhibit A-1
(Continued)

Norman County
Ada, Minnesota
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Expenditures				
Current (Continued)				
Public safety				
Sheriff	\$ 1,390,166	\$ 1,390,166	\$ 1,449,208	\$ (59,042)
K-9 unit	-	-	29,821	(29,821)
Coroner	23,000	23,000	16,332	6,668
Radio tower	-	-	1,148	(1,148)
Hazardous materials training	5,200	5,200	3,665	1,535
Safety coordinator	6,792	6,792	5,106	1,686
E-911 system	48,500	48,500	173,454	(124,954)
Community corrections	573,890	573,890	548,320	25,570
Civil defense	43,029	43,029	52,611	(9,582)
Police and fire	1,950	1,950	1,398	552
Other public safety	14,400	14,400	22,704	(8,304)
Total public safety	\$ 2,106,927	\$ 2,106,927	\$ 2,303,767	\$ (196,840)
Highways and streets				
Highway building project	\$ -	\$ -	\$ 5,807,949	\$ (5,807,949)
Human services				
Senior citizen centers	\$ 1,950	\$ 1,950	\$ 1,950	\$ -
Retired senior volunteer program	1,500	1,500	1,500	-
Total human services	\$ 3,450	\$ 3,450	\$ 3,450	\$ -
Health				
Ambulance	\$ 240,000	\$ 240,000	\$ 221,146	\$ 18,854
Wellness program	8,000	8,000	7,660	340
Total health	\$ 248,000	\$ 248,000	\$ 228,806	\$ 19,194
Culture and recreation				
Historical society	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Agassiz trail project	220,000	220,000	39,527	180,473
Winter shows	900	900	900	-
County library	108,300	108,300	108,300	-
Celebrations	420	420	-	420
Total culture and recreation	\$ 344,620	\$ 344,620	\$ 163,727	\$ 180,893

Exhibit A-1
(Continued)

Norman County
Ada, Minnesota
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Expenditures				
Current (Continued)				
Conservation of natural resources				
Cooperative extension	\$ 127,452	\$ 127,452	\$ 124,344	\$ 3,108
Soil and water conservation	65,200	65,200	65,200	-
Agricultural society	12,150	12,150	17,150	(5,000)
Aquatic invasive species	13,108	13,108	13,108	-
Riparian protection aid	44,477	44,477	72,078	(27,601)
Forfeited tax	-	-	(9,295)	9,295
Weed control	12,800	12,800	12,545	255
Predator control	4,186	4,186	1,820	2,366
Water planning	-	-	93,746	(93,746)
Total conservation of natural resources	\$ 279,373	\$ 279,373	\$ 390,696	\$ (111,323)
Debt service				
Principal	\$ -	\$ -	\$ 49,921	\$ (49,921)
Interest	-	-	8,070	(8,070)
Total debt service	\$ -	\$ -	\$ 57,991	\$ (57,991)
Total Expenditures	\$ 5,483,815	\$ 5,483,815	\$ 11,789,890	\$ (6,306,075)
Excess of Revenues Over (Under)				
Expenditures	\$ 473,312	\$ 473,312	\$ (4,385,889)	\$ (4,859,201)
Other Financing Sources (Uses)				
Transfers out	\$ -	\$ -	\$ (476,181)	\$ (476,181)
Leases issued	-	-	124,880	124,880
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ (351,301)	\$ (351,301)
Net Change in Fund Balance	\$ 473,312	\$ 473,312	\$ (4,737,190)	\$ (5,210,502)
Fund Balance – January 1	12,519,074	12,519,074	12,519,074	-
Fund Balance – December 31	\$ 12,992,386	\$ 12,992,386	\$ 7,781,884	\$ (5,210,502)

**Norman County
Ada, Minnesota**

**Budgetary Comparison Schedule
Road and Bridge Special Revenue Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 2,168,284	\$ 2,168,284	\$ 2,087,055	\$ (81,229)
Intergovernmental	8,925,953	8,925,953	8,639,650	(286,303)
Charges for services	50,000	50,000	62,042	12,042
Miscellaneous	95,000	95,000	174,541	79,541
Total Revenues	\$ 11,239,237	\$ 11,239,237	\$ 10,963,288	\$ (275,949)
Expenditures				
Current				
Highways and streets				
Administration	\$ 399,538	\$ 399,538	\$ 395,743	\$ 3,795
Maintenance	2,895,077	2,895,077	3,831,825	(936,748)
Construction	6,316,917	6,316,917	5,819,136	497,781
Equipment and maintenance shop	1,016,573	1,016,573	1,190,512	(173,939)
Total highways and streets	\$ 10,628,105	\$ 10,628,105	\$ 11,237,216	\$ (609,111)
Intergovernmental				
Highways and streets	\$ 610,000	\$ 610,000	\$ 436,759	\$ 173,241
Debt service				
Principal	\$ -	\$ -	\$ 78,593	\$ (78,593)
Interest	-	-	8,566	(8,566)
Total debt service	\$ -	\$ -	\$ 87,159	\$ (87,159)
Total Expenditures	\$ 11,238,105	\$ 11,238,105	\$ 11,761,134	\$ (523,029)
Excess of Revenues Over (Under) Expenditures	\$ 1,132	\$ 1,132	\$ (797,846)	\$ (798,978)
Other Financing Sources (Uses)				
Leases issued	-	-	720,671	720,671
Net Change in Fund Balance	\$ 1,132	\$ 1,132	\$ (77,175)	\$ (78,307)
Fund Balance – January 1	1,064,861	1,064,861	1,064,861	-
Increase (decrease) in inventories	-	-	(123,211)	(123,211)
Fund Balance – December 31	\$ 1,065,993	\$ 1,065,993	\$ 864,475	\$ (201,518)

**Norman County
Ada, Minnesota**

**Budgetary Comparison Schedule
Social Services Special Revenue Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 1,004,416	\$ 1,004,416	\$ 973,466	\$ (30,950)
Intergovernmental	1,616,746	1,616,746	1,651,283	34,537
Charges for services	240,094	240,094	254,102	14,008
Miscellaneous	37,050	37,050	182,576	145,526
Total Revenues	\$ 2,898,306	\$ 2,898,306	\$ 3,061,427	\$ 163,121
Expenditures				
Current				
Human services				
Income maintenance	\$ 1,073,915	\$ 1,073,915	\$ 1,206,922	\$ (133,007)
Social services	1,820,220	1,820,220	1,714,810	105,410
Total human services	\$ 2,894,135	\$ 2,894,135	\$ 2,921,732	\$ (27,597)
Debt service				
Principal	\$ -	\$ -	\$ 10,356	\$ (10,356)
Interest	-	-	478	(478)
Total debt service	\$ -	\$ -	\$ 10,834	\$ (10,834)
Total Expenditures	\$ 2,894,135	\$ 2,894,135	\$ 2,932,566	\$ (38,431)
Net Change in Fund Balance	\$ 4,171	\$ 4,171	\$ 128,861	\$ 124,690
Fund Balance – January 1	1,746,747	1,746,747	1,746,747	-
Fund Balance – December 31	\$ 1,750,918	\$ 1,750,918	\$ 1,875,608	\$ 124,690

Exhibit A-4

**Norman County
Ada, Minnesota**

**Schedule of Changes in Total OPEB Liability and Related Ratios
Other Postemployment Benefits
December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability			
Service cost	\$ 40,102	\$ 38,934	\$ 34,022
Interest	7,335	10,428	9,792
Differences between expected and actual experience	-	(28,063)	-
Changes of assumption or other inputs	-	7,808	-
Benefit payments	(20,303)	(25,814)	(27,764)
Net change in total OPEB liability	\$ 27,134	\$ 3,293	\$ 16,050
Total OPEB Liability – Beginning	336,752	333,459	317,409
Total OPEB Liability – Ending	\$ 363,886	\$ 336,752	\$ 333,459
Covered-employee payroll	\$ 4,701,821	\$ 4,564,875	\$ 4,468,495
Total OPEB liability (asset) as a percentage of covered-employee payroll	7.74%	7.38%	7.46%

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

	2020		2019		2018
\$	33,031	\$	31,549	\$	32,859
	13,122		10,915		10,565
	(30,466)		-		-
	2,858		(7,527)		-
	(26,570)		(17,310)		(45,450)
\$	(8,025)	\$	17,627	\$	(2,026)
	325,434		307,807		309,833
\$	317,409	\$	325,434	\$	307,807
\$	4,338,345	\$	4,232,351	\$	4,109,079
	7.32%		7.69%		7.49%

**Norman County
Ada, Minnesota**

**Schedule of Proportionate Share of Net Pension Liability
PERA General Employees Retirement Plan
December 31, 2023**

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 Norman County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related 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 (%)
2023	0.0554	\$ 3,097,906	\$ 85,358	\$ 3,183,264	\$ 4,579,426	67.65	83.10
2022	0.0544	4,308,498	126,098	4,434,596	4,071,230	105.83	76.67
2021	0.0548	2,340,206	71,499	2,411,705	3,943,697	59.34	87.00
2020	0.0528	3,165,601	97,565	3,263,166	3,764,703	84.09	79.06
2019	0.0523	2,891,550	89,829	2,981,379	3,700,086	78.15	80.23
2018	0.0525	2,912,485	95,496	3,007,981	3,527,213	82.57	79.53
2017	0.0515	3,287,726	41,302	3,329,028	3,314,665	99.19	75.90
2016	0.0500	4,059,752	52,966	4,112,718	3,103,841	130.80	68.91
2015	0.0521	2,700,092	N/A	2,700,092	3,060,280	88.23	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

Exhibit A-6

**Norman County
Ada, Minnesota**

**Schedule of Contributions
PERA General Employees Retirement Plan
December 31, 2023**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b - a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c) (%)
2023	\$ 343,456	\$ 343,456	\$ -	\$ 4,579,426	7.50
2022	316,222	316,222	-	4,216,288	7.50
2021	298,469	298,469	-	3,979,589	7.50
2020	289,737	289,737	-	3,863,163	7.50
2019	281,123	281,123	-	3,748,304	7.50
2018	268,597	268,597	-	3,581,299	7.50
2017	254,149	254,149	-	3,388,657	7.50
2016	244,110	244,110	-	3,254,799	7.50
2015	230,241	230,241	-	3,069,881	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.

**Norman County
Ada, Minnesota**

**Schedule of Proportionate Share of Net Pension Liability
PERA Public Employees Police and Fire Plan
December 31, 2023**

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 Norman 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 (%)
2023	0.0356	\$ 614,766	\$ 24,740	\$ 639,506	\$ 527,500	116.54	86.47
2022	0.0415	1,805,916	78,869	1,884,785	504,063	358.27	70.53
2021	0.0432	333,458	14,977	348,435	510,198	65.36	93.66
2020	0.0430	562,832	13,258	576,090	481,294	116.94	87.19
2019	0.0440	470,554	N/A	470,554	466,079	100.96	89.26
2018	0.0410	438,084	N/A	438,084	433,079	101.16	88.84
2017	0.0360	486,043	N/A	486,043	370,478	131.19	85.43
2016	0.0360	1,444,743	N/A	1,444,743	346,715	416.69	63.88
2015	0.0340	386,320	N/A	386,320	307,937	125.45	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.
N/A – Not Applicable

Exhibit A-8

**Norman County
Ada, Minnesota**

**Schedule of Contributions
PERA Public Employees Police and Fire Plan
December 31, 2023**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b - a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c) (%)
2023	\$ 93,367	\$ 93,367	\$ -	\$ 527,500	17.70
2022	89,028	89,028	-	502,982	17.70
2021	89,008	89,008	-	502,870	17.70
2020	87,041	87,041	-	491,759	17.70
2019	82,326	82,326	-	485,701	16.95
2018	70,639	70,639	-	436,052	16.20
2017	66,983	66,983	-	413,482	16.20
2016	58,422	58,422	-	360,626	16.20
2015	52,223	52,223	-	322,361	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.

Norman County Ada, Minnesota

Notes to the Required Supplementary Information For the Year Ended December 31, 2023

Note 1 – Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Ditch Special Revenue Fund, Gravel Reserve Tax Special Revenue Fund, Opioid Settlement Special Revenue Fund, Ditch Debt Service Fund, and the G.O. Bonds Debt Service Fund. All annual appropriations lapse at fiscal year-end.

On or before mid-July or August of each year, all departments and agencies submit requests for budget appropriations to the Chief Financial Officer so that a budget can be prepared. Before September 15, the proposed budget is presented to the Norman County Board for review. The Board continues to refine the budget, holds departmental budget meetings, and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the County Board. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the fund level. During the year, the Board made no budgetary amendments.

Note 2 – Excess of Expenditures Over Budget

The following individual major funds had expenditures in excess of final budget for the year ended December 31, 2023:

Excess of Expenditures Over Budget for the Year Ended December 31, 2023

	Expenditures	Budget	Excess
General Fund	\$ 11,870,357	\$ 5,483,815	\$ 6,386,542
Road and Bridge Special Revenue Fund	11,761,134	11,238,105	523,029
Social Services Special Revenue Fund	2,932,566	2,894,135	38,431

Note 3 – Other Postemployment Benefits Funding Status

Assets have not been accumulated in a trust that meets the criteria in paragraph four of GASB Statement 75 to pay related benefits. See Note 3 in the notes to the financial statements for additional information regarding the County's other postemployment benefits.

Note 4 – Other Postemployment Benefits – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes in actuarial assumptions occurred:

2023

None.

Norman County Ada, Minnesota

2022

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50 percent to 2.00 percent.
- The discount rate was changed from 2.90 percent to 2.00 percent.

2021

None.

2020

- The health care trend rates, mortality tables, and salary increase rates were updated.
- The mortality tables were updated from the RP-2014 Mortality tables (blue collar for Public Safety, white collar for others) with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality tables (General, Safety) with MP-2019 Generational Improvement Scale.
- The discount rate was changed from 3.80 percent to 2.90 percent.

2019

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

2018

- The mortality tables were updated from the RP-2014 White Collar Mortality tables with MP-2014 Generational Improvement Scale to the RP-2014 White Collar Mortality tables with MP-2017 Generational Improvement Scale.
- The mortality tables, retirement tables, and withdrawal tables were updated.
- The discount rate was changed from 4.00 percent to 3.30 percent.

Norman County Ada, Minnesota

Note 5 – Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

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

General Employees Retirement Plan

2023

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.
- A one-time direct state aid contribution of \$170.1 million occurred on October 1, 2023.
- The vesting period for those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- For Basic Plan members, a one-time, non-compounding benefit increase of 4.00 percent, minus the actual 2024 adjustment, will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- For Coordinated Plan members, a one-time, non-compounding benefit increase of 2.50 percent, minus the actual 2024 adjustment, will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022

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

2021

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- 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 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The

Norman County Ada, Minnesota

new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.

- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee 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 Retiree 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 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020, through December 31, 2023, and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

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

2018

- The mortality projection scale was changed from Scale MP-2015 to Scale MP-2017.
- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost-of-living

Norman County Ada, Minnesota

adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.00 percent for active member liability, 15 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21 million in calendar years 2017 and 2018 and returns to \$31 million through calendar year 2031. The state's required contribution is \$16 million in PERA's fiscal years 2018 and 2019 and returns to \$6 million annually through calendar year 2031.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Public Employees Police and Fire Plan

2023

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.
- A one-time direct state aid contribution of \$19.4 million occurred on October 1, 2023.
- The vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded ten year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after ten years.

Norman County Ada, Minnesota

- A one-time, non-compounding benefit increase of 3.00 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- A total and permanent duty disability benefit was added effective July 1, 2023.

2022

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

2021

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

2020

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

Norman County Ada, Minnesota

2019

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

2018

- The mortality projection scale was changed from Scale MP-2016 to Scale MP-2017.
- Post-retirement benefit increases 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. Additionally, 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 effective January 1, 2019, and January 1, 2020, from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019, and January 1, 2020, from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. 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

- The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- The assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA load has been changed to 33 percent for vested members and 2.00 percent 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 table assumed for healthy retirees.
- The assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of married female members was decreased from 65 percent to 60 percent.
- The 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.

Norman County Ada, Minnesota

- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Supplementary Information

Norman County Ada, Minnesota

Nonmajor Governmental Funds

Special Revenue Funds

County Homes Fund – to account for the collection of rents and payment of expenses on small homes owned by Norman County, which are rented to senior citizens.

Ditch Fund – to account for the financing and costs related to all County ditches.

Gravel Reserve Tax Fund – to account for the proceeds of a special gravel removal or occupation tax that is restricted to expenditures for the restoration of abandoned gravel pits.

Public Health Fund – to account for providing nursing service care to the elderly and other residents of the County. Financing is provided by health care service grants, County contributions, and user service charges.

Opioid Settlement Fund – to account for funds to be received in a settlement with pharmaceutical companies and distributors as part of the National Prescription Opiate Litigation.

Solid Waste Fund – to account for the financing and costs relating to the Fosston Incinerator, demolition landfill, and public education. Financing is provided by special assessments, charges for services, and intergovernmental revenues designated for environmental purposes.

Debt Service Funds

Ditch Fund – to account for the accumulation of resources and the payment of principal and interest of ditch bond issues.

G.O. Bonds Fund – to account for the payment of principal and interest of G.O. bond issues.

**Norman County
Ada, Minnesota**

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023**

	Special Revenue (Exhibit C-1)	Ditch Debt Service	G.O. Bonds Debt Service	Total (Exhibit 3)
<u>Assets</u>				
Cash and pooled investments	\$ 1,636,023	\$ 570	\$ 833,217	\$ 2,469,810
Petty cash and change funds	100	-	-	100
Taxes receivable – delinquent	3,075	-	-	3,075
Special assessments receivable				
Delinquent	252	494	-	746
Accounts receivable	75,697	-	-	75,697
Due from other governments	204,128	-	-	204,128
Total Assets	\$ 1,919,275	\$ 1,064	\$ 833,217	\$ 2,753,556
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
Liabilities				
Accounts payable	\$ 115,942	\$ -	\$ 750	\$ 116,692
Salaries payable	36,277	-	-	36,277
Due to other funds	3,962	-	-	3,962
Due to other governments	31,400	-	-	31,400
Customer deposits	4,400	-	-	4,400
Total Liabilities	\$ 191,981	\$ -	\$ 750	\$ 192,731
Deferred Inflows of Resources				
Unavailable revenue	\$ 163,945	\$ 483	\$ -	\$ 164,428
Fund Balances				
Restricted for				
Debt service	\$ -	\$ 581	\$ 832,467	\$ 833,048
Gravel pit postclosure	198,452	-	-	198,452
Ditch maintenance and construction	664,491	-	-	664,491
Opioid remediation	58,946	-	-	58,946
Assigned to				
County homes	199,501	-	-	199,501
Health	374,692	-	-	374,692
Sanitation	67,267	-	-	67,267
Total Fund Balances	\$ 1,563,349	\$ 581	\$ 832,467	\$ 2,396,397
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,919,275	\$ 1,064	\$ 833,217	\$ 2,753,556

**Norman County
Ada, Minnesota**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2023**

	Special Revenue (Exhibit C-2)	Ditch Debt Service	G.O. Bonds Debt Service	Total (Exhibit 5)
Revenues				
Taxes	\$ 285,109	\$ -	\$ -	\$ 285,109
Special assessments	111,493	273	-	111,766
Licenses and permits	400	-	-	400
Intergovernmental	807,140	-	-	807,140
Charges for services	394,008	-	-	394,008
Gifts and contributions	50	-	-	50
Miscellaneous	55,993	-	-	55,993
Total Revenues	\$ 1,654,193	\$ 273	\$ -	\$ 1,654,466
Expenditures				
Current				
General government	\$ 12,748	\$ -	\$ -	\$ 12,748
Sanitation	466,685	-	-	466,685
Health	1,032,637	-	-	1,032,637
Conservation of natural resources	187,979	376	-	188,355
Debt service				
Principal	1,984	-	-	1,984
Interest	1,077	-	327,669	328,746
Administrative (fiscal) charges	-	-	1,225	1,225
Total Expenditures	\$ 1,703,110	\$ 376	\$ 328,894	\$ 2,032,380
Excess of Revenues Over (Under) Expenditures	\$ (48,917)	\$ (103)	\$ (328,894)	\$ (377,914)
Other Financing Sources				
Transfers in	\$ -	\$ -	\$ 476,181	\$ 476,181
Leases issued	18,534	-	-	18,534
Total Other Financing Sources (Uses)	\$ 18,534	\$ -	\$ 476,181	\$ 494,715
Net Change in Fund Balance	\$ (30,383)	\$ (103)	\$ 147,287	\$ 116,801
Fund Balance – January 1	1,593,732	684	685,180	2,279,596
Fund Balance – December 31	\$ 1,563,349	\$ 581	\$ 832,467	\$ 2,396,397

**Norman County
Ada, Minnesota**

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	<u>County Homes</u>	<u>Ditch</u>	<u>Gravel Reserve Tax</u>
<u>Assets</u>			
Cash and pooled investments	\$ 204,410	\$ 726,693	\$ 220,016
Petty cash and change funds	-	-	-
Taxes receivable – delinquent	-	-	-
Special assessments receivable			
Delinquent	-	252	-
Accounts receivable	-	-	7,784
Due from other governments	-	-	-
Total Assets	\$ 204,410	\$ 726,945	\$ 227,800
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>			
Liabilities			
Accounts payable	\$ 158	\$ 59,340	\$ -
Salaries payable	215	-	-
Due to other funds	-	3,009	-
Due to other governments	136	-	29,348
Customer deposits	4,400	-	-
Total Liabilities	\$ 4,909	\$ 62,349	\$ 29,348
Deferred Inflows of Resources			
Unavailable revenue	\$ -	\$ 105	\$ -
Fund Balances			
Restricted for			
Gravel pit restoration	\$ -	\$ -	\$ 198,452
Ditch maintenance and construction	-	664,491	-
Opioid remediation	-	-	-
Assigned to			
County homes	199,501	-	-
Health	-	-	-
Sanitation	-	-	-
Total Fund Balances	\$ 199,501	\$ 664,491	\$ 198,452
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 204,410	\$ 726,945	\$ 227,800

	Public Health	Opioid Settlement	Solid Waste	Total (Exhibit B-1)
\$	307,702	\$ 58,946	\$ 118,256	\$ 1,636,023
	100	-	-	100
	1,046	-	2,029	3,075
	-	-	-	252
	6,605	41,923	19,385	75,697
	204,128	-	-	204,128
\$	519,581	\$ 100,869	\$ 139,670	\$ 1,919,275

\$	4,466	\$ -	\$ 51,978	\$ 115,942
	34,744	-	1,318	36,277
	-	-	953	3,962
	-	-	1,916	31,400
	-	-	-	4,400
\$	39,210	\$ -	\$ 56,165	\$ 191,981

\$	105,679	\$ 41,923	\$ 16,238	\$ 163,945
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\$	-	\$ -	\$ -	\$ 198,452
	-	-	-	664,491
	-	58,946	-	58,946
	-	-	-	199,501
	374,692	-	-	374,692
	-	-	67,267	67,267
\$	374,692	\$ 58,946	\$ 67,267	\$ 1,563,349

\$	519,581	\$ 100,869	\$ 139,670	\$ 1,919,275
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**Norman County
Ada, Minnesota**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

	<u>County Homes</u>	<u>Ditch</u>	<u>Gravel Reserve Tax</u>
Revenues			
Taxes	\$ -	\$ -	\$ 83,049
Special assessments	-	111,493	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Gifts and contributions	-	-	-
Miscellaneous	41,229	-	-
Total Revenues	\$ 41,229	\$ 111,493	\$ 83,049
Expenditures			
Current			
General government	\$ 12,748	\$ -	\$ -
Sanitation	-	-	-
Health	-	-	-
Conservation of natural resources	-	109,381	78,598
Debt service			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	\$ 12,748	\$ 109,381	\$ 78,598
Excess of Revenues Over (Under) Expenditures	\$ 28,481	\$ 2,112	\$ 4,451
Other Financing Sources (Uses)			
Leases issued	-	-	-
Net Change in Fund Balance	\$ 28,481	\$ 2,112	\$ 4,451
Fund Balance – January 1	171,020	662,379	194,001
Fund Balance – December 31	\$ 199,501	\$ 664,491	\$ 198,452

Public Health	Opioid Settlement	Solid Waste	Total (Exhibit B-2)
\$ 85,789	\$ -	\$ 116,271	\$ 285,109
-	-	-	111,493
-	-	400	400
726,662	-	80,478	807,140
92,230	-	301,778	394,008
50	-	-	50
3,043	11,721	-	55,993
\$ 907,774	\$ 11,721	\$ 498,927	\$ 1,654,193
\$ -	\$ -	\$ -	\$ 12,748
-	-	466,685	466,685
1,032,637	-	-	1,032,637
-	-	-	187,979
-	-	1,984	1,984
-	-	1,077	1,077
\$ 1,032,637	\$ -	\$ 469,746	\$ 1,703,110
\$ (124,863)	\$ 11,721	\$ 29,181	\$ (48,917)
-	-	18,534	18,534
\$ (124,863)	\$ 11,721	\$ 47,715	\$ (30,383)
499,555	47,225	19,552	1,593,732
\$ 374,692	\$ 58,946	\$ 67,267	\$ 1,563,349

**Norman County
Ada, Minnesota**

**Budgetary Comparison Schedule
County Homes Special Revenue Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Miscellaneous	\$ 35,000	\$ 35,000	\$ 41,229	\$ 6,229
Expenditures				
Current				
General government				
Low-income housing	35,000	35,000	12,748	22,252
Change in Fund Balance	\$ -	\$ -	\$ 28,481	\$ 28,481
Fund Balance – January 1	171,020	171,020	171,020	-
Fund Balance – December 31	\$ 171,020	\$ 171,020	\$ 199,501	\$ 28,481

**Norman County
Ada, Minnesota**

**Budgetary Comparison Schedule
Public Health Special Revenue Fund
For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 88,392	\$ 88,392	\$ 85,789	\$ (2,603)
Intergovernmental	837,572	837,572	726,662	(110,910)
Charges for services	94,650	94,650	92,230	(2,420)
Gifts and contributions	-	-	50	50
Miscellaneous	5,000	5,000	3,043	(1,957)
Total Revenues	\$ 1,025,614	\$ 1,025,614	\$ 907,774	\$ (117,840)
Expenditures				
Current				
Health				
Public health	1,033,391	1,033,391	1,032,637	754
Net Change in Fund Balance	\$ (7,777)	\$ (7,777)	\$ (124,863)	\$ (117,086)
Fund Balance – January 1	499,555	499,555	499,555	-
Fund Balance – December 31	\$ 491,778	\$ 491,778	\$ 374,692	\$ (117,086)

**Norman County
Ada, Minnesota**

**Budgetary Comparison Schedule
Solid Waste Special Revenue Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 119,802	\$ 119,802	\$ 116,271	\$ (3,531)
Licenses and permits	400	400	400	-
Intergovernmental	78,850	78,850	80,478	1,628
Charges for services	305,850	305,850	301,778	(4,072)
Miscellaneous	6,300	6,300	-	(6,300)
Total Revenues	\$ 511,202	\$ 511,202	\$ 498,927	\$ (12,275)
Expenditures				
Current				
Sanitation				
Administration	\$ 42,669	\$ 42,669	\$ 55,069	\$ (12,400)
Recycling	114,000	114,000	108,213	5,787
Landfill	54,250	54,250	27,875	26,375
Fosston incinerator	285,590	285,590	252,779	32,811
Household hazardous waste	15,000	15,000	22,749	(7,749)
Total sanitation	\$ 511,509	\$ 511,509	\$ 466,685	\$ 44,824
Debt service				
Principal	\$ -	\$ -	\$ 1,984	\$ (1,984)
Interest	-	-	1,077	(1,077)
Total debt service	\$ -	\$ -	\$ 3,061	\$ (3,061)
Total Expenditures	\$ 511,509	\$ 511,509	\$ 469,746	\$ 41,763
Excess of Revenues Over (Under) Expenditures	\$ (307)	\$ (307)	\$ 29,181	\$ 29,488
Other Financing Sources (Uses)				
Leases issued	-	-	18,534	18,534
Net Change in Fund Balance	\$ (307)	\$ (307)	\$ 47,715	\$ 48,022
Fund Balance – January 1	19,552	19,552	19,552	-
Fund Balance – December 31	\$ 19,245	\$ 19,245	\$ 67,267	\$ 48,022

Norman County Ada, Minnesota

Fiduciary Funds

Custodial Funds

Norman County-Ada-Twin Valley Airport Authority – to receive and manage Norman County-Ada-Twin Valley Airport Authority administrative funds and to provide budgeting and accounting services.

Children’s Collaborative (Serving Norman County Families) – to account for external pooled and non-pooled investments on behalf of the Children’s Collaborative (Serving Norman County Families).

Norman County Economic Development Authority – to account for the receipt and disbursement of funds for the Economic Development Authority.

Recoveries – to account for the State of Minnesota’s share of estate recoveries associated with the Medical Assistance Program, and MAXIS recoveries associated with Minnesota Family Investment Program/Temporary Assistance to Needy Families/Aid to Families with Dependent Children/General Assistance/General Assistance Medical Care and Group Residential Housing programs.

State Revenue – to account for the collection and payment of amounts due to the state.

Taxes and Penalties – to account for the collection of taxes and penalties and their payment to the various taxing districts.

Watershed – to account for the collection and payment of amounts to the watershed.

Exhibit D-1

**Norman County
Ada, Minnesota**

**Combining Statement of Fiduciary Net Position
Fiduciary Funds – Custodial Funds
December 31, 2023**

	Norman County- Ada-Twin Valley Airport Authority	Children's Collaborative	Norman County Economic Development Authority (EDA)
Assets			
Cash and pooled investments	\$ -	\$ 30,856	\$ 62,392
Taxes receivable for other governments	-	-	155
Accounts receivable	3,230	-	2,120
Special assessments receivable-noncurrent	-	-	-
Due from other funds	-	800	-
Due from other governments	1,344	-	-
Loans receivable	-	-	53,075
Total Assets	\$ 4,574	\$ 31,656	\$ 117,742
Liabilities			
Due to other governments	\$ -	\$ -	\$ -
Due to other funds	163,153	-	-
Due to others	273	-	42
Total Liabilities	\$ 163,426	\$ -	\$ 42
Net Position			
Restricted for individuals, organizations, and other governments	\$ -	\$ 31,656	\$ 117,700
Unrestricted	(158,852)	-	-
Total Net Position	\$ (158,852)	\$ 31,656	\$ 117,700

Recoveries	State Revenue	Taxes and Penalties	Watershed	Total Custodial Funds
\$ 5,978	\$ 1,171	\$ 285,295	\$ 16,362	\$ 402,054
-	874	229,091	3,320	233,440
9,762	7,706	346	-	23,164
-	-	452,952	-	452,952
-	1,998	-	-	2,798
-	-	-	-	1,344
-	-	-	-	53,075
\$ 15,740	\$ 11,749	\$ 967,684	\$ 19,682	\$ 1,168,827
\$ 5,978	\$ 10,458	\$ 271,000	\$ 16,362	\$ 303,798
-	8,287	-	-	171,440
-	-	-	-	315
\$ 5,978	\$ 18,745	\$ 271,000	\$ 16,362	\$ 475,553
\$ 9,762	\$ -	\$ 696,684	\$ 3,320	\$ 859,122
-	(6,996)	-	-	(165,848)
\$ 9,762	\$ (6,996)	\$ 696,684	\$ 3,320	\$ 693,274

**Norman County
Ada, Minnesota**

**Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds – Custodial Funds
For the Year Ended December 31, 2023**

	Norman County- Ada-Twin Valley Airport Authority	Children's Collaborative	Norman County Economic Development Authority (EDA)
Additions			
Contributions			
Individuals	\$ -	\$ -	\$ -
Property tax collections for other governments	-	-	14,384
Assessment collections for others	-	-	-
Administration fees	-	19,938	-
Contributions from participants	-	6,900	-
Grants received	6,928	-	-
Payments from the state	-	-	983
Payments from the county	163,153	-	-
License and fees collected for the state	-	-	-
Fuel sales	6,048	-	-
Rent	1,800	-	-
Miscellaneous	9,129	-	1,535
Total Additions	\$ 187,058	\$ 26,838	\$ 16,902
Deductions			
Loan repayments	\$ -	\$ -	\$ -
Payments of property tax to other governments	-	-	-
Payments to the state	-	-	-
Administrative expense	-	5,854	7,613
Operating expense	320,011	-	-
Distributions to participants	-	21,000	-
Payments to the county	163,153	-	-
Total Deductions	\$ 483,164	\$ 26,854	\$ 7,613
Change in net position	\$ (296,106)	\$ (16)	\$ 9,289
Net Position – January 1, as previously reported	\$ 137,254	\$ 31,672	\$ 108,411
Restatement (Note 1)	-	-	-
Net Position-January 1, as restated	\$ 137,254	\$ 31,672	\$ 108,411
Net Position – December 31	\$ (158,852)	\$ 31,656	\$ 117,700

Recoveries	State Revenue	Taxes and Penalties	Watershed	Total Custodial Funds
\$ 63,367	\$ -	\$ -	\$ -	\$ 63,367
-	172,015	5,379,858	484,899	6,051,156
-	-	25,401	-	25,401
-	-	-	-	19,938
-	-	-	-	6,900
-	-	-	-	6,928
-	-	-	-	983
-	7,870	-	-	171,023
-	243,309	-	-	243,309
-	-	-	-	6,048
-	-	-	-	1,800
-	-	-	-	10,664
\$ 63,367	\$ 423,194	\$ 5,405,259	\$ 484,899	\$ 6,607,517
\$ -	\$ -	\$ 80,467	\$ -	\$ 80,467
-	180,281	5,421,744	488,181	6,090,206
62,248	243,309	-	-	305,557
-	-	-	-	13,467
-	-	-	-	320,011
-	-	-	-	21,000
-	7,870	-	-	171,023
\$ 62,248	\$ 431,460	\$ 5,502,211	\$ 488,181	\$ 7,001,731
\$ 1,119	\$ (8,266)	\$ (96,952)	\$ (3,282)	\$ (394,214)
\$ 8,643	\$ 1,270	\$ 285,618	\$ 6,602	\$ 579,470
-	-	508,018	-	508,018
\$ 8,643	\$ 1,270	\$ 793,636	\$ 6,602	\$ 1,087,488
\$ 9,762	\$ (6,996)	\$ 696,684	\$ 3,320	\$ 693,274

Schedules

Exhibit E-1

**Norman County
Ada, Minnesota**

**Schedule of Intergovernmental Revenue
Governmental Funds
For the Year Ended December 31, 2023**

Appropriations and Shared Revenue

State

Highway users tax	\$	7,674,334
County program aid		527,254
Disparity reduction aid		15,652
Pension contribution		116,409
Police aid		76,226
Aquatic invasive species aid		13,108
Riparian protection aid		160,000
Out-of-home placement reimbursement aid		404
Public safety aid		137,886
Affordable housing aid		83,955
Market value credit		193,485

Total appropriations and shared revenue

\$ 8,998,713

Reimbursement for Services

State

Minnesota Department of Human Services	\$	497,525
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Payments

Local

Payments in lieu of taxes	\$	88,874
Mahnomen County		70,718

Total payments

\$ 159,592

Grants

State

Minnesota Department/Board of		
Public Safety	\$	328,059
Transportation		90,306
Health		268,838
Natural Resources		44,052
Human Services		455,422
Veterans Affairs		7,500
Water and Soil Resources		124,850
Pollution Control Agency		88,450
Peace Officer Standards and Training Board		6,061
Secretary of State		11,429

Total state

\$ 1,424,967

Exhibit E-1
(Continued)

Norman County
Ada, Minnesota

Schedule of Intergovernmental Revenue
Governmental Funds
For the Year Ended December 31, 2023

Grants (Continued)

Federal

Department of	
Agriculture	\$ 210,820
Justice	25,025
Transportation	529,494
Treasury	268,776
Education	4,200
Election Assistance Commission	4,287
Health and Human Services	843,792
Homeland Security	76,615

Total federal **\$ 1,963,009**

Total state and federal grants **\$ 3,387,976**

Total Intergovernmental Revenue **\$ 13,043,806**

**Norman County
Ada, Minnesota**

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Agriculture			
Passed Through Polk-Norman-Mahnomen Community Health Board WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not provided	\$ 97,914
Passed Through Minnesota Department of Human Services SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	232MN101S2514	<u>112,906</u>
Total U.S. Department of Agriculture			<u>\$ 210,820</u>
U.S. Department of Justice			
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	A-CVS-2022-NORM-053	<u>\$ 25,025</u>
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation Highway Planning and Construction	20.205	1050273	<u>\$ 557,362</u>
U.S. Department of Treasury			
Direct COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 218,776
COVID-19 – Local Assistance and Tribal Consistency Fund	21.032		<u>50,000</u>
Total U.S. Department of Treasury			<u>\$ 268,776</u>
U.S. Department of Education			
Passed Through Polk-Norman-Mahnomen Community Health Board Special Education – Grants for Infants and Families	84.181	Not Provided	<u>\$ 4,200</u>
U.S. Election Assistance Commission			
Passed Through Office of the Minnesota Secretary of State HAVA Election Security Grants	90.404	197308	<u>\$ 4,287</u>
U.S. Department of Health and Human Services			
Passed Through Polk-Norman-Mahnomen Community Health Board Public Health Emergency Preparedness	93.069	Not Provided	\$ 43,142
Immunization Cooperative Agreements	93.268	Not Provided	2,889
Drug-Free Communities Support Program Grants	93.276	Not Provided	108,684
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Not Provided	26,775
COVID-19 – Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Not Provided	26,872
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$87,517)	93.558	Not Provided	25,151
Maternal and Child Health Services Block Grant to the States	93.994	Not Provided	18,875
Passed Through Minnesota Department of Human Services MaryLee Allen Promoting Safe and Stable Families Program	93.556	2201MNFPS	752
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$87,517)	93.558	2301MNTANF	62,366
Child Support Services	93.563	2301MNCSES	111,637
Child Support Services (Total Child Support Services 93.563 \$127,671)	93.563	2301MNCEST	16,034

Exhibit E-2

(Continued)

**Norman County
Ada, Minnesota**

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Human Services (Continued)			
Refugee and Entrant Assistance State/Replacement Designee Administered Programs CCDF Cluster	93.566	2301MNRCMA	410
Child Care and Development Block Grant	93.575	2301MNCCDF	1,311
Community-Based Child Abuse Prevention Grants	93.590	2202MNBCAP	3,529
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2201MNCWSS	1,192
Foster Care Title IV-E	93.658	2301MNFOST	68,044
Social Services Block Grant	93.667	2301MNSOSR	72,020
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2301MNCILP	700
Children's Health Insurance Program Medicaid Cluster	93.767	2305MN5021	465
Medical Assistance Program	93.778	2305MN5ADM	302,679
Medical Assistance Program (Total Medical Assistance Program 93.778 \$304,467)	93.778	2305MN5MAP	<u>1,788</u>
Total U.S. Department of Health and Human Services			<u>\$ 895,315</u>
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Public Safety			
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	EMGP-20230217-5245	\$ 10,782
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	EMGP-20230217-5246	24,676
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Total Disaster Grants – Public Assistance (Presidentially Declared Disasters 97.036 \$76,615)	97.036	EMGP-20230306-5339	<u>41,157</u>
Total U.S. Department of Homeland Security			<u>\$ 76,615</u>
Total Federal Awards			<u>\$ 2,042,400</u>

The County did not pass on any federal awards through to subrecipients during the year ended December 31, 2023.

Totals by Cluster

Total expenditures for SNAP Cluster	\$ 112,906
Total expenditures for CCDF Cluster	1,311
Total expenditures for Medicaid Cluster	304,467

Norman County Ada, Minnesota

Notes to the Schedule of Expenditures of Federal Awards As of and for the Year Ended December 31, 2023

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Norman County. The County's reporting entity is defined in Note 1 to the financial statements.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Norman County under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule of Expenditures of Federal Awards presents only a selected portion of the operations of Norman County, it is not intended to and does not present the financial position or changes in net position of Norman County.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2 – De Minimis Cost Rate

Norman County has elected to not use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

Norman County Ada, Minnesota

Note 3 – Reconciliation to Schedule of Intergovernmental Revenue

Reconciliation to Schedule of Intergovernmental Revenue	
Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 1,963,009
Grants received more than 60 days after year-end, considered unavailable revenue in 2023	
Highway Planning and Construction (AL No. 20.205)	27,868
Immunization Cooperative Agreements (AL No. 93.268)	118
Drug-Free Communities Support Program Grants (AL No. 93.276)	65,572
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (AL No. 93.323)	4,501
COVID-19 – Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response (AL No. 93.354)	7,841
MaryLee Allen Promoting Safe and Stable Families Program (AL No. 93.556)	188
Temporary Assistance for Needy Families (AL No. 93.558)	18,540
Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645)	187
Maternal and Child Health Services Block Grant to the States (AL No. 93.994)	4,791
Unavailable revenue in 2022, recognized as revenue in 2023	
Drug-Free Communities Support Program Grants (AL No. 93.276)	(34,663)
COVID-19 – Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response (AL No. 93.354)	(6,481)
MaryLee Allen Promoting Safe and Stable Families Program (AL No. 93.556)	(312)
Community-Based Child Abuse Prevention Grants (AL No. 93.590)	(670)
Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645)	(556)
John H. Chafee Foster Care Program for Successful Transition to Adulthood (AL No. 93.674)	(7,533)
Expenditures per Schedule of Expenditures of Federal Awards	\$ 2,042,400

Management and Compliance Section



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*

Independent Auditor's Report

Board of County Commissioners
Norman County
Ada, 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, each major fund, and the aggregate remaining fund information of Norman County, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 21, 2026.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control over financial reporting 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 over financial reporting such that there is a reasonable possibility that a material misstatement of the entity'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 over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We identified a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Norman County'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*.

Minnesota Legal Compliance

In connection with our audit, we noted that Norman County failed to comply with the provisions of the depositories of public funds and public investments and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters, as described in the Schedule of Findings and Questioned Costs as item 2023-004 through 2023-006. Also, in connection with our audit, nothing came to our attention that caused us to believe that Norman County failed to comply with the provisions of the contracting – bid laws, conflicts of interest, public indebtedness, and claims and disbursements sections of the *Minnesota Legal Compliance Audit Guide for Counties*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County’s noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

Norman County’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Norman County’s response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan. The County’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the provisions of the *Minnesota Legal Compliance Audit Guide for Counties* and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

/s/Julie Blaha

Julie Blaha
State Auditor

January 21, 2026

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor



Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Board of County Commissioners
Norman County
Ada, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Norman County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Norman County's major federal programs for the year ended December 31, 2023. Norman County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Norman County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-002 and 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Norman County's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Norman County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-002 and 2023-003 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on Norman County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Norman County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

/s/Julie Blaha

Julie Blaha
State Auditor

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor

January 21, 2026

Norman County Ada, Minnesota

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: **Unmodified**

Internal control over financial reporting:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **Yes**

Noncompliance material to the financial statements noted? **No**

Federal Awards

Internal control over the major federal programs:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **Yes**

Type of auditor’s report issued on compliance for the major federal programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **Yes**

Identification of the major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.778	Medicaid Cluster

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

Norman County qualified as a low-risk auditee? **No**

Norman County Ada, Minnesota

Section II – Financial Statement Findings

2023-001 Segregation of Duties

Prior Year Finding Number: 2022-001

Year of Finding Origination: 1996

Type of Finding: Internal Control Over Financial Reporting

Severity of Deficiency: Significant Deficiency

Criteria: Management is responsible for establishing and maintaining internal control. Adequate segregation of duties is a key internal control in preventing and detecting errors or irregularities. To protect County assets, proper segregation of the record-keeping, custody, and authorization functions should be in place. Where management decides segregation of duties may not be cost effective, compensating controls should be in place.

Condition: Several of Norman County's departments that collect fees lack proper segregation of the accounting functions necessary to ensure adequate internal accounting control. Generally, one staff person is responsible for billing; collecting, recording, and depositing receipts; and reconciling the bank accounts.

Context: Due to the limited number of office personnel within the County, segregation of accounting functions necessary to ensure adequate internal accounting control is not possible. This is not unusual in operations the size of Norman County; however, the County's management should constantly be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from an accounting point of view.

Effect: Inadequate segregation of duties could adversely affect the ability of the County employees, in the normal course of performing their assigned functions, to detect misstatements in a timely period.

Cause: The County indicated it believes it is more efficient to have fees specific to the services provided by a department collected within that department and periodically remit those fees to the Auditor-Treasurer's Office. The County has a limited number of employees in the fee offices and in the Auditor-Treasurer's office.

Recommendation: We recommend the County's Board of Commissioners and management be aware of the lack of segregation of duties of the accounting functions and, where possible, implement oversight procedures to ensure that the internal control policies and procedures are implemented to the extent possible.

View of Responsible Official: Concur

Section III – Federal Award Findings and Questioned Costs

2023-002 Eligibility - MAXIS

Prior Year Finding Number: N/A

Year of Finding Origination: 2023

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

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

Program: 93.778 Medical Assistance Program

Award Number and Year: 2305MN5ADM, 2023

Norman County Ada, Minnesota

Pass-Through Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 42 U.S. *Code of Federal Regulations* §§ 435.911 and 435.945 require the state Medicaid agency to determine and verify eligibility of enrollees in Medicaid. The Minnesota Department of Human Services provides the Minnesota Health Care Programs Eligibility Policy Manual. The manual contains the Minnesota Department of Human Services eligibility policies for the Minnesota Health Care Programs, including the eligibility requirements of Medical Assistance. The manual includes specific eligibility requirements for participants' citizenship verification, income limits, and asset verification, as well as requirements for adoption assistance cases to include a signed adoption assistance agreement. Minnesota Statutes § 256B.05 requires county agencies to administer Medical Assistance.

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by Norman County to support the eligibility determination process. In the case files reviewed for eligibility, not all documentation to support participant eligibility was available, updated, or input correctly into MAXIS. The following exceptions were noted in the sample of 40 case files tested:

- One applicant's citizenship verification method did not match the documentation in the case file.
- One case file did not document the participant's income correctly.
- Two case files did not document the participants' assets correctly.
- One case file did not contain the required adoption assistance agreement.

Additionally, it was noted that reviews of the case files were not performed during 2023.

Questioned Costs: Not applicable. The County administers the program, but the State of Minnesota pays benefits to participants in this program.

Context: The State of Minnesota and the County split the eligibility determination process. Pursuant to Minnesota statutes, Norman County performs the "intake function" needed for this program, while the State maintains the MAXIS system, which supports the eligibility determination process. Participants receive benefit payments from the State.

The population consisted of 342 active MAXIS cases enrolled in the Medical Assistance Program in 2023; the sample size was 40 case files. The sample size was based on the guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The lack of updated information in MAXIS and lack of verification of key eligibility-determining factors increase the risk that program participants will receive benefits when they are not eligible.

Cause: Program personnel entering case data into MAXIS did not obtain and update the information in the system.

Norman County Ada, Minnesota

Recommendation: We recommend Norman County implement additional procedures to provide reasonable assurance that all documentation needed to support eligibility determinations exists, the program personnel properly input or update the documentation in MAXIS, and the program personnel follow up on issues in a timely manner. We also recommend the county implement case file review procedures to help maintain accuracy. In addition, Norman County should consider providing further training to program personnel.

View of Responsible Official: Concur

2023-003 Reporting

Prior Year Finding Number: N/A

Year of Finding Origination: 2023

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

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

Program: 93.778 Medical Assistance Program

Award Number and Year: 2305MN5ADM, 2023

Pass-Through Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

As part of Norman County's Local Collaborative Time Study (LCTS) reporting requirements for Schools (DHS-3220.1) and Public Health (DHS-3220.3), LCTS fiscal site contacts are required to verify that the information on the LCTS Fiscal and Cost Schedule is accurate and that it complies with all guidelines set forth in the LCTS Cost Schedule Instructions described in DHS Bulletin #16-32-04 – *Local Collaborative Time Study (LCTS) Fiscal Operations*. It also states that the County's LCTS Fiscal Reporting and Payment Agent is required to review all cost schedules from participating agencies.

Condition: County staff did not maintain documentation to support that the LCTS Cost Schedules DHS-3220 tested were reviewed by the County's LCTS Fiscal Reporting and Payment Agent.

Questioned Costs: None.

Context: Each member of a collaborative submits the LCTS Cost Schedules DHS-3220 to DHS quarterly for reimbursement of LCTS money, which is reimbursed to the County with federal Medical Assistance Program funds. The Norman County Social Services Department acts as the LCTS Fiscal Reporting and Payment Agent for the local collaborative in Norman County.

The population consisted of 12 LCTS Cost Schedules DHS-3220 quarterly reports for the three members of the collaborative; the sample size was four reports. The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: Lack of a review process increases the risk that reports will not be submitted as required or accurate.

Norman County Ada, Minnesota

Cause: Staff from the County's Social Services Department indicated they were not aware of the signature requirements for the quarterly reports.

Recommendation: We recommend the County implement procedures to ensure the cost schedules are reviewed and evidence of the review is retained.

View of Responsible Official: Concur

Section IV – Other Findings and Recommendations

2023-004 Publication of Board Minutes

Prior Year Finding Number: 2022-005

Year of Finding Origination: 2022

Type of Finding: Minnesota Legal Compliance

Criteria: Minnesota Statutes, section 375.12 requires the County to publish all Board meeting minutes, or a summary of the minutes, in a qualified newspaper of general circulation in the County. The County should complete the publications within 30 days of the meeting.

Condition: In a sample of 13 affidavits of publication reviewed, six were published after the 30-day requirement.

Context: County Board meetings are typically held twice a month. The County Board approves meeting minutes at the subsequent meeting.

Effect: The County is not in compliance with Minn. Stat. § 375.12.

Cause: The County indicated not all Board minutes were published within 30 days due to staffing issues, employee leaves of absence, and the local newspaper's weekly deadline.

Recommendation: We recommend the County publish its summaries of the County Board minutes in compliance with Minn. Stat. § 375.12.

View of Responsible Official: Concur

2023-005 Publication of Financial Statements

Prior Year Finding Number: N/A

Year of Finding Origination: 2023

Type of Finding: Minnesota Legal Compliance

Criteria: Minnesota Statutes, section 375.17, requires the County to annually publish its financial statements.

Condition: Norman County did not publish the financial statement or a summary of the financial statements in the qualified form prescribed by the Office of the State Auditor for 2022.

Context: The publication of the financial statements should include a statement of assets and liabilities and a summary of receipts, disbursements, and balances of all County funds together with a detailed statement of each fund account and should be in the form and style prescribed by and on file with the Office of the State Auditor. The County Board approved bids for publishing the financial statements.

Norman County Ada, Minnesota

Effect: The County is not in compliance with Minn. Stat. § 375.17.

Cause: The County indicated the financial statements were not published due to staff turnover.

Recommendation: We recommend the County publish the financial statements in compliance with Minn. Stat. § 375.17.

View of Responsible Official: Concur

2023-006 **Broker Certification Statement**

Prior Year Finding Number: 2022-007

Year of Finding Origination: 2022

Type of Finding: Minnesota Legal Compliance

Criteria: Pursuant to Minn. Stat. § 118A.04, subd. 9, annually, prior to completing an initial investment transaction with each broker, the County needs to provide to that broker a written statement of investment restrictions. In addition, the broker should acknowledge receipt of the investment restrictions by signing the broker certification statement.

Condition: The County did not request or receive the broker certification statement for either broker used during 2023.

Context: Broker certification statements are used to help ensure that investment brokers being used are familiar with deposit and investment legal requirements applicable to the County.

Effect: The County is not in compliance with Minnesota Statutes and has an increased risk that its investment brokers will make non-compliant investments.

Cause: The County has limited knowledge and experience with the legal compliance processes related to investing.

Recommendation: We recommend the County obtain broker certification statements annually from all brokers in accordance with Minn. Stat. § 118A.04, subd. 9.

View of Responsible Official: Acknowledge



**Representation of Norman County
Ada, Minnesota**

Corrective Action Plan

For the Year Ended December 31, 2023

Finding Number: 2023-001

Finding Title: Segregation of Duties

Name of Contact Person Responsible for Corrective Action:

Amanda Riegert, Auditor-Treasurer

Corrective Action Planned:

Norman County management is aware of the segregation of duties issues that arise as a result of our small department staff sizes. Norman County will continually assess these areas and implement internal controls when possible to help alleviate this issue. Where possible, segregation of duties in internal controls will be implemented.

Anticipated Completion Date:

Ongoing.

Finding Number: 2023-002

Finding Title: Eligibility - MAXIS

Program: 93.778 Medical Assistance Program

Name of Contact Person Responsible for Corrective Action:

Teri Taylor

Corrective Action Planned:

Implementation of quarterly internal auditing of cases
Annual Public Assistance Program review/trainings for staff

Anticipated Completion Date:

Quarterly internal audits anticipated start date: April 2026
Anticipated completion date of ongoing program training: July 2026

Finding Number: 2023-003

Finding Title: Reporting

Program: 93.778 Medical Assistance Program

Name of Contact Person Responsible for Corrective Action:

Taylor Spilde

Corrective Action Planned:

Taylor has been receiving supporting documents and reports since 1/1/2024. Taylor received notification since 2024 and has been reporting since receiving notification.

Anticipated Completion Date:

1/1/2024

Finding Number: 2023-004

Finding Title: Publication of Board Minutes

Name of Contact Person Responsible for Corrective Action:

Amanda Riegert, Auditor-Treasurer

Corrective Action Planned:

Norman County is aware of the importance the requirement of publication of board minutes in a timely manner. The new Auditor-Treasurer has worked hard to ensure the requirement is met and corrected once in the role.

Anticipated Completion Date:

New Auditor-Treasurer started the position in September 2024.

Finding Number: 2023-005

Finding Title: Publication of Financial Statements

Name of Contact Person Responsible for Corrective Action:

Amanda Riegert, Auditor-Treasurer

Corrective Action Planned:

Due to staff turnover, the Publication of Financial Statement statute was overlooked. The publication statute is now made aware of and will be addressed going forward.

Anticipated Completion Date:

Will be published when the final audit is received.

Finding Number: 2023-006

Finding Title: Broker Certification Statement

Name of Contact Person Responsible for Corrective Action:

David Stene, Interim County Coordinator

Corrective Action Planned:

I asked for a Broker Certification form from Ehlers Investment Partners for 2023 and was sent out to me. I found it in my 2023 Audit workpapers file folder. It was signed by Ryan Miles, Senior Investment Advisor. I did not sign the form at the time, so I am signing it now. I believe this won't correct the mistake for 2023, but I should not have to request the Broker Certification form going forward, as our investment relationship with Ehlers ended as of December 2023, other than a statement in January of 2024 showing a balance of \$0.38.

Anticipated Completion Date:

12/29/2025



**Representation of Norman County
Ada, Minnesota**

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2023

Finding Number: 2022-001

Year of Finding Origination: 1996

Finding Title: Segregation of Duties

Summary of Condition: Staff assigned record-keeping responsibilities assist in receipting as well as assist with the custody function. The smaller departments generally have one staff person who is responsible for billing, collecting, recording, and depositing receipts as well as reconciling bank accounts.

Summary of Corrective Action Previously Reported: Norman County is aware of the lack of segregation of duties within several county offices, and that with limited personnel, the segregation of duties to ensure adequate internal accounting controls is extremely difficult. I have continued to make diligent efforts to separate custodial duties and record-keeping duties whenever possible, but with staff shortages this is often times impossible. I have occasionally brought the need for segregation of duties to the department head meetings, reinforcing the need to segregate duties, if at all possible within departments when accepting funds, creating invoices, recording and reconciling accounts.

Status: Not Corrected. This is an ongoing situation due to the lack of personnel in county offices. Vigilance of staff will need to continue. This likely will never be fully corrected due to the shortage of staff in a number of offices.

Finding Number: 2022-002

Year of Finding Origination: 2022

Finding Title: Audit Adjustments

Summary of Condition: Material audit adjustments were identified that resulted in significant changes to the County's financial statements.

Summary of Corrective Action Previously Reported: Additional staffing has been requested, which once trained, could help to detect significant misstatements in the financial statements. Additionally, the Auditor-Treasurer is retiring, which will lose 33+ years of knowledge in the office. There is a lot of learning that will need to take place as well as training demands that take a lot of time from the supervisory role of the A/T, which lessens the chance to find misstatements. County needs to review and proof GL entries for accuracy.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2022-003

Year of Finding Origination: 2022

Finding Title: Suspension and Debarment

Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Summary of Condition: For one of two covered transactions tested, the verification for suspended or debarred vendors was not performed before entering into the covered transaction.

Summary of Corrective Action Previously Reported: For future projects, a vendor who has one expenditure or cumulative expenditures totaling \$25,000 and above of federal aid dollars, the respective department head or staff must access SAM.GOV to research that vendor for suspension and/or debarment.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2022-004

Year of Finding Origination: 2022

Finding Title: Reporting

Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Summary of Condition: The County incorrectly reported no current period expenditures on the Annual Project and Expenditure report submitted to the U.S. Treasury for 2022 when they should have reported \$32,671.

Summary of Corrective Action Previously Reported: Have the report reviewed by other county staff prior to sending in the report.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2022-005

Year of Finding Origination: 2022

Finding Title: Publication of Board Minutes

Summary of Condition: In a sample of 16 affidavits of publication reviewed, nine were published over the 30-day requirement and two were not published.

Summary of Corrective Action Previously Reported: I have made efforts to get minutes published before the one-month deadline, however, with staffing issues, as well as other conflicts and deadlines, this has not always been possible. I have asked Staffing & Salary Committee numerous times for increased staff, but this has not been met favorably, so I have been forced to deal with things as best as I can, and sometimes there is no other alternative. I have put in countless hours of unpaid time to try to keep things going, but I can only cover so many bases at any given time.

Status: Not corrected. The minutes were sent for publication by the previous Auditor/Treasurer who retired in 2024. We will work to provide the minutes to the newspaper by the publishing deadline.

Finding Number: 2022-006

Year of Finding Origination: 2022

Finding Title: Road and Bridge Fund Cash Balance Deficit

Summary of Condition: At December 31, 2022, the Road and Bridge Special Revenue Fund had a deficit cash balance of \$564,680.

Summary of Corrective Action Previously Reported: During the May 7, 2024 Board of Commissioners meeting, the County Engineer explained that each year since 2022 the highway fund has started the year with a negative balance so by the end of the year it again has a negative balance even though expenditures do not exceed revenues. A request was made to make a one-time transfer of funds from the general fund reserves to the highway fund. The board decided to visit the issue again later in the year.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2022-007

Year of Finding Origination: 2022

Finding Title: Broker Certification Statement

Summary of Condition: The County did not request or receive the broker certification statements for either broker utilized during 2022. December 31, 2022.

Summary of Corrective Action Previously Reported: Send out the necessary papers to the County's investment partners.

Status: Not corrected. The requirement for broker certification was learned late in 2023.