

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA**

**BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



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BEMIDJI, MINNESOTA  
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BEMIDJI, MINNESOTA  
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## **INTRODUCTORY SECTION**

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
ORGANIZATION  
DECEMBER 31, 2023**

			<u>Term Expires</u>
<b>Elected</b>			
<b>Commissioners</b>			
Chair	Richard Anderson	District 3	January 2027
Vice Chair	John Carlson	District 5	January 2025
Commissioner	Craig Gaasvig	District 1	January 2027
Commissioner	Joe Gould	District 2	January 2025
Commissioner	Tim Sumner	District 4	January 2025
County Attorney	David Hanson		January 2027
County Auditor-Treasurer	JoDee Treat		January 2027
County Sheriff	Jason Riggs		January 2027
<b>Appointed</b>			
Administrator	Thomas Barry		Indefinite
Assessor	Joseph Skerik		December 2024
Engineer	Bruce Hasbargen		June 2026
Coroner	Dr. A. Quinn Piper		December 2023
Health & Human Services Director	Anne Lindseth		Indefinite
Environmental Services Director	Brent Rud		Indefinite
County Recorder	Charlene Sturk		Indefinite

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Beltrami County  
Bemidji, Minnesota

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beltrami County, Minnesota (the County) 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 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 the County, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

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

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

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

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of the County's proportionate share of the net pension liability, the schedule of the County contributions, and the schedule of changes in total OPEB liability, related ratios and notes, as listed in the table of contents, be presented to supplement the basic financial statements.



Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

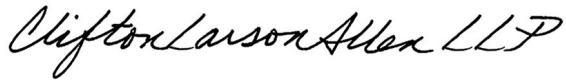
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information,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

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

Board of County Commissioners  
Beltrami County

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
August 21, 2024

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

This section of Beltrami County's (the County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2023. The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34. Certain comparative information between the current year, 2023, and the prior year, 2022, is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2022-2023 fiscal years include the following:

- ◆ At the end of 2023, overall fund-level revenues totaled \$105,743,866 and were \$504,489 less than expenditures.
- ◆ At the end of 2023, overall fund-level expenditures totaled \$106,248,355 which is an increase of \$15,375,639 over the prior year. The largest increases were in the general government function due to additional pass through grant funds, and the new jail project, the public safety function due to additional jail operations costs, and the highway function due to additional projects occurring in 2023.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- ◆ The first two statements are County-wide financial statements which provide both short-term and long-term information about the County's overall financial status.
- ◆ The remaining statements are fund financial statements which focus on individual parts of the County, reporting the County's operations in more detail than the County-wide statements.
  - ◆ The governmental funds statements tell how basic services such as general government, human services, and highways and streets were financed in the short-term, as well as what remains for future spending.
  - ◆ Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others to whom the resources belong.
  - ◆ The internal service fund statements provide information about the County's short-term disability self-insurance fund.

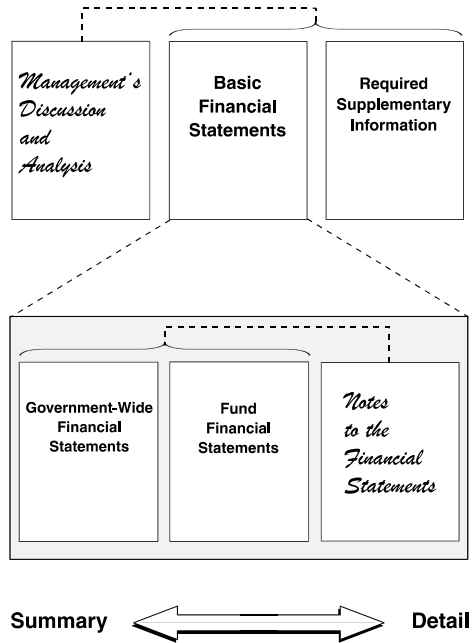
**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1  
Annual Report Format**



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

<b>Figure A-2. Major Features of the County's Government-Wide and Fund Financial Statements</b>				
<b>Type of Statements</b>	<b>Government-Wide</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>	<b>Internal Service Fund</b>
<b>Scope</b>	Entire County's government (except fiduciary funds).	The activities of the County that are not proprietary or fiduciary.	Instances in which the County is the trustee or agent for someone else's resources.	Instances in which the County manages self-insurance activities.
<b>Required Financial Statements</b>	Statement of net position.	Balance sheet.	Statement of fiduciary net position.	Statement of net position.
	Statement of activities.	Statement of revenues, expenditures and changes in fund balances.	Statement of changes in fiduciary net position.	Statement of revenues, expenses and changes in net position.
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
<b>Type of Asset and Deferred Outflows of Resources/Liability and Deferred Inflows of Resources Information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term.	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter, no capital assets included.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short-term and long-term, custodial funds do not currently contain capital assets, although they can.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term, no long-term exist currently.
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.	None.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**COUNTY-WIDE STATEMENTS**

The County-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Two County-wide statements report the County's net position and how they have changed. Net position – the difference between the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the County's financial health or position.

- ◆ Over time, increases or decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- ◆ To assess the overall health of the County, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of County buildings and other facilities.

In the County-wide financial statements, the County's activities are shown in one category:

- ◆ Governmental activities – The County's basic services are included here. Property taxes and state aids finance most of these activities.

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the County's funds – focusing on its most significant or "major" funds – not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs:

- ◆ Some funds are required by state law and by bond covenants.
- ◆ The County establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

**THE COUNTY HAS THREE KINDS OF FUNDS:**

- ◆ Governmental funds – The County's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the County-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- ◆ Internal service fund – The County uses this fund to manage the short-term disability self-insurance activities.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**THE COUNTY HAS THREE KINDS OF FUNDS (CONTINUED):**

- ◆ Fiduciary funds – The County is the fiscal agent, or fiduciary, for assets that belong to others. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a separate statement of changes in fiduciary net position. We exclude these activities from the County-wide financial statements because the County cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

**NET POSITION**

The County's net position was \$250,254,184 on December 31, 2023 (see Table A-1).

**Table A-1  
The County's Net Position**

	Governmental Activities		Percentage Change
	2023	2022	
Current and Other Assets	\$ 63,986,678	\$ 63,426,205	0.9 %
Capital Assets and Right to Use Assets	223,154,069	209,765,758	6.4
<b>Total Assets</b>	<u>287,140,747</u>	<u>273,191,963</u>	5.1
Deferred Outflows of Resources	12,338,536	17,707,567	(30.3)
Current Liabilities	8,220,737	6,841,225	20.2
Long-Term Liabilities	27,204,483	45,011,770	(39.6)
<b>Total Liabilities</b>	<u>35,425,220</u>	<u>51,852,995</u>	(31.7)
Deferred Inflows of Resources	<u>13,799,879</u>	<u>1,944,813</u>	609.6
Net Position			
Net Investment in Capital Assets	218,001,339	203,565,350	7.1
Restricted	12,211,428	9,774,586	24.9
Unrestricted	20,041,417	23,761,786	(15.7)
<b>Total Net Position</b>	<u><u>\$ 250,254,184</u></u>	<u><u>\$ 237,101,722</u></u>	5.5



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)**

**CHANGES IN NET POSITION**

The County-wide total revenues were \$105,895,038 for the year ended December 31, 2023. Property taxes and intergovernmental revenues accounted for 81.14% of total revenue for the year. Investment earnings represents an unrealized gain (loss in prior year) on investments. Beltrami County intends to hold all bonds to maturity. (See Table A-2).

**Table A-2  
Changes in Net Position**

	Governmental Activities for the fiscal year ended December 31,		Total % Change
	2023	2022	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 16,973,858	\$ 17,550,184	(3.3)%
Operating Grants and Contributions	30,612,058	30,405,374	0.7
Capital Grants and Contributions	7,237,849	6,854,221	5.6
<u>General Revenues</u>			
Taxes	37,961,540	36,475,916	4.1
Unrestricted State Aid	10,107,364	9,391,507	7.6
Investment Earnings	1,723,174	(754,211)	328.5
Other	1,279,195	1,465,455	(12.7)
Total Revenues	<u>105,895,038</u>	<u>101,388,446</u>	4.4
<b>Expenses</b>			
General Government	19,747,381	17,039,719	15.9
Public Safety	18,073,766	15,966,638	13.2
Highways and Streets	11,457,397	12,703,872	(9.8)
Sanitation	5,740,251	5,626,205	2.0
Human Services	32,087,619	29,021,935	10.6
Health	1,720,756	1,292,723	33.1
Culture and Recreation	1,423,475	1,078,462	32.0
Conservation of Natural Resources	2,063,188	1,617,527	27.6
Economic Development	278,182	502,468	(44.6)
Interest and Fiscal Charges on Long-Term Liabilities	150,561	203,318	(25.9)
Total Expenses	<u>92,742,576</u>	<u>85,052,867</u>	9.0
<b>Change in Net Position</b>	13,152,462	16,335,579	(19.5)
Net Position - Beginning of Year	237,101,722	220,766,143	7.4
<b>Net Position - End of Year</b>	<u>\$ 250,254,184</u>	<u>\$ 237,101,722</u>	5.5

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

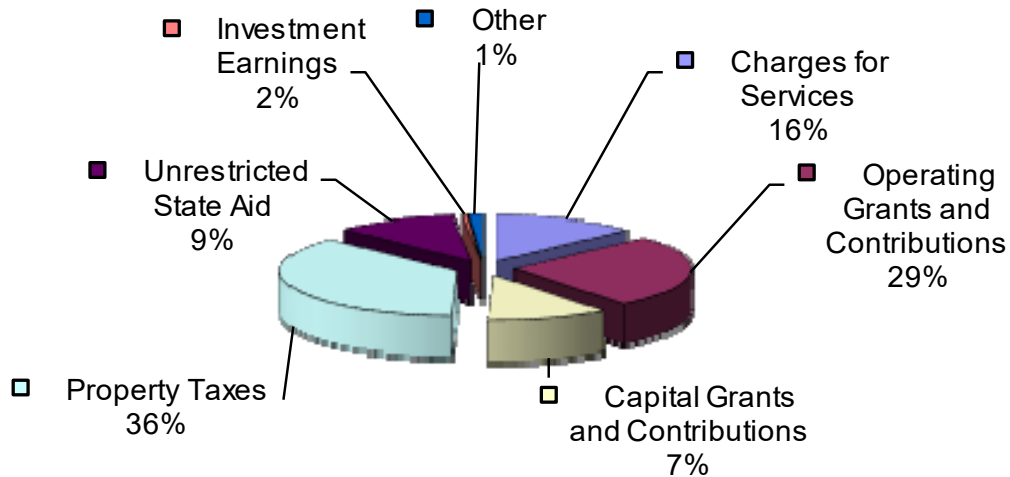
**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)**

**CHANGES IN NET POSITION (CONTINUED)**

The County-wide cost of all governmental activities this year was \$92,742,576.

- ◆ Some of the cost was paid by the users of the County's programs (\$16,973,858).
- ◆ The federal and state governments subsidized certain programs with grants and contributions (\$37,849,907).
- ◆ Most of the County's remaining costs (\$37,918,811), however, were paid for by County taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with \$37,961,540 of property and other taxes, \$10,107,364 of state aid, and with \$1,723,174 of investment earnings and other general revenues.

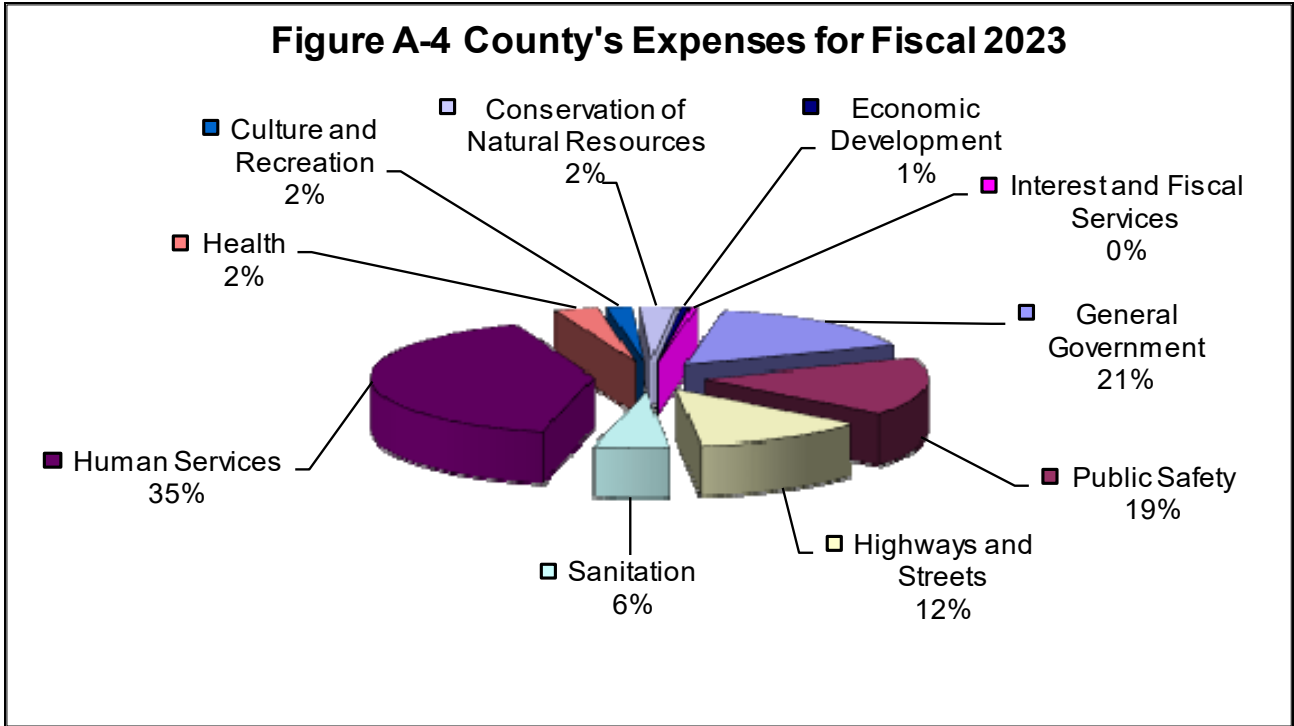
**Figure A-3 Sources of County's Revenues for Fiscal 2023**



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)**

**CHANGES IN NET POSITION (CONTINUED)**



**Table A-3  
Changes in Net Position**

	Total Cost of Services		Percentage Change	Net Revenue (Cost) of Services		Percentage Change
	2023	2022		2023	2022	
General Government	\$ 19,747,381	\$ 17,039,719	15.9 %	\$ (10,461,734)	\$ (13,053,107)	19.9 %
Public Safety	18,073,766	15,966,638	13.2	(14,356,101)	(13,733,722)	(4.5)
Highways and Streets	11,457,397	12,703,872	(9.8)	926,021	(324,944)	385.0
Sanitation	5,740,251	5,626,205	2.0	861,109	564,437	52.6
Human Services	32,087,619	29,021,935	10.6	(14,488,652)	(11,694,132)	(23.9)
Health	1,720,756	1,292,723	33.1	311,054	9,118,868	(96.6)
Culture and Recreation	1,423,475	1,078,462	32.0	(1,145,502)	(829,321)	(38.1)
Conservation of Natural Resources	2,063,188	1,617,527	27.6	850,404	401,286	111.9
Economic Development	278,182	502,468	(44.6)	(264,849)	(489,135)	45.9
Interest and Fiscal Charges on Long-Term Liabilities	150,561	203,318	(25.9)	(150,561)	(203,318)	25.9
<b>Total</b>	<b>\$ 92,742,576</b>	<b>\$ 85,052,867</b>		<b>\$ (37,918,811)</b>	<b>\$ (30,243,088)</b>	

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

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

The financial performance of the County as a whole is reflected in its governmental funds as well. As the County completed the year, its governmental funds reported a combined fund balance of \$53,364,472.

Revenues for the County's governmental funds were \$105,743,866 while total expenditures were \$106,248,355. The County's total fund balance at year-end shows a decrease of \$103,820 from current year operations. The prior year increase in fund balance was \$8,949,061.

**GENERAL FUND**

The General Fund includes the primary operations of the County in providing services to citizens and some capital outlay projects.

The following schedule presents a summary of General Fund Revenues:

**Table A-4  
General Fund Revenues**

Fund	Year Ended		Change	
	December 31, 2023	December 31, 2022	Increase (Decrease)	Percent
Taxes	\$ 17,411,018	\$ 15,405,805	\$ 2,005,213	13.0 %
Intergovernmental	15,166,000	17,059,434	(1,893,434)	(11.1)
Charges for Services	3,263,386	3,281,883	(18,497)	(0.6)
Investment Earnings	1,723,174	(775,897)	2,499,071	322.1
Miscellaneous and Other	1,882,658	2,036,941	(154,283)	(7.6)
Total General Fund Revenues	<u>\$ 39,446,236</u>	<u>\$ 37,008,166</u>	<u>\$ 2,438,070</u>	6.6

Total General Fund revenues increased by \$2,438,070, or 6.6%, from the previous year. The primary reason for the increase relates to Investment Earnings, increasing \$2,499,071 which was mostly due to a better return on investments and economic conditions. The County saw an increase in Tax Revenues due to an increase in the levy, and a decrease in Intergovernmental Revenues due to Coronavirus Relief aid being received and spent in 2022, but not the current year.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF THE COUNTY AT THE FUND LEVEL (CONTINUED)**

**GENERAL FUND (CONTINUED)**

The following schedule presents a summary of General Fund Expenditures:

**Table A-5  
General Fund Expenditures**

	Year Ended		Change	
	December 31, 2023	December 31, 2022	Increase (Decrease)	Percent
General Government	\$ 18,721,439	\$ 15,608,031	\$ 3,113,408	19.9 %
Public Safety	16,571,852	13,643,143	2,928,709	21.5
Culture and Recreation	1,071,482	921,087	150,395	16.3
Capital Outlay	142,348	112,412	29,936	26.6
Debt Service	147,698	42,917	104,781	244.1
Total Expenditures	<u>\$ 36,654,819</u>	<u>\$ 30,327,590</u>	<u>\$ 6,327,229</u>	20.9

Total General Fund expenditures increased by \$6,327,229 from the previous year. This increase is primarily due to additional pass through grant funds, the new jail project, and additional jail operations costs. The capital outlay expenditures in 2023 related to reporting of leases and SBITAs in 2023.

The General Fund had total fund balance of \$36,244,657 at the end of the current fiscal year. The fund balance of the General Fund increased \$2,616,399 during the current fiscal year.

**OTHER MAJOR FUNDS ANALYSIS**

The Road and Bridge Fund had total fund balance of \$7,073,893 at the end of the current fiscal year. The fund balance of the Road and Bridge Fund decreased \$4,051,177. The decrease in fund balance during the current fiscal year was primarily due to an increase in project expenditures in 2023.

The Health and Human Services Fund had total fund balance of \$1,754,996 at the end of the current fiscal year. The fund balance of the Health and Human Services fund decreased \$214,215. The decrease in fund balance is primarily due to timing of receiving grant revenues.

The Forfeited Tax Fund had total fund balance of \$1,913,009 at the end of the current fiscal year. The fund balance of the Forfeited Tax Fund increased \$189,523 primarily due to increasing timber stumpage rates in 2023.

The Solid Waste Fund had total fund balance of \$2,423,094 at the end of the current fiscal year. The fund balance of the Solid Waste Fund increased \$1,045,044 during the current fiscal year returning to normal operations after recovering from COVID-19 effects.

The Debt Service Fund had total fund balance of \$389,622 at the end of the current fiscal year. The fund balance of the Debt Service Fund increased \$26,954 during the current fiscal due to an increase in tax revenues.

The Capital Projects Fund had total fund balance of \$1,294,178 at the end of the current fiscal year. The fund balance of the Capital Project Fund increased \$280,000 primarily due to the postponing of the Annex roof repair that will be completed in 2024.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

- ◆ Actual revenues were \$9,819,864 more than expected primarily due to an unexpected increase in a state grant passed through for the Sanford Behavioral Health Crisis Center project that was not part of the budget.
- ◆ The County had budget amendments totaling \$390,000 for jail operations.

**CONSTRUCTION PROJECTS AND DEBT SERVICE**

The Capital Projects Fund has historically received \$280,000 from the PILT distribution, to be used for one-time capital improvements. In 2023, the County did not have any projects occurring, therefore this revenue was the only activity.

An annual levy is made to fund the bond payments for all previous bond issues.

**CAPITAL ASSETS AND RIGHT TO USE ASSETS**

By the end of 2023, the County had invested approximately \$323,000,000 in a broad range of capital assets, including buildings, computers, equipment, and infrastructure. (See Table A-6). (More detailed information about capital assets can be found in Note 3.A.3 to the financial statements.) Total depreciation/amortization expense for the year was \$7,946,259.

**Table A-6  
The County's Capital Assets and Right to Use Assets**

	<u>2023</u>	<u>2022</u>	<u>Percentage Change</u>
Land	\$ 3,180,770	\$ 3,180,770	-
Right of Way	3,102,804	2,998,079	3.5
Construction-in-Progress	8,295,539	10,071,730	(17.6)
Infrastructure	223,222,656	203,196,978	9.9
Buildings	57,404,765	57,238,216	0.3
Improvements Other than Buildings	582,689	582,689	-
Machinery, Equipment, and Vehicles	26,946,057	26,311,656	2.4
Right to Use Assets	520,250	218,902	137.7
Less: Accumulated Depreciation/Amortization	<u>(100,101,461)</u>	<u>(94,033,262)</u>	6.5
Total	<u>\$ 223,154,069</u>	<u>\$ 209,765,758</u>	6.4

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**LONG-TERM LIABILITIES**

At year-end, the County had \$29,105,625 in long-term liabilities (including portions due within one year) outstanding. Additional information on the County's long-term liabilities is presented in Note 3.C.2.

**Table A-7  
The County's Long-Term Liabilities**

	2023	2022	Percentage Change
General Obligation Bonds	\$ 3,870,000	\$ 5,110,000	(24.3)%
Revenue Bonds Payable	-	495,000	(100.0)
Compensated Absences Payable	2,864,745	2,617,091	9.5
Lease Payable	187,109	178,913	4.6
SBITA Payable	139,451	-	100.0
Loan Payable	100,000	108,000	(7.4)
Finance Purchase	126,199	155,168	(18.7)
OPEB Liability	2,543,928	2,874,020	(11.5)
Net Pension Liability	19,274,193	35,726,358	(46.1)
Total	<u>\$ 29,105,625</u>	<u>\$ 47,264,550</u>	(38.4)

**FACTORS BEARING ON THE COUNTY'S FUTURE AND 2023 BUDGET**

The County is dependent on the State of Minnesota for a significant portion of its revenue. Experience demonstrates that the legislature may decrease revenues in the future. The County has positioned itself, through managed attrition, for unexpected reductions.

The County will continue to review its Capital Improvement Plan with particular focus on the Coronavirus recovery and Jail Improvement project possibilities.

The County has set the 2024 expenditure budget at \$104,195,803 an increase of 4.2% over the 2023 expenditure budget.

The County is in the tenth full year of the .5% Local Transit Sales and Use Tax. It continues to inject significant money into the infrastructure recognized in the Accelerated Road Improvement plan. The Board plans to adopt a new 10 year plan in December 2024.

Starting in 2015, the State of Minnesota passed legislation approving Beltrami County to receive \$3,000,000 per year for ten years in order to assist the County in their local costs incurred for tribal out of home foster care placements. The Department of Human Services, Red Lake Nation and Beltrami County continue to work jointly on a solution. The payments are transferred to the Red Lake Nation for their transition for out of home placements.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact JoDee Treat, County Auditor–Treasurer at (218) 333-4175.



## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and pooled investments	\$ 52,646,891
Petty cash and change funds	14,950
Taxes receivable - delinquent	692,763
Special assessments receivable - delinquent	326,617
Accounts receivable	3,478,806
Accrued interest receivable	107,527
Loan receivable	198,711
Due from other governments	5,128,327
Supplies	1,225,413
Prepaid items	113,092
Lease receivable - current	4,805
Nondepreciable capital assets	
Land	3,180,770
Right of way	3,102,804
Construction in progress	8,295,539
Depreciable/Amortized capital and right to use assets	
Infrastructure (net)	163,944,894
Buildings (net)	35,077,460
Improvements other than buildings (net)	315,689
Machinery, vehicles, furniture, equipment (net)	8,903,553
Right to use asset (net)	333,360
Lease receivable - noncurrent	48,776
Total assets	287,140,747
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Refunding loss on bonds	61,613
OPEB related	429,504
Pension related	11,847,419
Total deferred outflows of resources	12,338,536
<b>LIABILITIES</b>	
Accounts Payable	2,432,576
Salaries payable	1,492,257
Contracts payable	990,258
Due to other governments	1,141,855
Accrued interest payable	22,673
Landfill post closure	212,451
Compensated absences payable - Due within one year	286,475
General obligation bonds payable - Due within one year	1,255,000
Finance purchase payable - Due within one year	29,966
Lease payable - Due within one year	51,589
SBITA payable - Due within one year	74,232
Loans payable - Due within one year	8,000
Other postemployment benefits - Due within one year	223,405
Compensated absences payable - Due in more than one year	2,578,270
General obligation bonds payable - Due in more than one year	2,642,525
Finance purchase payable - Due in more than one year	96,233
Lease payable - Due in more than one year	135,520
SBITA payable - Due in more than one year	65,219
Loans payable - Due in more than one year	92,000
Other postemployment benefits - Due in more than one year	2,320,523
Net pension liability - Due in more than one year	19,274,193
Total liabilities	35,425,220
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	13,293,498
OPEB related	506,381
Total deferred inflows	13,799,879
<b>NET POSITION</b>	
Net investment in capital assets	218,001,339
Restricted for	
Recorder equipment	138,568
Health and human services	1,237,766
E911	920,272
Missing heirs	3,366
Natural resource development	3,568,344
Debt service	393,952
Consolidated conservation	1,073,685
Sanitation	291,151
Economic development	73,507
Law library	39,560
Transportation	1,535,830
Public Safety	1,367,520
Aquatic invasive species	26,294
Other purposes	1,541,613
Unrestricted	20,041,417
Total net position	\$ 250,254,184

See accompanying notes to the financial statements.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

FUNCTION/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government	\$ 19,747,381	\$ 3,428,241	\$ 5,857,406	\$ -	\$ (10,461,734)
Public safety	18,073,766	796,949	2,920,716	-	(14,356,101)
Highways and streets	11,457,397	849,475	4,330,702	7,203,241	926,021
Sanitation	5,740,251	6,601,360	-	-	861,109
Human services	32,087,619	2,611,977	14,986,990	-	(14,488,652)
Health	1,720,756	426,433	1,605,377	-	311,054
Culture and recreation	1,423,475	2,185	275,788	-	(1,145,502)
Conservation of natural resources	2,063,188	2,243,905	635,079	34,608	850,404
Economic development	278,182	13,333	-	-	(264,849)
Interest	150,561	-	-	-	(150,561)
<b>Total governmental activities</b>	<b>\$ 92,742,576</b>	<b>\$ 16,973,858</b>	<b>\$ 30,612,058</b>	<b>\$ 7,237,849</b>	<b>(37,918,811)</b>
General revenues					
Property taxes					29,218,907
Transit sales and use tax					4,667,187
Mortgage registry and deed tax					1,273,303
Payments in lieu of tax					2,802,143
Grants and contributions not restricted to specific programs					10,107,364
Unrestricted investment earnings					1,723,174
Miscellaneous					1,173,129
Gain from sale of assets					106,066
<b>Total general revenues</b>					<b>51,071,273</b>
Change in net position					13,152,462
Net position - beginning of year					237,101,722
Net position - end of year					<b>\$ 250,254,184</b>

See accompanying notes to the financial statements.

## **FUND FINANCIAL STATEMENTS**

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	<b>General</b>	<b>Road and Bridge</b>	<b>Health and Human Services</b>
<b>ASSETS</b>			
Cash and pooled investments	\$ 37,439,879	\$ 6,318,933	\$ 852,744
Petty cash and change funds	5,900	-	8,150
Taxes receivable			
Delinquent	369,203	85,769	202,420
Special assessments			
Noncurrent	-	-	-
Accounts receivable	251,976	6,604	1,477,816
Accrued interest receivable	107,527	-	-
Loans receivable	-	-	-
Due from other funds	209,616	24,213	14,830
Due from other governments	488,381	1,412,607	3,129,677
Lease receivable - current	-	-	-
Prepaid items	53,452	41,180	-
Supplies	-	1,225,413	-
Lease receivable - noncurrent	-	-	-
Total assets	\$ 38,925,934	\$ 9,114,719	\$ 5,685,637
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 522,674	\$ 266,220	\$ 1,529,215
Salaries payable	721,666	124,943	574,356
Contracts Payable	-	990,258	-
Due to other funds	30,386	-	209,616
Due to other governments	860,800	8,176	80,638
Total liabilities	2,135,526	1,389,597	2,393,825
Deferred inflows of resources			
Unavailable taxes and special assessments	300,467	70,898	166,475
Unavailable grants	52,000	580,331	194,990
Unavailable timber contracts	-	-	-
Other unavailable revenue	193,284	-	1,175,351
Total deferred inflows of resources	545,751	651,229	1,536,816
Fund balances			
Nonspendable	53,452	1,266,593	-
Restricted	3,044,599	955,499	1,379,872
Committed	188,370	-	-
Assigned	4,851,431	4,851,801	375,124
Unassigned	28,106,805	-	-
Total fund balances	36,244,657	7,073,893	1,754,996
Total liabilities, deferred inflows of resources, and fund balances	\$ 38,925,934	\$ 9,114,719	\$ 5,685,637

See accompanying notes to the financial statements.

<u>Forfeited Tax</u>	<u>Solid Waste</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,455,350	\$ 2,384,504	\$ 385,112	\$ 1,294,178	\$ 2,268,309	\$ 52,399,009
100	800	-	-	-	14,950
-	-	33,013	-	2,358	692,763
-	326,617	-	-	-	326,617
1,514,253	228,157	-	-	-	3,478,806
-	-	-	-	-	107,527
-	-	-	-	198,711	198,711
-	-	-	-	-	248,659
17,201	55,645	-	-	24,816	5,128,327
4,805	-	-	-	-	4,805
-	18,460	-	-	-	113,092
-	-	-	-	-	1,225,413
48,776	-	-	-	-	48,776
<u>\$ 3,040,485</u>	<u>\$ 3,014,183</u>	<u>\$ 418,125</u>	<u>\$ 1,294,178</u>	<u>\$ 2,494,194</u>	<u>\$ 63,987,455</u>

\$ 6,855	\$ 83,861	\$ 1,500	\$ -	\$ 17,426	\$ 2,427,751
24,030	47,109	-	-	153	1,492,257
-	-	-	-	-	990,258
782	7,200	-	-	675	248,659
325	161,768	-	-	30,148	1,141,855
31,992	299,938	1,500	-	48,402	6,300,780
-	291,151	27,003	-	2,102	858,096
-	-	-	-	6,000	833,321
1,043,922	-	-	-	-	1,043,922
51,562	-	-	-	166,667	1,586,864
1,095,484	291,151	27,003	-	174,769	4,322,203
-	18,460	-	-	-	1,338,505
1,913,009	-	389,622	-	1,186,752	8,869,353
-	2,404,634	-	-	1,084,271	3,677,275
-	-	-	1,294,178	-	11,372,534
-	-	-	-	-	28,106,805
1,913,009	2,423,094	389,622	1,294,178	2,271,023	53,364,472
<u>\$ 3,040,485</u>	<u>\$ 3,014,183</u>	<u>\$ 418,125</u>	<u>\$ 1,294,178</u>	<u>\$ 2,494,194</u>	<u>\$ 63,987,455</u>

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2023**

Fund balances - total governmental funds	\$	53,364,472
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right-of-use, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		223,154,069
The County's net pension liability and related deferred inflows and outflows of resources are recorded on the statement of net position. Balances at year-end are:		
Net pension liability	\$ (19,274,193)	
Deferred outflows of resources - pension related	11,847,419	
Deferred inflows of resources - pension related	<u>(13,293,498)</u>	(20,720,272)
The County's other postemployment benefit liability and related deferred inflows and outflows of resources are recorded on the statement of net position. Balances at year-end are:		
Other postemployment benefit liability	\$ (2,543,928)	
Deferred outflows of resources - OPEB related	429,504	
Deferred inflows of resources - OPEB related	<u>(506,381)</u>	(2,620,805)
Other long-term assets (deferred inflows of resources) are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		4,322,203
Internal service funds are used by management to account for the management of short-term disability self-insurance to individual funds. The assets and liabilities that are included in governmental activities in statement of net position are:		243,057
The loss on refunding is reported as a deferred outflow of resources on the statement of net position and amortized over the life of the bonds.		61,613
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General obligation bonds - including issuance premium	(3,897,525)	
Compensated absences	(2,864,745)	
Loans payable	(100,000)	
Finance purchase payable	(126,199)	
Post closure liability	(212,451)	
Lease payable	(187,109)	
SBITA payable	(139,451)	
Accrued interest payable	<u>(22,673)</u>	(7,550,153)
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>250,254,184</u></b>



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	General	Road and Bridge	Health and Human Services
<b>REVENUES</b>			
Taxes	\$ 17,411,018	\$ 7,577,074	\$ 8,148,129
Special assessments	-	207,216	-
Licenses and permits	284,296	15,550	-
Intergovernmental	15,166,000	12,970,190	21,286,549
Charges for services	3,263,386	833,925	2,245,202
Fines and forfeits	80,165	-	-
Gifts and contributions	215,620	-	-
Interest on investments Gain (Loss)	1,723,174	-	-
Miscellaneous	1,302,577	-	863,691
Total revenues	<u>39,446,236</u>	<u>21,603,955</u>	<u>32,543,571</u>
<b>EXPENDITURES</b>			
Current			
General government	18,721,439	-	-
Public safety	16,571,852	140,428	-
Highways and streets	-	25,567,992	-
Sanitation	-	-	-
Human services	-	-	31,703,998
Health	-	-	1,706,057
Culture and recreation	1,071,482	-	-
Conservation	-	-	-
Economic development	-	-	-
Capital outlay			
General government	142,348	-	-
Debt service			
Principal	137,994	29,663	22,782
Interest	9,704	5,354	1,648
Administrative (fiscal) charges	-	-	-
Total expenditures	<u>36,654,819</u>	<u>25,743,437</u>	<u>33,434,485</u>
<b>Excess of revenues over (under) expenditures</b>	<b>2,791,417</b>	<b>(4,139,482)</b>	<b>(890,914)</b>
<b>Other financing sources (uses)</b>			
Transfers in	395,324	126,325	616,160
Transfers out	(804,406)	(74,567)	-
Proceeds from lease	-	-	60,539
Proceeds from subscription liability	142,348	-	-
Proceeds from sale of assets	47,801	13,631	-
Compensation for loss of general capital assets	43,915	22,916	-
Total other financing sources (uses)	<u>(175,018)</u>	<u>88,305</u>	<u>676,699</u>
<b>Net change in fund balances</b>	<b>2,616,399</b>	<b>(4,051,177)</b>	<b>(214,215)</b>
Fund balance - beginning of year	<u>33,628,258</u>	<u>11,125,070</u>	<u>1,969,211</u>
<b>Fund balance - end of year</b>	<b>\$ 36,244,657</b>	<b>\$ 7,073,893</b>	<b>\$ 1,754,996</b>

See accompanying notes to the financial statements.

Forfeited Tax	Solid Waste	Debt Service	Capital Projects	Other Governmental Funds	Total
\$ 370,836	\$ -	\$ 1,375,085	\$ -	\$ 149,971	\$ 35,032,113
-	3,348,898	-	-	34,608	3,590,722
-	1,835	-	-	38	301,719
302,650	211,643	221,162	280,000	477,465	50,915,659
1,734,596	2,738,426	-	-	82,690	10,898,225
-	-	-	-	39,944	120,109
88,097	-	-	-	-	303,717
-	-	-	-	-	1,723,174
4,174	650,168	-	-	37,818	2,858,428
<u>2,500,353</u>	<u>6,950,970</u>	<u>1,596,247</u>	<u>280,000</u>	<u>822,534</u>	<u>105,743,866</u>
-	-	-	-	92,540	18,813,979
-	-	-	-	6,554	16,718,834
-	-	-	-	45,916	25,613,908
-	5,750,897	-	-	-	5,750,897
-	-	-	-	-	31,703,998
-	-	-	-	-	1,706,057
355,664	-	-	-	-	1,427,146
1,789,061	-	-	-	241,062	2,030,123
-	-	-	-	278,182	278,182
-	-	-	-	-	142,348
-	-	1,735,000	-	8,000	1,933,439
-	-	110,688	-	-	127,394
-	-	2,050	-	-	2,050
<u>2,144,725</u>	<u>5,750,897</u>	<u>1,847,738</u>	<u>-</u>	<u>672,254</u>	<u>106,248,355</u>
355,628	1,200,073	(251,491)	280,000	150,280	(504,489)
-	61,921	278,445	-	-	1,478,175
(174,129)	(278,445)	-	-	(146,628)	(1,478,175)
-	-	-	-	-	60,539
-	-	-	-	-	142,348
8,024	56,163	-	-	-	125,619
-	5,332	-	-	-	72,163
<u>(166,105)</u>	<u>(155,029)</u>	<u>278,445</u>	<u>-</u>	<u>(146,628)</u>	<u>400,669</u>
189,523	1,045,044	26,954	280,000	3,652	(103,820)
1,723,486	1,378,050	362,668	1,014,178	2,267,371	53,468,292
<u>\$ 1,913,009</u>	<u>\$ 2,423,094</u>	<u>\$ 389,622</u>	<u>\$ 1,294,178</u>	<u>\$ 2,271,023</u>	<u>\$ 53,364,472</u>

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Net change in fund balances - total governmental funds \$ (103,820)

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/amortization expense.

Expenditures for general capital assets, infrastructure, and other related capital asset adjustments	\$ 21,607,857	
Net book value of capital assets disposed	(379,517)	
Current year depreciation/amortization	<u>(7,946,259)</u>	13,282,081

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 56,966

Pension expenditures on the governmental funds are measured by current-year employer contributions. Pension expenses on the statement of activities are measured by the change in net pension asset, net pension liability, deferred inflows and deferred outflows of resources. (1,632,232)

Other postemployment (OPEB) expenditures on the governmental funds are measured by current-year employer contributions. OPEB expenses on the statement of activities are measured by the change in OPEB liability and the related deferred inflows and outflows of resources. 51,799

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issued debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability.

Lease issued	(60,539)	
SBITA issued	<u>(142,348)</u>	(202,887)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments		
General obligation bonds	1,240,000	
Leases	52,343	
SBITAs	109,127	
Loans	8,000	
Finance purchase	28,969	
Revenue bonds	<u>495,000</u>	1,933,439

Some expenses reported in this 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	3,611	
Amortization of discounts, premiums, and loss on refunding	(24,728)	
Change in post closure liability	(6,986)	
Change in compensated absences	<u>(247,655)</u>	(275,758)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities. 42,874

**Change in net position of governmental activities \$ 13,152,462**

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
STATEMENT OF NET POSITION  
INTERNAL SERVICE FUND  
DECEMBER 31, 2023**

	<u>Short-Term Disability</u>
<b>ASSETS</b>	
Cash and pooled investments	<u>\$ 247,882</u>
<b>LIABILITIES</b>	
Accounts payable	<u>4,825</u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 243,057</u>

*See accompanying notes to the financial statements.*

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUND  
YEAR ENDED DECEMBER 31, 2023**

	<u>Short-Term Disability</u>
<b>Operating revenues</b>	
Premiums	\$ 116,821
<b>Operating expenses</b>	
Claims paid	54,379
Administrative and fiscal services	<u>21,259</u>
<b>Total operating expenses</b>	<u>75,638</u>
<b>Operating income (loss)</b>	41,183
<b>Nonoperating revenues (expenses)</b>	
Interest income	<u>1,691</u>
<b>Change in net position</b>	42,874
Total net position - beginning of year	<u>200,183</u>
<b>Total net position - end of year</b>	<u><u>\$ 243,057</u></u>

*See accompanying notes to the financial statements.*

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND  
YEAR ENDED DECEMBER 31, 2023**

		Short-Term Disability
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from internal services provided	\$	116,821
Payments to suppliers		(21,259)
Payments for claims		(53,510)
		42,052
Net cash provided by (used) operating activities		42,052
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment earning received		1,691
Net increase (decrease) in cash and cash equivalents		43,743
Cash and cash equivalents - beginning of year		204,139
Cash and cash equivalents - end of year	\$	247,882
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$	41,183
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Increase (decrease) in accounts payable		869
Net cash provided by (used) operating activities	\$	42,052

*See accompanying notes to the financial statements.*

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2023**

	<u>Private Purpose Trust</u>	<u>Custodial</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 124,403	\$ 4,392,056
Taxes receivable	-	468,041
Accounts receivable	-	416
Due from other governments	-	814,225
Interest receivable	-	10,476
Depreciable capital assets (net)	-	103,951
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 124,403</u>	<u>\$ 5,789,165</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 188,282
Due to other governments	-	1,159,587
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>\$ -</u>	<u>\$ 1,347,869</u>
<b>NET POSITION</b>		
Restricted For:		
Individuals, organizations, and other governments	<u>\$ 124,403</u>	<u>\$ 4,441,296</u>

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	Private Purpose Trust	Custodial
<b>ADDITIONS</b>		
Property tax collection	\$ -	\$ 30,352,979
Intergovernmental	-	2,923,227
Charges for services	-	6,370,091
Interest	-	18,786
Miscellaneous	505,405	646,948
Total additions	505,405	40,312,031
<b>DEDUCTIONS</b>		
Property tax allocation	-	30,507,421
Miscellaneous allocations	463,459	1,885,150
Operating expenses	-	9,322,864
Total deductions	\$ 463,459	\$ 41,715,435
Change in net position	41,946	(1,403,404)
Total net position - beginning of year	82,457	5,844,700
Total net position - end of year	\$ 124,403	\$ 4,441,296

*See accompanying notes to the financial statements.*



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Beltrami County's (the County) financial statements are prepared in accordance with generally accepted accounting principles (GAAP) 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.

**A. Financial Reporting Entity**

The County was established February 28, 1866 and is an organized county having the powers, duties, and privileges granted counties by Minnesota Statutes Chapter 373. As required by accounting principles generally accepted in the United States of America, these financial statements present the County (Primary Government) and its component units for which the County is financially accountable. There is financial accountability if the Primary Government appoints a voting majority of an organization's governing body and has the ability to impose its will on that governing body; or there is the potential for the organization to provide specific financial benefits or to impose specific financial burden on the Primary Government. Based on the criteria for determining component units, the County is not required to include any component units. 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. A County Administrator appointed by the County Board serves as the clerk of the board but has no vote.

**Joint Ventures**

The County participates in several joint ventures which are described in Note 8.C. The County also participates in jointly governed organizations which are described in Note 8.D.

**B. Basic Financial Statements**

**1. Government-Wide Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the Primary Government. 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.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

B. Basic Financial Statements (Continued)

1. Government-Wide Statements (Continued)

In the government-wide statement of net position, the governmental activities column: (a) is presented on a consolidated basis by column; and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and deferred outflows of resources and receivables as well as long-term debt and obligations. The County's net position is reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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 that are clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The indirect expenses, per County policy, are allocated entirely to general government.

2. Fund Financial Statements

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

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

The County reports the following fiduciary fund types:

A Private Purpose Trust Fund is used to account for specific fiduciary activities held by the County for held in trust for social welfare accounts.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

Custodial Funds are custodial in nature and are used for a variety of purposes to account for the collection and disbursement of taxes on behalf of other governments within the County and as an agent for other organization, including the State of Minnesota. These funds account for assets that the County holds for others in a fiduciary capacity.

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 required to be 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. Taxes and intergovernmental revenues are the primary funds committed for these projects.

The Health and Human Services Special Revenue Fund is used to account for economic assistance and community social services programs. These programs are funded primarily by property taxes, committed through the board approved levy, and intergovernmental revenues.

The Forfeited Tax Special Revenue Fund is used to account for the proceeds from the sale or rental of land forfeited to the state of Minnesota. Title to the tax-forfeited land remains with the state until the land is sold by the County. Also accounted for in this fund is: timber development, county parks, payments in lieu of taxes, Boundary Waters Canoe Area, protected waters and wetlands, all of which are restricted through state statutes.

The Solid Waste Special Revenue Fund is used to account for the operation of the solid waste transfer station and the administration of the solid waste program. Financing is provided by special assessments and tipping fees (charges for services) charged to haulers, which are committed by board action.

The Debt Service Fund is used to account for the payment of principal and interest payments on long-term debt, which are financed by property tax revenue restricted through bond documents.

The Capital Projects Fund is used to account for various capital projects within the County. Financing is provided by bonds issued by the County.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

The County reports the following internal service fund:

The Short-Term Disability Insurance Internal Service Fund is used to account for the County's self-insured disability insurance program. Financing is provided by charges to other County funds and individuals' payments for additional coverage, if elected.

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Beltrami County considers all revenues to be available if they are collected within 90 days after the end of the current period, with the exception of property taxes and special assessments which are considered to be available if collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

1. Cash and Cash Equivalents

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor-Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value based on market prices at December 31, 2023, with the exception of the investments in the external investment pool which are valued at amortized cost. Pursuant to Minnesota Statutes §385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants.

3. Receivable and Payable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

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

Significant portions of loans receivable are not expected to be collected within one year due to the nature of the receivable. All other accounts receivables are considered to be fully collectible.

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 on May 15 and the second half payment due October 15.

Unpaid taxes on December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

4. Leases

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

4. Leases (Continued)

a. Lessor

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

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

The County has recognized payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statement of net position and fund financial statements.

b. Lessee

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

4. Leases (Continued)

b. Lessee (Continued)

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County has recognized payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position.

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

5. Subscription-Based Information Technology Arrangements (SBITAs)

The County determines if an arrangement is a SBITA at inception. SBITAs are included as right-to-use assets and SBITA liabilities on the statement of net position.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

The County has recognized payments for short-term SBITAs with a term of 12 months or less as expenses are incurred, and these SBITAs are not included as SBITA liabilities or right-to-use SBITA assets on the statement of net position.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

6. Supplies and Prepaid Items

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

7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental column in the government-wide financial statements. In the case of the initial capitalization of infrastructure, the County retroactively implemented the reporting of this item when GASB Statement 34 was implemented. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 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 assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, and equipment of the Primary Government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building Improvements	20-25
Public Domain Infrastructure	50
Furniture, Equipment, and Vehicles	3-15



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

8. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period. The County will not recognize the related outflow until a future event occurs. The County has three items that qualify for reporting in this category which are all reported in the government-wide statement of net position. A refunding loss on bonds results from the difference in the carrying value of refunded debt and its re-acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. More detailed information about pension related deferred outflows of resources can be found in Note 4 to the financial statements. More detailed information about OPEB related deferred outflows can be found in Note 6 to the financial statements.

9. Compensated Absences

The liability for compensated absences reported in 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.

10. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of bond issuance.

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

11. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Other Postemployment Benefits Liability (OPEB Liability)

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

13. Deferred Inflows of Resources

The County's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund balance that applies to a future period. The County will not recognize the related revenue until a future event occurs. Overall, the County has four types of deferred inflows. The first type relates to revenue recognition and is reported on the fund level financial statements. These occur because governmental fund revenues are not recognized until available (collected not later than 90 days after the end of the County's year end, 60 days for taxes) under the modified accrual basis of accounting. The second type relates to pension liabilities as described in Note 4 to the financial statements. The third type relates to OPEB liabilities as described in Note 6 to the financial statements. The fourth type relates to lease receivables and is reported on both the fund level financial statements and the government-wide financial statements and is described in Note 3.

14. Fund Equity

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance relate to prepaids, inventories, and long-term receivables, as applicable. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). The County reports \$6,359,428 of restricted fund balance on governmental funds balance sheet due to enabling legislation.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

15. Fund Equity (Continued)

Committed fund balances are established and modified by a resolution approved by the board of commissioners.

The County Auditor-Treasurer is delegated to assign fund balances and their intended uses per the policy established by the board of commissioners pursuant to which the authorization to assign amounts to a specific purpose is given. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in other classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the County's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the County's policy to use committed first, then assigned, and finally unassigned amounts. The County's fund balance policy allows for a minimum of six months of budgeted expenditures to be set aside for future unexpected expenditures.

16. Use of Estimates

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

17. Adoption of New Accounting Standards

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

The County adopted the requirements of the guidance effective January 1, 2023, and has applied the provisions of this standard to the beginning of the period of adoption. Beginning fund balances and net positions were not restated due the implementation of GASB 96.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Excess of Expenditures Over Budget**

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

Fund	Actual	Budget	Final Excess
General	\$ 36,654,819	\$ 33,958,342	\$ 2,696,477
Health and Human Services	33,434,485	31,962,956	1,471,529
Road and Bridge	25,743,437	23,362,568	2,380,869
Forfeited Tax	2,144,725	1,855,342	289,383

The excess of expenditures over budgets were primarily funded by greater than anticipated revenues.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

A. Assets

1. Deposits and Investments

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledge must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral includes: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rates "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letters of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

MAGIC is a local government investment pool which is quoted at a net asset value (NAV). The County invests in this pool for the purpose of the joint investment of the County's money with those of other counties to enhance the investment earnings accruing to each member.

MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The MAGIC Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

A. Assets (Continued)

1. Deposits and Investments (Continued)

Shares of MAGIC Term Series are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. The fair value of the participant's position in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments. Should the County need to redeem shares in a MAGIC Term Series prematurely they must provide notice at least seven days prior to the premature redemption date. The value of premature redemption is equal to the original price for such share, plus dividends thereon at the projected yield less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

**Custodial Credit Risk – Deposits**

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County investment policy requires that collateral or bond be obtained for all uninsured amounts and that necessary documentation be obtained to show compliance with Minnesota State Statutes for deposits.

The County deposits were fully insured and collateralized at year-end.

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

- (a) 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 Minnesota Statutes §118A.04, subd. 6;
- (b) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (c) 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;
- (d) bankers' acceptances of United States banks;
- (e) 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
- (f) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

A. Assets (Continued)

1. Deposits and Investments (Continued)

As of December 31, 2023, the County had the following investments:

Investment Type	Fair Value	Maturity		
		< 1 Year	1-5 Years	6-10 Years
Federal Home Loan Bank	\$ 3,376,230	\$ -	\$ 3,376,230	\$ -
Federal Home Loan Mortgage	7,196,042	-	7,196,042	-
US Treasury	2,004,587	2,004,587	-	-
Negotiable Certificates of Deposit	669,076	456,134	212,942	-
Magic Fund - Portfolio	862,649	862,649	-	-
Total	\$ 14,108,584	\$ 3,323,370	\$ 10,785,214	\$ -

Following is a summary of the County's deposits and investments at December 31, 2023:

Statement of Net Position	
Cash and Pooled Investments	\$ 52,646,891
Petty Cash	14,950
Statement of Fiduciary Net Position	
Custodial Funds Cash and Pooled Investments	4,392,056
Social Welfare Private Purpose Trust	124,403
Total Cash and Investments	\$ 57,178,300
Deposits	\$ 43,069,716
Investments	14,108,584
Total	\$ 57,178,300

**Interest Rate Risk**

Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates. The County has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The County investment policy limits investments in certificates of deposits to those with maturities up to 10 years.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

A. Assets (Continued)

1. Deposits and Investments (Continued)

**Credit Risk**

Minnesota Statutes restrict the types of investments in which the County may invest. The County investment policy further limits its investment choices to exclude repurchase agreements, securities lending agreements, and guaranteed investment contracts. As of December 31, 2023, the County's investments in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and Federal Farm Credit Bank bonds were rated AAA by Moody's; investments in negotiable certificates of deposit and the MAGIC fund were not rated.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County limits the amount the County may invest in any one issuer. The County may not invest more than 50% of the County's total cash and investments of any securities in any one type, with the exception of certificates of deposit. Investment concentrations in excess of 5% of the County's investments are held with the following issuer:

Federal Home Loan Bank	23.90 %
Federal Home Loan Mortgage	51.00 %

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of failure by the counter-party, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County policy allows investments only to the extent there is SIPC and excess SIPC coverage available.

The County uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures.

The County follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the County has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

A. Assets (Continued)

1. Deposits and Investments (Continued)

**Custodial Credit Risk – Investments (Continued)**

Financial assets recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

- Level 1 – Financial assets are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.
- Level 2 – Financial assets are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.
- Level 3 – Financial assets are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions market participants and would use in pricing the asset.

Assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
<b>Investments by fair value level</b>				
Government Bonds	\$ -	\$ 12,576,859	\$ -	\$ 12,576,859
Negotiable Certificates of Deposit	-	669,076	-	669,076
<b>Investments measured at amortized cost</b>				
MAGIC Portfolio				862,649
Total Investments				14,108,584
Deposits and Cash on Hand				43,069,716
Total Cash and Investments				\$ 57,178,300

Shares of the MAGIC portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The MAGIC Fund’s board of trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a portfolio’s securities or determination of its net asset value not reasonably practical.



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

A. Assets (Continued)

2. Receivables

Receivables as of December 31, 2023, for the County are as follows:

	County Receivable
Delinquent Taxes	\$ 692,763
Special Assessments	326,617
Accounts	3,478,806
Interest	107,527
Due from other Governments	5,128,327
Lease	53,581
Loans	198,711
Total	\$ 9,986,332

All amounts listed except the loans balance and lease receivables are scheduled to be collected during the subsequent year. As of December 31, 2023, \$17,543 of the loans balance is scheduled to be collected in 2024, the remaining \$181,168 is scheduled to be collected through 2036.

Beltrami County, acting as lessor, leases land to SBA Towers IX, LLC under long-term lease agreements. The lease for SBA Towers IX, LLC expires in 2032. During the year ended December 31, 2023, the County recognized \$4,359 and \$2,162 in lease revenue and interest revenue respectively, pursuant to the contract.

Total future minimum lease payments to be received under the lease agreement are as follows:

Year Ending December 31,	Lease Receivable		Total
	Principal	Interest	
2024	\$ 4,805	\$ 1,977	\$ 6,782
2025	5,280	1,773	7,053
2026	5,786	1,549	7,335
2027	6,324	1,304	7,628
2028	6,896	1,037	7,933
2029-2031	24,490	1,267	25,757
Total	\$ 53,581	\$ 8,907	\$ 62,488

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

A. Assets (Continued)

3. Capital Assets

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

	Beginning Balance*	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, not being Depreciated				
Land	\$ 3,180,770	\$ -	\$ -	\$ 3,180,770
Right of Way	2,998,079	104,725	-	3,102,804
Construction-in-Progress	10,071,730	18,427,594	20,203,785	8,295,539
Total Capital Assets, not being Depreciated	<u>16,250,579</u>	<u>18,532,319</u>	<u>20,203,785</u>	<u>14,579,113</u>
Capital Assets being Depreciated				
Land Improvements	582,689	-	-	582,689
Buildings	57,238,216	178,107	11,558	57,404,765
Machinery, Vehicles, Furniture, and Equipment	26,311,656	2,872,651	2,238,250	26,946,057
Infrastructure	203,196,978	20,025,678	-	223,222,656
Total Capital Assets being Depreciated	<u>287,329,539</u>	<u>23,076,436</u>	<u>2,249,808</u>	<u>308,156,167</u>
Less: Accumulated Depreciation for				
Land Improvements	244,487	22,513	-	267,000
Buildings	21,107,991	1,230,872	11,558	22,327,305
Machinery, Vehicles, Furniture, and Equipment	17,760,509	2,140,728	1,858,733	18,042,504
Infrastructure	54,882,284	4,395,478	-	59,277,762
Total Accumulated Depreciation	<u>93,995,271</u>	<u>7,789,591</u>	<u>1,870,291</u>	<u>99,914,571</u>
Total Capital Assets, Depreciated, Net	<u>193,334,268</u>	<u>15,286,845</u>	<u>379,517</u>	<u>208,241,596</u>
Right-to-use Assets				
Leased Equipment	218,902	60,539	7,769	271,672
SBITA Assets	106,230	142,348	-	248,578
Less Accumulated Amortization	(37,991)	(156,668)	(7,769)	(186,890)
Net Right-to-Use Assets	<u>287,141</u>	<u>46,219</u>	<u>-</u>	<u>333,360</u>
Governmental Activities Capital Assets, Net	<u>\$ 209,871,988</u>	<u>\$ 33,865,383</u>	<u>\$ 20,583,302</u>	<u>\$ 223,154,069</u>

\*Includes restated amounts for right-to-use assets.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

A. Assets (Continued)

3. Capital Assets (Continued)

Depreciation/Amortization expense was charged to functions/programs of the Primary Government as follows:

**Governmental Activities**

General Government	\$ 1,051,220
Public Safety	892,604
Highways and Streets, Including Depreciation of Infrastructure Assets	5,391,523
Sanitation	531,693
Human Services	36,042
Conservation of Natural Resources	43,177
Depreciation/Amortization Expense - Governmental Activities	\$ 7,946,259

B. Interfund Receivables, Payables, and Transfers

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

1. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	Description
General	Health and Human Services	\$ 209,616	4th Quarter Services
Road and Bridge	General	15,556	Fuel
	Forfeited Tax	782	Fuel and Road Maintenance
	Solid Waste Nonmajor Governmental Funds	7,200	Fuel and Road Maintenance
		675	Road Maintenance
Total Due to Road and Bridge		24,213	
Health and Human Services	General	14,830	Youth Activities
Total Due To/From Other Funds		\$ 248,659	

The outstanding balances between funds result mainly from the time lag between the dates for: (1) interfund goods and services provided or reimbursable expenditures; (2) covering the cost of operations; and (3) payments between funds. All amounts are expected to be repaid within one year.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

B. Interfund Receivables Payable, and Transfers (Continued)

2. Interfund Transfer

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

Transfers To:	Transfers From:	Amount	Description
General Fund	Road and Bridge Fund	\$ 74,567	E911 Signage
	Forfeited Tax Fund	174,129	Forfeited Tax Transfer
	Nonmajor Governmental Funds	<u>146,628</u>	Fund Northern Deputy
Total Transfers to General Fund		395,324	
Road and Bridge Fund	General	126,325	Use of Unallocated Funds
Debt Service Fund	Solid Waste Fund	278,445	Fund Solid Waste Debt Service
Health and Human Services Fund	General Fund	616,160	Jail Discharge Planner and Use of Unallocated Funds
Solid Waste Fund	General Fund	<u>61,921</u>	Use of Unallocated Funds
Total Interfund Transfers		<u>\$ 1,478,175</u>	

C. Liabilities

1. Construction Commitments

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

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Governmental Activities		
Road Construction	\$ 133,129	\$ 653,291

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

C. Liabilities (Continued)

2. Long-Term Debt

**Governmental Activities**

Types of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (%)	Original Issue Amounts	Outstanding Balance December 31, 2023
General Obligation Bonds					
2013 G.O. Capital Improvement Refunding Bonds	2025	\$65,000 - \$665,000	2.00%	\$ 6,375,000	\$ 1,320,000
2015 G.O. Jail Bonds	2027	\$200,000 - \$425,000	0.60 - 2.40%	3,700,000	1,550,000
2017 G.O Solid Waste Bonds	2027	\$250,000	1.4 - 3.00%	2,500,000	1,000,000
Plus: Unamortized Premium					27,524
Total General Obligation Bonds, Net				<u>\$ 12,575,000</u>	<u>\$ 3,897,524</u>
2022 Financed Purchase Snowblower	2027	\$28,968 - \$34,311	3.39%	\$ 189,479	\$ 126,199
Leases Payable	2027	\$58 - \$19,501	0.14 - 0.20%	\$ 216,903	\$ 187,109
SBITAs Payable	2025	\$11,923 - \$49,500	4.30%	\$ 248,578	\$ 139,451
2021 Loans Payable	2036	\$8,000	0.00%	\$ 120,000	\$ 100,000

3. Debt Service Requirements

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

**Governmental Activities**

Year Ending December 31,	General Obligation Bonds		Finance Purchase		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,255,000	\$ 104,613	\$ 29,966	\$ 5,343	\$ 8,000	\$ -
2025	1,265,000	79,763	30,998	4,345	8,000	-
2026	675,000	53,738	32,065	3,313	8,000	-
2027	675,000	25,731	33,170	2,246	8,000	-
2028	-	8,850	-	1,142	8,000	-
2029-2033	-	-	-	-	40,000	-
2034-2036	-	-	-	-	20,000	-
Total	<u>\$ 3,870,000</u>	<u>\$ 272,695</u>	<u>\$ 126,199</u>	<u>\$ 16,389</u>	<u>\$ 100,000</u>	<u>\$ -</u>

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

C. Liabilities (Continued)

4. Changes in Long-Term Liabilities

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

**Governmental Activities**

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation	\$ 5,110,000	\$ -	\$ 1,240,000	\$ 3,870,000	\$ 1,255,000
Revenue Bonds	495,000	-	495,000	-	-
Unamortized Premiums	49,005	-	21,480	27,525	-
<b>Total Bonds Payable</b>	<b>5,654,005</b>	<b>-</b>	<b>1,756,480</b>	<b>3,897,525</b>	<b>1,255,000</b>
Lease Payable	178,913	60,539	52,343	187,109	51,589
SBITA Payable	106,230	142,348	109,127	139,451	74,232
Loans Payable	108,000	-	8,000	100,000	8,000
Finance Purchase	155,168	-	28,969	126,199	29,966
Compensated Absences	2,617,090	2,682,079	2,434,424	2,864,745	286,475
<b>Governmental Activity Long-Term Liabilities</b>	<b><u>\$ 8,819,406</u></b>	<b><u>\$ 2,884,966</u></b>	<b><u>\$ 4,389,343</u></b>	<b><u>\$ 7,315,029</u></b>	<b><u>\$ 1,705,262</u></b>

\*Includes restated amounts for SBITA payable.

The Debt Service Fund is used to liquidate both the General Obligation and Revenue Bonds. Compensated absences are liquidated by the General Fund, Road and Bridge Fund, and Health and Human Service Fund.

5. Leases Payable

The County holds various lease agreements for equipment under long-term, noncancelable lease agreements. The leases expire at various dates through 2028.

The right-to-use lease assets and the related accumulated amortization are detailed in Note 3.A.3.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

C. Liabilities (Continued)

5. Leases Payable (Continued)

Principal and interest requirements to maturity under lease agreements are as follows:

Year Ending December 31,	Lease Liability	
	Principal	Interest
2024	\$ 51,588	\$ 3,771
2025	47,858	2,616
2026	44,839	1,536
2027	38,361	505
2028	4,463	24
	<u>\$ 187,109</u>	<u>\$ 8,452</u>

6. SBITAs Payable

The entity has entered into subscription-based information technology arrangements (SBITAs) for various software programs. The SBITAs expire at various dates through 2025 and provide for renewal options.

The right-to-use SBITA assets and the related accumulated amortization are detailed in Note 3.A.3.

The future subscription payments under SBITAs are as follows:

Year Ending December 31,	SBITA Liability	
	Principal	Interest
2024	\$ 74,232	\$ 2,910
2025	65,219	-
	<u>\$ 139,451</u>	<u>\$ 2,910</u>

7. Loans Payable

During 2021, the County entered into a revolving loan with AirCorp LLC. The Agreement requires repayment of \$120,000 of the \$200,000 beginning loan, to be paid back to the State of Minnesota interest free in monthly payments of \$667 through 2036.

D. Nonspendable, Restricted, Committed, Assigned, and Unassigned Fund Balance

At December 31, 2023, portions of the County's fund balance are not available for appropriation due to legal restrictions (Restricted), County Board action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

**BELTRAMI COUNTY  
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**NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)**

**D. Nonspendable, Restricted, Committed, Assigned, and Unassigned Fund Balance  
(Continued)**

	General Fund	Road and Bridge Fund	Health and Human Services Fund	Forfeited Tax Fund	Solid Waste Fund	Debt Service Fund	Capital Project Fund	Other Governmental Funds
<b>Nonspendable:</b>								
Prepays	\$ 53,452	\$ 1,266,593	\$ -	\$ -	\$ 18,460	\$ -	\$ -	\$ -
<b>Restricted:</b>								
Missing Heirs	3,366	-	-	-	-	-	-	-
Sheriff Seizures	24,166	-	-	-	-	-	-	-
Recorder Equipment	138,568	-	-	-	-	-	-	-
Aquatic Invasive Species	26,294	-	-	-	-	-	-	-
E911	920,272	-	-	-	-	-	-	-
Sheriff Contingency	5,000	-	-	-	-	-	-	-
Public Safety Aid	1,315,520	-	-	-	-	-	-	-
Riparian Protection	335,625	-	-	-	-	-	-	-
Natural Resource Development	275,788	-	-	1,889,587	-	-	-	-
Headwaters Shooting Sports	-	-	-	23,422	-	-	-	-
Debt Service	-	-	-	-	-	389,622	-	-
Consolidated Conservation	-	-	-	-	-	-	-	1,073,685
Economic Development	-	-	-	-	-	-	-	73,507
Sales and Use Tax	-	955,499	-	-	-	-	-	-
Housing Aid	-	-	755,700	-	-	-	-	-
Opioid Settlement	-	-	337,096	-	-	-	-	-
MA Eligibility	-	-	287,076	-	-	-	-	-
Law Library	-	-	-	-	-	-	-	39,560
<b>Total Restricted</b>	<b>3,044,599</b>	<b>955,499</b>	<b>1,379,872</b>	<b>1,913,009</b>	<b>-</b>	<b>389,622</b>	<b>-</b>	<b>1,186,752</b>
<b>Committed For:</b>								
Demolition	188,370	-	-	-	-	-	-	-
Solid Waste Operations	-	-	-	-	2,404,634	-	-	-
Ditch Repairs	-	-	-	-	-	-	-	507,505
Technology Updates	-	-	-	-	-	-	-	307,606
Unorganized Townships	-	-	-	-	-	-	-	269,160
<b>Total Committed</b>	<b>188,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,404,634</b>	<b>-</b>	<b>-</b>	<b>1,084,271</b>
<b>Assigned:</b>								
Worker's Compensation	32,739	-	-	-	-	-	-	-
E911 Signage	383,959	-	-	-	-	-	-	-
K-9	23,479	-	-	-	-	-	-	-
Probation	491,800	-	-	-	-	-	-	-
Jail Canteen	283,574	-	-	-	-	-	-	-
Motor Pool	71,300	-	-	-	-	-	-	-
Equipment Purchases	270,813	-	-	-	-	-	-	-
Strategic Aligned Mgmt	3,820	-	-	-	-	-	-	-
Gun Permits	272,721	-	-	-	-	-	-	-
Public Safety Upgrades	242,125	-	-	-	-	-	-	-
General Tech Upgrades	356,250	-	-	-	-	-	-	-
Wellness Program	86,817	-	-	-	-	-	-	-
Officer Wellness Program	41,951	-	-	-	-	-	-	-
SSTS Program	4,515	-	-	-	-	-	-	-
Human Resource Contingency	1,671,055	-	-	-	-	-	-	-
ARMER Radio Upgrade	227,086	-	-	-	-	-	-	-
Project LifeSaver	9,028	-	-	-	-	-	-	-
Veterans Funds	39,399	-	-	-	-	-	-	-
Health & Human Services Operations	-	-	375,124	-	-	-	-	-
Road & Bridge Operations	-	4,851,801	-	-	-	-	-	-
27th Payroll	339,000	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	1,294,178	-
<b>Total Assigned</b>	<b>4,851,431</b>	<b>4,851,801</b>	<b>375,124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,294,178</b>	<b>-</b>
<b>Unassigned</b>	<b>28,106,805</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>\$ 36,244,657</b>	<b>\$ 7,073,893</b>	<b>\$ 1,754,996</b>	<b>\$ 1,913,009</b>	<b>\$ 2,423,094</b>	<b>\$ 389,622</b>	<b>\$ 1,294,178</b>	<b>\$ 2,271,023</b>



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS**

A. Plan Description

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

1. General Employees Retirement Plan

All full-time and certain part-time employees of the County are covered by defined benefit pension plans administered by PERA. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Plan

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

3. Local Government Correctional Plan

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

B. Benefits Provided

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

1. General Employees Plan Benefits

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

B. Benefits Provided (Continued)

1. General Employees Plan Benefits (Continued)

For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. Police and Fire Plan Benefits

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

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

3. Correctional Plan Benefits

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

B. Benefits Provided (Continued)

3. Correctional Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of at least 1% and a maximum of 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. In 2023, legislation clarified that if the annual increase cap was reduced to 1%, there is a way to return to the 2.5% increase if certain criteria are met. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

C. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2023, were \$1,612,800. The County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2023, were \$598,749. The County's contributions were equal to the required contributions as set by state statute.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

C. Contributions (Continued)

3. Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2023 and the County was required to contribute 8.75% for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2023, were \$196,805. The County's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2023, the County reported a liability of \$14,594,828 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$402,336.

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 proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 1899 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.2610% at the end of the measurement period and 0.2637% for the beginning of the period.

County's proportionate share of net pension Liability	\$ 14,594,828
State of Minnesota's proportionate share of the net pension liability associated with the County	402,336
Total	<u><u>\$ 14,997,164</u></u>

There were no provision changes during the measurement period.

For the year ended December 31, 2023, the County recognized pension expense of \$2,451,199 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$1,808 as pension expense for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

At December 31, 2023, the County reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 479,300	\$ 100,542
Changes in Actuarial Assumptions	2,362,699	4,000,320
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	545,796
Changes in Proportion and Differences Between		
County Contributions and Proportionate Share of		
Contributions	326,772	122,328
County Contributions Subsequent to the		
Measurement Date	812,256	-
Total	<u>\$ 3,981,027</u>	<u>\$ 4,768,986</u>

The \$812,256 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2024	\$ 570,921
2025	(2,154,504)
2026	299,979
2027	(316,611)

2. Police and Fire Fund Pension Costs

At December 31, 2023, the County reported a liability of \$4,258,261 for its proportionate share of the Police and Fire Fund'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 proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 1899 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.2466% at the end of the measurement period and 0.2719% for the beginning of the period.

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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

2. Police and Fire Pension Costs (Continued)

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$171,578.

County's proportionate share of net pension Liability	\$ 4,258,461
State of Minnesota's proportionate share of the net pension liability associated with the County	171,578
Total	<u><u>\$ 4,430,039</u></u>

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2023, the County recognized pension expense (revenue) of \$1,243,741 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$22,194 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County recognized \$10,334 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

There were no provision changes during the measurement period.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

2. Police and Fire Pension Costs (Continued)

At December 31, 2023, 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:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,174,201	\$ -
Changes in Actuarial Assumptions	4,941,600	5,987,447
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	204,427
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	137,008	320,707
County Contributions Subsequent to the Measurement Date	313,054	-
Total	<u>\$ 6,565,863</u>	<u>\$ 6,512,581</u>

The \$313,054 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2024	\$ 161,134
2025	28,732
2026	1,002,196
2027	(332,369)
2028	(1,119,465)

3. Correctional Plan Pension Costs

At December 31, 2023, the County reported a liability of \$420,904 for its proportionate share of the Correctional 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.

**BELTRAMI COUNTY  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

3. Correctional Plan Pension Costs (Continued)

The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 1899 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.9310% at the end of the measurement period and 0.9050% for the beginning of the period.

For the year ended December 31, 2023 the County recognized pension expense of \$372,989 for its proportionate share of the Correctional Plan's pension expense.

At December 31, 2023, the County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 162,111	\$ 36,960
Changes in Actuarial Assumptions	1,002,198	1,920,214
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	53,781
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	32,507	976
County Contributions Subsequent to the Measurement Date	103,713	-
Total	<u>\$ 1,300,529</u>	<u>\$ 2,011,931</u>

The \$103,713 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2024	\$ 18,797
2025	(1,001,420)
2026	211,927
2027	(44,419)



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

E. Summary

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

	General Employees Plan	Police and Fire Plan	Correctional Plan	Total
Net Pension Liability	\$ 14,594,828	\$ 4,258,461	\$ 420,904	\$ 19,274,193
Deferred Outflows of Resources Related to Pension	3,981,027	6,565,863	1,300,529	11,847,419
Deferred Inflows of Resources Related to Pensions	4,768,986	6,512,581	2,011,931	13,293,498
Pension Expense (Revenue)	2,453,007	1,265,935	372,989	4,091,931

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan, Police and Fire Plan, and the Correctional Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan, 1.00% for the Police and Fire Plan, and 2.00% for the Correction Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.00% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.00% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.00% at age 20 to 3.00% at age 60.

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

F. Actuarial Assumptions (Continued)

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

1. General Employees Fund

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of 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.
- A one-time non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2. Police and Fire Fund

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time non-compounding benefit increase of 3.0% 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.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

**BELTRAMI COUNTY  
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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

F. Actuarial Assumptions (Continued)

3. Correctional Fund

Changes in Actuarial Assumptions

- The investment return rate was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.42% to 7.00%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump-sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5%. The maximum increase is 1.5% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

G. Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2023 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Long-Term Expected Return on Investments

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90

**BELTRAMI COUNTY  
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**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

H. Pension Liability Sensitivity

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

	Proportionate Share of the					
	General Employees Fund		Police and Fire Fund		Correctional Fund	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	6.00 %	\$ 25,819,422	6.00 %	\$ 8,449,295	6.00 %	\$ 2,218,634
Current	7.00	14,594,828	7.00	4,258,461	7.00	420,904
1% Increase	8.00	5,362,172	8.00	813,035	8.00	(1,013,456)

I. Pension Plan Fiduciary Net Position

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

**NOTE 5 DEFINED CONTRIBUTION PLAN**

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member's account annually.

**BELTRAMI COUNTY  
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**NOTE 5 DEFINED CONTRIBUTION PLAN (CONTINUED)**

Total contributions made by the County for the year ending December 31, 2023 were:

Contribution Amount		Percentage of Covered Payroll	
Employee	Employer	Employee	Employer
\$8,956	\$8,956	5 %	5 %

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**A. Plan Description**

The county operates a single-employer retiree benefit plan (the Plan) that provides health and dental insurance to eligible employees and their spouses through the County's health insurance plan. There are 335 active participants and 22 retired participants, there are no inactive participants. Benefit and eligibility provisions are established through negotiations between the agency and the Agency's employees. The Plan does not issue a publicly available financial report.

**B. Funding Policy**

The County does not have assets designated to pay for the OPEB related costs held in trust. Contribution requirements are negotiated between the County and the County's employees. The eligibility for, amount of, duration of, and the County's contribution to the cost of the benefits provided varies by contract and date of retirement. The County is funding this liability on a pay-as-you-go basis. For the year ended December 31, 2023, the County contributed \$232,308 to the plan.

**C. Actuarial Methods and Assumptions**

The County's OPEB Liability was measured as of January 1, 2022, as was determined by an actuarial valuation as of January 1, 2023.

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

Inflation	2.50%
Salary Increases	varied, based on MN PERA rates
Medical Trend Rates	6.25% decreasing to 5.00% then to 4.00%

Mortality Rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2021 to December 31, 2021.

**BELTRAMI COUNTY  
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**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

C. Actuarial Methods and Assumptions (Continued)

The discount rate used to measure the total OPEB liability was 4.00%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

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

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.

D. Changes in the OPEB Liability

	Total OPEB Liability
Balances at December 31, 2022	\$ 2,874,020
Changes for the Year:	
Service Cost	168,867
Interest Cost	58,546
Assumption Changes	(325,197)
Difference in Expected and Actual Experience	-
Benefit Payments	(232,308)
Net Change in Total OPEB Liability	(330,092)
Balances at December 31, 2023	\$ 2,543,928

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

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
OPEB Liability	\$ 2,730,982	\$ 2,543,928	\$ 2,371,356

**BELTRAMI COUNTY  
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**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

D. Changes in the OPEB Liability (Continued)

The following present the OPEB liability of the County, as well as what the County's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.25% decreasing to 4.00%, then 3.00%) or 1% higher (7.25% decreasing to 6.00%, then 5.00%) than the current healthcare cost trend rates:

	1% Decrease (5.25% decreasing to 4.00%, then 3.00%)	Current Trend Rates (6.25% decreasing to 5.00%, then 4.00%)	1% Increase (7.25% decreasing to 6.00%, then 5.00%)
OPEB Liability	\$ 2,292,024	\$ 2,543,928	\$ 2,840,777

For the year ended December 31, 2023, the County recognized OPEB expense of \$(51,799). At December 31, 2023, the County reported deferred inflow of resources of and deferred outflows of resources relating to the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Gains/Losses	\$ 50,380	\$ 182,279
Change of Assumptions	146,687	324,102
Contributions Subsequent to the Measurement Date	232,437	-
Total	\$ 429,504	\$ 506,381

\$232,437 reported as deferred outflows of resources relating to the County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense Amount
2024	\$ (37,686)
2025	(37,686)
2026	(37,686)
2027	(28,478)
2028	(54,124)
Thereafter	(113,654)

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
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**NOTE 7 RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters for which the County carries commercial insurance. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Insurance Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. The County is self-insured for short-term disability coverage. 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. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

The short-term disability plan was effective January 1, 1987. The County has contracted with Hartford Life, to process claims submitted against the plan. The County contributes \$0.83 per payroll period for the employee for \$200 basic monthly benefit. For 2023, the employee may purchase additional coverage to a maximum of \$2,600 per month provided it does not exceed 60% of the employee's regular monthly salary. The employee may collect on the insurance for eligible claims up to a maximum of six months per incident. Premiums are paid into the Short-Term Disability Self-Insurance Internal Services Fund.

The County has not had an actuarial study of the self-insured disability coverage; it has concluded that the risk of any major losses not covered by the short-term disability self-insurance plan is covered by the general taxing powers of the County. At December 31, 2023, there is \$4,825 accrued benefits payable. Claims activity for 2022 and 2023 were:

Year	Balance January 1,	Current Year Claims	Claim Payments	Balance December 31,
2023	\$ 3,956	\$ 89,543	\$ 88,674	\$ 4,825
2022	5,051	86,912	88,007	3,956



**BELTRAMI COUNTY  
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**NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS**

A. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

B. Related Organizations

**Beltrami County Housing and Redevelopment Authority**

The Beltrami County Housing and Redevelopment Authority (HRA) is a five-member board created by Beltrami County Board of Commissioners under Minnesota Statutes Chapter 469. The five-member board contracts with the Bemidji HRA to administer rent assistance for low-income tenants throughout the County. Beltrami County did not contribute to the HRA for the year ended December 31, 2023. Beltrami County HRA administers loans and grants to assist qualified individuals with the down payment to purchase a principal residence. Beltrami County HRA has served as issuing agent on the County's lease revenue bonds for the Jail Building and the Community Service Center. Complete financial information can be obtained from:

Beltrami County HRA  
619 America Avenue NW  
Bemidji, Minnesota 56601

C. Joint Ventures

**Grygla Television Broadcast Association**

The Grygla Television Broadcast Association was formed in 1995 under authority of the Joint Powers Act, pursuant to Minnesota Statutes §471.59, and includes Beltrami and Marshall Counties. The purpose of the Broadcast Association is to organize, govern, equip, and maintain television broadcast coverage for residents of Beltrami and Marshall Counties within the flight path of the Grygla tower broadcast signal.

Control of the Grygla Television Broadcast Association is vested in the Grygla Television Broadcast Association Board of Directors, which is composed of one commissioner from each county, one resident from each county residing in the service area, and one additional member appointed by the initial four members of the Board.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

C. Joint Ventures (Continued)

**Grygla Television Broadcast Association (Continued)**

The Grygla Television Broadcast Association has no long-term debt. Financing is provided from appropriations from member counties. Beltrami County did not contribute to the Grygla Television Broadcast Association for the year ended December 31, 2023. There is no accumulation of significant financial resources or fiscal stress for this entity.

Complete financial information can be obtained from:

Northwest Regional Development  
115 South Main  
Warren, Minnesota 56762

**Joint County Natural Resources Board**

The Joint County Natural Resources Board was formed in 1985 under the authority of the Joint Powers Act, pursuant to Minnesota Statutes §471.59, and includes Aitkin, Beltrami, Clearwater, Koochiching, Lake of the Woods, Mahnomen, Marshall, and Roseau Counties. The purpose of the Natural Resources Board is to gather information on and formulate policies for the development, utilization, and protection of natural resources in Northern Minnesota and to ensure that there is an inter-related plan for the use and protection of both public and private resources.

Control of the Natural Resources Board is vested in the Joint County Natural Resources Board, which is composed of at least one resident of each county appointed by their respective county board, as provided in the Natural Resources Board's bylaws.

In the event of dissolution of the Joint County Natural Resources Board, the net position of the Natural Resources Board at that time shall be distributed to the representative member counties in proportion to the contribution of each. Beltrami County contributed \$1,000 to the Natural Resources Board for the year ended December 31, 2023. There is no accumulation of significant financial resources or fiscal stress for this entity.

The Natural Resources Board has no long-term debt. Financing is provided by appropriations from member counties. Complete financial information can be obtained from:

Joint Counties Natural Resource Board  
Marshall County  
208 East Calvin Ave, Suite 11  
Warren, Minnesota 56762

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BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)**

C. Joint Ventures (Continued)

**Mississippi Headwaters Board**

The Mississippi Headwaters Board was established on February 22, 1980, under the authority of the Joint Powers Act, pursuant to Minnesota Statutes §471.59, and includes Aitkin, Beltrami, Cass, Clearwater, Crow Wing, Hubbard, Itasca, and Morrison Counties. The purpose of the board is to prepare, adopt, and implement a comprehensive land use plan designed to protect and enhance the Mississippi River and related shoreland areas within the counties. The board consists of eight members, one appointed from each participating county.

Financing is provided by federal, state, and local grants, and appropriations from member counties. Beltrami County contributed \$1,500 to the Mississippi Headwaters Board for the year ended December 31, 2023. There is no accumulation of significant financial resources or fiscal stress for this entity. Cass County maintains the accounting records of the Board. Complete financial information can be obtained from:

Mississippi Headwaters Board  
Cass County Courthouse  
303 Minnesota Ave W  
Walker, Minnesota 56484

**North Central Minnesota Soil and Water Conservation District Joint Powers Board**

The North Central Minnesota Soil and Water Conservation Joint Powers Board (NCJPB) was organized under provisions of Minnesota State Statute Chapter 103C. The member Soil and Water Conservation Districts are Beltrami, Cass, Clearwater, Crow Wing, Hubbard, Itasca, Koochiching, Lake of the Woods and Wadena. The purpose of the board is to assist land occupiers in applying practices for the conservation of soil and water resources. These practices are intended to control wind and water erosion, pollution of lakes and streams, and damage to wetlands and wildlife habitats.

Control of the Joint Powers Board is vested in the board of supervisors which is composed of representatives from each member Soil and Water Conservation Districts. Financing is provided by state grants. Crow Wing County, in an agent capacity, reports the cash transactions of the Joint Powers Board as an agency fund on its financial statements. Beltrami County did not contribute to the NCJPB for the year ended December 31, 2023. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from the Crow Wing Soil and Water Conservation District office.

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

C. Joint Ventures (Continued)

**Northwest Minnesota Household Hazardous Waste Management Group**

The Northwest Minnesota Household Hazardous Waste Management Group was formed in 1992 under the authority of the Joint Powers Act, pursuant to Minnesota Statutes §471.59, and includes Beltrami, Clearwater, Kittson, Lake of the Woods, Marshall, Pennington, Polk, Red Lake, and Roseau Counties. The purpose of the Household Hazardous Waste Management Group is to cooperatively manage, handle, and transport household hazardous waste, provide public education on safe waste management, and provide for the disposition of non-recyclable household hazardous waste materials.

Control of the Northwest Minnesota Household Hazardous Waste Management Group is vested in the Northwest Minnesota Household Hazardous Waste Management Group Joint Powers Board which is composed of one county commissioner from each of the member counties, as provided in the Waste Management Group's bylaws.

Responsibility for budgeted expenditures is shared with the first 50% divided equally among the member counties and the remaining 50% divided on a population ratio basis. In the event of dissolution, the net position at the time shall be divided among the member counties in the same proportion as their respective financial responsibilities.

The Northwest Minnesota Household Hazardous Waste Management Group has no long-term debt. Beltrami County contributed \$18,847 to the Household Hazardous Waste Management Group for the year ended December 31, 2023. Clearwater County, in an agent capacity, reports the cash transactions of the Household Hazardous Waste Management Group as a custodial fund on its financial statements. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from either the:

Household Hazardous Waste Management Group  
PO Box 186  
Bagley, Minnesota 56621

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

C. Joint Ventures (Continued)

**Northwest Minnesota Six County Joint Powers Board**

The Northwest Minnesota Six County Joint Powers Board was formed in 1994 under the authority of the Joint Powers Act, pursuant to Minnesota Statutes §471.59, and includes Beltrami, Clearwater, Marshall, Pennington, Polk and Red Lake Counties. The purpose of the Joint Powers Board is to receive and expend funds for the purpose of beaver damage control.

The Northwest Minnesota Six County Joint Powers Board is composed of one representative appointed by each county board from the six counties. Each county also has one alternate appointed to the Board, and the board may choose to have non-voting advisory members on the Board. In the event of dissolution of the Northwest Minnesota Six County Joint Powers Board, the net position of the Northwest Minnesota Six County Joint Powers Board at that time shall be distributed to the respective member counties in proportion to the contribution of each.

The Northwest Minnesota Six County Joint Powers Board has no long-term debt. Financing is provided by grants from the State of Minnesota or from other lawful source specifically including contributions from the respective member counties. Beltrami County did not contribute to the Joint Powers Board for the year ended, December 31, 2023. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from:

Red Lake Watershed District  
PO Box 803  
Thief River Falls, Minnesota 56701

**Northwestern Counties Data Processing Security Association**

The Northwestern Counties Data Processing Security Association was formed in 1994 under the authority of the Joint Powers Act, pursuant to Minnesota Statutes §471.59, and includes Becker, Beltrami, Clay, Clearwater, Hubbard, Kittson, Lake of the Woods, Marshall, Pennington, Polk, Roseau, and Wadena Counties.

The purpose of the Northwestern Counties Data Processing Security Association is to provide a mechanism whereby the counties may cooperatively provide for a data processing disaster recovery plan and back-up system.

Control of the Northwestern Counties Data Processing Security Association is vested in the Northwestern Counties Data Processing Security Association Joint Powers Board which is composed of one county commissioner appointed by each member county board. In the event of dissolution, the net position at the time shall be distributed to the respective member counties in proportion to the contribution of each.

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

C. Joint Ventures (Continued)

**Northwestern Counties Data Processing Security Association (Continued)**

Beltrami County did not contribute to the Association for the year ended, December 31, 2023. There is no accumulation of significant financial resources or fiscal stress for this entity. Clearwater County, in a fiduciary capacity, reports the transactions of the Association as a custodial fund on its financial statements. Complete financial information can be obtained from:

Clearwater County Auditor  
213 Main Ave  
Bagley, Minnesota 56621

**Northwestern Minnesota Juvenile Center**

The Northwestern Minnesota Juvenile Center was formed under the authority of the Joint Powers Act, pursuant to Minnesota Statutes §471.59, effective August, 1971, and includes, Beltrami, Cass, Clearwater, Hubbard, Kittson, Lake of the Woods, Pennington, and Roseau Counties. The purpose of the Center is to provide rehabilitation and other services to juveniles under the jurisdiction of the court system. The offices of the Center are located in Bemidji with a number of satellite homes at various locations.

Control of the Northwestern Minnesota Juvenile Center is vested in the Northwestern Minnesota Juvenile Center Joint Powers Board which is composed of not less than seven or more than 15 members with at least one member appointed by each participating county, as provided in the Center's bylaws. At present, there are 13 directors: Beltrami, Cass, Hubbard, Pennington, and Roseau Counties have two directors each; the other member counties have one director each. In the event of dissolution, the net position at the time shall be divided among the member counties in the same proportion as their respective financial responsibilities.

Financing is provided by state and federal grants, charges for services, and appropriations from member counties. Beltrami County, in a fiduciary capacity, reports the cash transactions of the Northwestern Minnesota Juvenile Center as a custodial fund on its financial statements. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from:

Northwestern Minnesota Juvenile Center  
1230 5<sup>th</sup> St NW  
PO Box 247  
Bemidji, Minnesota 56619-0247

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

C. Joint Ventures (Continued)

**Northwest Regional Emergency Communications Board**

The Northwest Regional Emergency Communications Board was formed in June 2011, under the authority of the Joint Powers Act, pursuant to Minnesota Statutes §§ 471.59 and 403.29. The purpose of the Northwest Minnesota Regional Radio Board is to plan, implement, maintain, and operate regional and local improvements and enhancements to the Statewide Public Safety Radio and Communications System (ARMER) for the Northwest Minnesota ARMER Phase 3 Region of Development.

The Northwest Regional Emergency Communications Board consists of the City of Moorhead and the following counties: Becker, Beltrami, Clearwater, Clay, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau. The city and each county have one representative on the Board.

In the event of dissolution of the Northwest 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 or county that has withdrawn from the agreement prior to termination of the board shall share in the distribution of property, assets, and funds of the board only to the extent they shared in the original expense.

The Northwest Regional Emergency Communications Board has no long-term debt. Financing is provided by appropriations from member parties and by state and federal grants.

Beltrami County did not contribute to the Northwest Regional Emergency Communications Board for the year ended December 31, 2023. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from:

Headwaters Regional Development Commission  
PO Box 906  
Bemidji, Minnesota 56619

**Paul Bunyan Task Force**

The Paul Bunyan Task Force was established July 16, 1992, under the authority of the Joint Powers Act, pursuant to Minnesota Statutes §471.59, and includes Beltrami, Clearwater, Hubbard, Lake of the Woods, Mahnommen, Pennington, Red Lake, and Roseau Counties, and the Cities of Bemidji and Thief River Falls. The purpose of the Paul Bunyan Task Force is to assist member organizations in the investigation and prosecution of persons in violation of Minnesota Statutes.

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

C. Joint Ventures (Continued)

**Paul Bunyan Task Force (Continued)**

Control of the Paul Bunyan Task Force is established by a majority vote represented with one vote from each member organization. In the event of dissolution of the Paul Bunyan Task Force, the net position shall be liquidated to the member organizations based on the percentage of population of all member counties and cities.

The Paul Bunyan Task Force has no long-term debt. Beltrami County contributed \$3,500 to the Paul Bunyan Task Force for the year ended, December 31, 2023. Financing is provided by the profits from forfeitures and seizures pursuant to Minnesota Statutes §609.531 in addition to grants from the State of Minnesota. Beltrami County, in a fiduciary capacity, reports the cash transactions of the Paul Bunyan Task Force on its financial statements as a custodial fund. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from:

Beltrami County Auditor-Treasurer  
701 Minnesota Ave. NW Suite 220  
Bemidji, Minnesota 56601

**Pine Tree Park**

The Pine Tree Park Joint Powers Board was formed on November 18, 1997, under the authority of the Joint Powers Act, pursuant to Minnesota Statutes §471.59, and includes Beltrami County and the City of Blackduck. The purpose of the Pine Tree Park Joint Powers Board is to cooperatively plan and manage Pine Tree Park.

The Pine Tree Park Joint Powers Board consists of one Beltrami County Commissioner and three County employees, the Mayor of Blackduck and three City employees, and one member of the Pine Tree Park Advisory Committee.

Pine Tree Park has no long-term debt. Beltrami County contributes \$11,000 annually. Financing is also provided by appropriations from the members and other lawful sources. The City of Blackduck, in an agent capacity, reports the cash transactions of Pine Tree Park, on its financial statements. In the event of dissolution, the City of Blackduck shall retain ownership of the assets of Pine Tree Park. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from:

City of Blackduck  
PO Box 380  
Blackduck, Minnesota 56630-0380



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

C. Joint Ventures (Continued)

**Public Transit System**

The Public Transit System Joint Powers Board was formed between the City of Bemidji and Beltrami County pursuant to the authority conferred upon the parties by Minnesota Statutes §471.59 and Chapter 174 to promote efficient and economical delivery of public transit services to residents in the participating jurisdictions.

The Public Transit System Joint Powers Board consists of two members of the City Council, two members of the County Board and one lay member who is a resident of Beltrami County, is mutually appointed by the City Council and the County Board, and who shall serve as the Chairman of the Public Transit Board.

Financing is provided by appropriations from the two member bodies and other lawful sources such as the Minnesota Department of Transportation. Beltrami County did not contribute to the Public Transit system for the year ended December 31, 2023. There is no accumulation of significant financial resources or fiscal stress for this entity. The Joint Powers Board contracts with a vendor in providing public transportation and the Joint Powers Board does not own equipment or assets used in providing public transportation. A Public Transit Fund was established in the City accounts and treasury to account for financial transactions of the Joint Powers Board. There is no accumulation of significant financial resources or fiscal stress for this county. Complete financial information may be obtained from:

City of Bemidji  
317 4<sup>th</sup> Street NW  
Bemidji, Minnesota 56601

**Prime West Central County-Based Purchasing Initiative**

The Prime West Central County-Based Purchasing Initiative was established in December 1998 by a joint powers agreement between Beltrami County and thirteen other counties under the authority of Minnesota Statutes § 471.59. Four more counties joined in 2018. The purpose of this agreement is to plan and administer a multi-county, county-based purchasing program for medical assistance and general assistance medical care services and other health care programs as authorized by Minnesota Statutes § 256B.692.

Control of the Prime West Central County-Based Purchasing Initiative is vested in a Joint Powers Board. The board consists 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.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

C. Joint Ventures (Continued)

**Prime West Central County-Based Purchasing Initiative (Continued)**

In the event of termination of the joint powers agreement, all property purchased or owned pursuant to this agreement shall be sold and the proceeds, together with monies on hand, will be distributed to the current members based on their proportional share of each member's county-based purchasing-eligible population.

Financing is provided by medical assistance and general assistance medical care payments from the Minnesota Department of Human Services; initial start-up loans from the member counties; and by proportional contributions from member counties, if necessary, to cover operational costs. Beltrami County did not contribute any funds to the Prime West Central County-Based Purchasing Initiative during 2023. There is no accumulation of significant financial resources or fiscal stress for this entity.

Complete financial information can be obtained from:

Prime West Health System  
3905 Dakota St  
Alexandria, Minnesota 56308

D. Jointly-Governed Organizations

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

**Bemidji-Beltrami County Airport Commission**

The Bemidji-Beltrami County Airport Joint Powers Agreement was established in 1980 pursuant to Minnesota Statutes §360.042. The purpose of the agreement is to provide maintenance and operation of the Bemidji Municipal Airport.

Control of the Bemidji-Beltrami County Airport is vested with the Airport Commission, which consists of two members appointed by the City of Bemidji, two members appointed by Beltrami County, and one lay member appointed mutually by the City Council and the County Board, who shall also be the Chair of the Commission.

The Commission prepares the annual budget subject to approval by the Joint Powers Board. Pursuant to Minnesota Statutes §275.066 an Airport Authority was created in November 2008. The authority first began to levy property taxes in 2010. The levy is certified by the Airport Authority, spread on countrywide tax capacity, collected and paid to the Airport Authority. Complete financial statements can be obtained from:

Karen Weller, Executive Director  
3824 Moberg Dr #101  
Bemidji, Minnesota 56601  
218-444-2438

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

D. Jointly-Governed Organizations (Continued)

**Blackduck Emergency Medical Services**

The Blackduck Emergency Medical Services was formed under the authority of Minnesota Statutes §144F.01, effective August 2003, and includes Beltrami, Itasca, and Koochiching Counties, the City of Blackduck, and Hines Township. The purpose of the district is to provide for emergency medical services to the primary service area, with geographic boundaries designated by the Minnesota Emergency Medical Services Regulatory Board (EMSRB).

Control of the Blackduck Emergency Medical Services is vested with the Blackduck Emergency Medical Services Board, which consists of one member appointed by the county boards of Beltrami, Itasca, and Koochiching, one member appointed by the City of Blackduck, and one appointed from Hines Township.

The Blackduck Emergency Medical Services District has no long-term debt. Financing is provided by the Blackduck Emergency Medical Services Board's statutory authority to levy property taxes for the district, not to exceed a formula stipulated in Minnesota Statutes §144F.01. Use of the property tax levy is the responsibility of the Joint Powers Board. Upon creation of the district, the primary concern was for providing ambulance services in the rural district, done through contracting for service. Beltrami County, in an agent capacity, reports the cash transactions of the Blackduck Emergency Services Special Taxing District as a custodial fund on its financial statements. In 2023, as home county, Beltrami County calculated the tax rate for a total levy of \$340,000, spread to properties in the three counties containing the EMS boundaries. Complete financial information can be obtained from:

Beltrami County Auditor-Treasurer  
701 Minnesota Ave. NW Suite 220  
Bemidji, Minnesota 56601-3054

**Kitchigami Regional Library**

The Kitchigami Regional Library was formed pursuant to Minnesota Statutes §§ 134.11, 134.12, and 134.13, effective January 1, 1992, and includes Beltrami, Cass, Crow Wing, Hubbard, and Wadena Counties and nine cities. Control of the Library is vested in the Kitchigami Regional Library Board which is composed of 19 members with three-year terms made up of the following: one member appointed by each city council and two members appointed by each county board consisting of one county commissioner and one lay person. Beltrami County appropriated and contributed \$420,889 to the Library for the year ended December 31, 2023.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

D. Jointly-Governed Organizations (Continued)

**Minnesota Counties Computer Consortium**

The Minnesota Counties Computer Consortium was formed in 1979 pursuant to Minnesota Statutes §471.59 and includes 24 counties. Control of the Consortium is vested in the Joint Data Processing Board which is composed of one representative and one alternate appointed by each member county. The County's responsibility does not extend beyond making this appointment.

**Red Lake Watershed District**

The Red Lake Watershed District was formed pursuant to Minnesota Statutes §103D.201, effective January 25, 1969, and includes land within Beltrami, Clearwater, Itasca, Koochiching, Mahnomon, Marshall, Pennington, Red Lake, and Roseau Counties. Control of the District is vested in the Red Lake Watershed District Board of Managers which is composed of seven members having staggered terms of three years each, with two appointed by Polk County Board and one each appointed by the county boards of Beltrami, Clearwater, Marshall, Pennington, and Red Lake. Beltrami County's responsibility does not extend beyond making this appointment.

**Roseau River Watershed District**

The Roseau River Watershed District was formed pursuant to Minnesota Statutes §103D.201, effective June 17, 1963, and includes land within Beltrami, Kittson, Lake of the Woods, Marshall, and Roseau Counties. The purpose of the District is to conserve natural resources of the state by land use planning, flood control, and other conservation projects by using 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 Roseau River Watershed District Board of Managers which is composed of five members having staggered terms of three years each, with four appointed by Roseau County Board and one appointed by the Kittson County Board.

**Saint Paul Port Authority**

The Saint Paul Port Authority was established in January 2016 pursuant of Minnesota State Statutes §216C.435 and §216C.436 between the Port Authority of the City of Saint Paul and Beltrami County. The Port Authority has created a program under the Act known as Property Assessed Clean Energy Program (PACE OF MN) for the purpose of implementing and administering the activities described in the Act. The control of the Port Authority is vested in the Saint Paul Port Authority which is composed of seven board members who are appointed by the Mayor of the City of Saint Paul in six-year terms. Beltrami County appropriated \$8,148 to the Port Authority for the year ended December 31, 2023.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 9 SUBSEQUENT EVENT**

On February 20, 2024, the County Board approved the issuance of \$39,870,000 in General Obligation Jail Bonds, Series 2024A. These bonds will be used to construct a new jail for Beltrami County. The County may use property taxes to pay the debt service obligations, however the County intends to use the future collections of its recently authorized 0.625% Local Option Sales Tax (LOST) to repay 100% of the Bond principal and interest. The bonds were issued under Minnesota Statutes 475 and 641. The bonds are payable in years 2025 through 2049.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**

**BEMIDJI, MINNESOTA  
SCHEDULE OF THE COUNTY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY (ASSET)  
LAST TEN FISCAL YEARS**

Measurement Date June 30,	County's Proportion of the Net Pension Liability (Asset)	County's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability and the State's Share of the Net Pension Liability (Asset)	County's Covered Employee Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>General Employee Retirement Fund</b>							
2015	0.2308%	\$ 11,961,254	\$ -	\$ 11,961,254	\$ 13,566,459	88.17%	78.20%
2016	0.2310%	18,756,054	244,943	19,000,997	14,333,454	130.86%	68.90%
2017	0.2408%	15,372,513	193,293	15,565,806	15,512,608	99.10%	75.90%
2018	0.2411%	13,375,239	438,717	13,813,956	16,206,517	82.53%	79.53%
2019	0.2436%	13,468,098	418,648	13,886,746	17,242,942	78.11%	80.23%
2020	0.2466%	14,784,797	455,903	15,240,700	17,584,793	84.08%	79.06%
2021	0.2584%	11,034,838	336,992	11,371,830	18,603,060	59.32%	87.00%
2022	0.2637%	20,885,127	612,445	21,497,572	19,643,013	106.32%	76.67%
2023	0.2610%	14,594,828	402,336	14,997,164	20,700,606	70.50%	83.10%
<b>Public Employees Police and Fire Fund</b>							
2015	0.2460%	\$ 2,795,136	\$ -	\$ 2,795,136	\$ 2,254,331	123.99%	86.60%
2016	0.2450%	9,832,276	-	9,832,276	2,364,946	415.75%	63.90%
2017	0.2510%	3,388,799	-	3,388,799	2,574,639	131.62%	85.40%
2018	0.2566%	2,735,092	-	2,735,092	2,704,319	101.14%	88.84%
2019	0.2454%	2,709,410	-	2,709,410	2,687,349	100.82%	89.26%
2020	0.2598%	3,424,442	24,818	3,449,260	2,930,842	116.84%	87.19%
2021	0.2654%	2,048,607	92,122	2,140,729	3,136,871	65.31%	93.66%
2022	0.2719%	11,832,014	516,928	12,348,942	3,167,083	373.59%	70.53%
2023	0.2466%	4,258,461	171,578	4,430,039	3,238,833	131.48%	86.50%
<b>Public Employees Correctional Fund</b>							
2015	0.8200%	\$ 126,772	\$ -	\$ 126,772	\$ 1,466,207	8.65%	96.90%
2016	0.8300%	3,032,106	-	3,032,106	1,571,895	192.89%	58.20%
2017	0.7800%	223,008	-	2,223,008	1,565,244	14.25%	67.90%
2018	0.8342%	137,201	-	137,201	1,703,666	8.05%	97.64%
2019	0.8460%	117,129	-	117,129	1,804,445	6.49%	98.17%
2020	0.8700%	236,120	-	236,120	1,893,455	12.47%	96.67%
2021	0.9140%	(150,086)	-	(150,086)	2,020,066	(7.43)%	101.61%
2022	0.9050%	3,009,217	-	3,009,217	2,116,307	142.19%	74.58%
2023	0.9310%	420,904	-	420,904	2,183,228	19.28%	95.90%

**NOTE:** This schedule is intended to show information for ten years. Amounts prior to the measurement date of June 30, 2015 are not available. Additional years will be displayed as they become available.

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF THE COUNTY CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>General Employee Retirement Fund</b>					
2014	\$ 958,671	\$ 958,671	\$ -	\$ 13,221,929	7.25%
2015	1,043,471	1,043,471	-	13,913,015	7.50%
2016	1,115,092	1,115,092	-	14,867,915	7.50%
2017	1,191,651	1,191,651	-	15,888,691	7.50%
2018	1,261,420	1,261,420	-	16,818,939	7.50%
2019	1,295,792	1,295,792	-	17,277,235	7.50%
2020	1,415,367	1,415,367	-	18,871,571	7.50%
2021	1,411,847	1,411,847	-	18,824,637	7.50%
2022	1,473,226	1,473,226	-	19,643,013	7.50%
2023	1,612,800	1,612,800	-	21,504,000	7.50%
<b>Public Employees Police and Fire Fund</b>					
2014	\$ 336,330	\$ 336,330	\$ -	\$ 2,197,697	15.30%
2015	372,553	372,553	-	2,299,714	16.20%
2016	398,799	398,799	-	2,461,725	16.20%
2017	434,030	434,030	-	2,679,196	16.20%
2018	440,958	440,958	-	2,721,963	16.20%
2019	462,258	462,258	-	2,727,188	16.95%
2020	563,146	563,146	-	3,181,612	17.70%
2021	567,479	567,479	-	3,206,095	17.70%
2022	560,574	560,574	-	3,167,083	17.70%
2023	598,749	598,749	-	3,382,763	17.70%
<b>Public Employees Correctional Fund</b>					
2014	\$ 126,591	\$ 126,591	\$ -	\$ 1,466,754	8.63%
2015	132,765	132,765	-	1,517,307	8.75%
2016	138,631	138,631	-	1,584,352	8.75%
2017	144,035	144,035	-	1,646,107	8.75%
2018	152,294	152,294	-	1,740,500	8.75%
2019	162,724	162,724	-	1,859,698	8.75%
2020	178,192	178,192	-	2,036,448	8.75%
2021	166,921	166,921	-	1,907,663	8.75%
2022	185,177	185,177	-	2,116,307	8.75%
2023	196,805	196,805	-	2,249,200	8.75%

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



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY,  
RELATED RATIOS, AND NOTES  
LAST TEN FISCAL YEARS**

	Measurement Date - January 1,					
	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service Cost	\$ 168,867	\$ 224,436	\$ 233,204	\$ 196,556	\$ 166,815	\$ 175,698
Interest Cost	58,546	63,609	84,932	97,727	83,325	80,187
Changes of Assumptions	(325,197)	(15,866)	151,141	104,457	(73,752)	-
Difference in Expected and Actual Experience	-	(243,039)	-	100,764	-	-
Benefit Payments	(232,308)	(221,181)	(196,023)	(162,280)	(156,725)	(147,160)
<b>Net Change in Total OPEB Liability</b>	<b>(330,092)</b>	<b>(192,041)</b>	<b>273,254</b>	<b>337,224</b>	<b>19,663</b>	<b>108,725</b>
Total OPEB Liability - Beginning	2,874,020	3,066,061	2,792,807	2,455,583	2,435,920	2,327,195
<b>Total OPEB Liability - Ending</b>	<b>\$ 2,543,928</b>	<b>\$ 2,874,020</b>	<b>\$ 3,066,061</b>	<b>\$ 2,792,807</b>	<b>\$ 2,455,583</b>	<b>\$ 2,435,920</b>
Covered-employee Payroll	\$ 21,339,820	\$ 20,718,272	\$ 19,763,973	\$ 19,188,323	\$ 18,777,715	\$ 18,230,791
County's OPEB Liability as a Percentage of Covered Payroll	11.92%	13.87%	15.51%	14.55%	13.08%	13.36%

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

**Note 2:** No assets are accumulated in a trust.

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 17,137,471	\$ 17,137,471	\$ 17,411,018	\$ 273,547
Licenses and permits	224,775	224,775	284,296	59,521
Intergovernmental	7,292,342	7,292,342	15,166,000	7,873,658
Charges for services	3,153,971	3,153,971	3,263,386	109,415
Fines and forfeits	75,650	75,650	80,165	4,515
Gifts and contributions	6,700	6,700	215,620	208,920
Investment earnings (loss)	237,630	237,630	1,723,174	1,485,544
Miscellaneous	1,497,833	1,497,833	1,302,577	(195,256)
<b>Total revenues</b>	<b>29,626,372</b>	<b>29,626,372</b>	<b>39,446,236</b>	<b>9,819,864</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Commissioners	372,939	372,939	312,232	60,707
Courts	1,525	1,525	1,023	502
Courts service	38,000	38,000	66,880	(28,880)
Public defender	289,800	289,800	280,742	9,058
Court reporter	94,200	94,200	59,193	35,007
County administration	304,072	304,072	373,217	(69,145)
County auditor-treasurer	4,072,573	4,072,573	5,980,649	(1,908,076)
License bureau	616,125	616,125	628,451	(12,326)
GIS	412,732	412,732	363,990	48,742
County assessor	785,986	785,986	768,205	17,781
Elections	183,756	183,756	316,030	(132,274)
Central service and supply	1,641,000	1,641,000	1,441,519	199,481
Safety	8,100	8,100	6,777	1,323
Auditing	75,600	75,600	101,492	(25,892)
Information systems	1,388,001	1,388,001	1,295,021	92,980
Risk	850,505	850,505	819,154	31,351
Human resources	377,541	377,541	415,181	(37,640)
Wellness center	13,640	13,640	14,740	(1,100)
Attorney	1,889,044	1,889,044	1,915,028	(25,984)
Recorder	292,138	292,138	308,572	(16,434)
Environmental services	972,979	972,979	955,894	17,085
Maintenance	2,363,397	2,363,397	2,112,563	250,834
Veterans service	192,775	192,775	184,886	7,889
<b>Total general government</b>	<b>17,236,428</b>	<b>17,236,428</b>	<b>18,721,439</b>	<b>(1,485,011)</b>

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
<b>Current (continued)</b>				
<b>Public safety</b>				
Sheriff	\$ 5,536,383	\$ 5,536,383	\$ 6,675,516	\$ (1,139,133)
Boat and water safety	149,405	149,405	74,671	74,734
E-911 system	247,461	247,461	17,049	230,412
Emergency services	1,607,503	1,607,503	1,491,247	116,256
Coroner	105,000	105,000	101,013	3,987
County jail	5,453,309	5,843,309	5,897,355	(54,046)
County jail canteen	102,600	102,600	30,050	72,550
Law enforcement center	480,746	480,746	461,853	18,893
Victim assistance	88,308	88,308	82,729	5,579
Civil defense	120,271	120,271	111,827	8,444
Probation and parole	524,689	524,689	631,119	(106,430)
Bailiff	1,036,468	1,036,468	997,423	39,045
<b>Total public safety</b>	<b>15,452,143</b>	<b>15,842,143</b>	<b>16,571,852</b>	<b>(729,709)</b>
<b>Culture and recreation</b>				
Parks	300,000	300,000	531,089	(231,089)
Regional library	420,889	420,889	420,889	-
Other	138,882	138,882	119,504	19,378
<b>Total culture and recreation</b>	<b>859,771</b>	<b>859,771</b>	<b>1,071,482</b>	<b>(211,711)</b>
<b>Capital Outlay</b>				
General Government	-	-	142,348	(142,348)
<b>Debt service</b>				
Principal	17,000	17,000	137,994	(120,994)
Interest	3,000	3,000	9,704	(6,704)
<b>Total debt service</b>	<b>20,000</b>	<b>20,000</b>	<b>147,698</b>	<b>(127,698)</b>
<b>Total expenditures</b>	<b>33,568,342</b>	<b>33,958,342</b>	<b>36,654,819</b>	<b>(2,696,477)</b>
<b>Excess of revenues over (under) expenditures</b>				
	<b>(3,941,970)</b>	<b>(4,331,970)</b>	<b>2,791,417</b>	<b>7,123,387</b>
<b>Other financing sources (uses)</b>				
Transfers in	285,912	285,912	395,324	109,412
Transfers out	-	-	(804,406)	(804,406)
Proceeds from sale of assets	-	-	47,801	47,801
Proceeds from subscription liability	-	-	142,348	142,348
Compensation for loss of assets	20,000	20,000	43,915	23,915
<b>Total other financing sources (uses)</b>	<b>305,912</b>	<b>305,912</b>	<b>(175,018)</b>	<b>(480,930)</b>
<b>Net change in fund balance</b>	<b>\$ (3,636,058)</b>	<b>\$ (4,026,058)</b>	<b>2,616,399</b>	<b>\$ 6,642,457</b>
Fund balance - beginning of year			<u>33,628,258</u>	
<b>Fund balance - end of year</b>			<u>\$ 36,244,657</u>	

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
ROAD AND BRIDGE SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 7,526,761	\$ 7,526,761	\$ 7,577,074	\$ 50,313
Special assessments	205,000	205,000	207,216	2,216
Licenses and permits	30,000	30,000	15,550	(14,450)
Intergovernmental	14,563,000	14,563,000	12,970,190	(1,592,810)
Charges for services	851,750	851,750	833,925	(17,825)
Total revenues	23,176,511	23,176,511	21,603,955	(1,572,556)
<b>Expenditures</b>				
<b>Current</b>				
<b>Public safety</b>				
E-911 system	213,000	213,000	140,428	72,572
<b>Highways and streets</b>				
Administration	3,885,798	3,885,798	3,683,460	202,338
Engineering	13,490,500	13,490,500	16,501,736	(3,011,236)
Maintenance	2,279,000	2,279,000	2,663,794	(384,794)
Equipment and maintenance shops	3,459,270	3,459,270	2,719,002	740,268
Total highways and streets	23,114,568	23,114,568	25,567,992	(2,453,424)
<b>Debt service</b>				
Principal	29,000	29,000	29,663	(663)
Interest	6,000	6,000	5,354	646
Total debt service	35,000	35,000	35,017	(17)
Total expenditures	23,362,568	23,362,568	25,743,437	(2,380,869)
<b>Excess of revenues over (under) expenditures</b>	(186,057)	(186,057)	(4,139,482)	(3,953,425)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	126,325	126,325
Transfers out	-	-	(74,567)	(74,567)
Proceeds from sale of assets	-	-	13,631	13,631
Compensation for loss of capital assets	-	-	22,916	22,916
Total other financing sources (uses)	-	-	88,305	88,305
<b>Net change in fund balance</b>	<b>\$ (186,057)</b>	<b>\$ (186,057)</b>	<b>(4,051,177)</b>	<b>\$ (3,865,120)</b>
Fund balance - beginning of year			11,125,070	
<b>Fund balance - end of year</b>			<b>\$ 7,073,893</b>	

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 8,187,531	\$ 8,187,531	\$ 8,148,129	\$ (39,402)
Intergovernmental	20,153,722	20,153,722	21,286,549	1,132,827
Charges for services	2,321,302	2,321,302	2,245,202	(76,100)
Miscellaneous	422,350	422,350	863,691	441,341
Total revenues	<u>31,084,905</u>	<u>31,084,905</u>	<u>32,543,571</u>	<u>1,458,666</u>
<b>Expenditures</b>				
<b>Current</b>				
<b>Human services</b>				
Income maintenance	9,036,500	9,036,500	8,624,213	412,287
Social services	21,096,260	21,096,260	23,079,785	(1,983,525)
Total human services	<u>30,132,760</u>	<u>30,132,760</u>	<u>31,703,998</u>	<u>(1,571,238)</u>
<b>Health</b>				
Nursing service	1,830,196	1,830,196	1,706,057	124,139
<b>Debt service</b>				
Principal	-	-	22,782	(22,782)
Interest	-	-	1,648	(1,648)
Total debt service	<u>-</u>	<u>-</u>	<u>24,430</u>	<u>(24,430)</u>
Total expenditures	<u>31,962,956</u>	<u>31,962,956</u>	<u>33,434,485</u>	<u>(1,471,529)</u>
<b>Excess of revenues over expenditures</b>	<u>(878,051)</u>	<u>(878,051)</u>	<u>(890,914)</u>	<u>(12,863)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	616,160	616,160
Proceeds from lease	-	-	60,539	60,539
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>676,699</u>	<u>676,699</u>
<b>Change in Fund Balance</b>	<u>\$ (878,051)</u>	<u>\$ (878,051)</u>	<u>(214,215)</u>	<u>\$ 663,836</u>
Fund balance - beginning of year			1,969,211	
<b>Fund balance - end of year</b>			<u>\$ 1,754,996</u>	

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
FORFEITED TAX SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 290,000	\$ 290,000	\$ 370,836	\$ 80,836
Intergovernmental	156,600	156,600	302,650	146,050
Charges for services	1,176,400	1,176,400	1,734,596	558,196
Gifts and contributions	2,000	2,000	88,097	86,097
Interest on investments	500	500	-	(500)
Miscellaneous	500	500	4,174	3,674
<b>Total revenues</b>	<b>1,626,000</b>	<b>1,626,000</b>	<b>2,500,353</b>	<b>874,353</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Culture and recreation</b>				
Parks	178,149	178,149	355,664	(177,515)
<b>Conservation of natural resources</b>				
Land use	1,677,193	1,677,193	1,789,061	(111,868)
<b>Total expenditures</b>	<b>1,855,342</b>	<b>1,855,342</b>	<b>2,144,725</b>	<b>(289,383)</b>
<b>Excess of revenues over (under) Expenditures</b>	<b>(229,342)</b>	<b>(229,342)</b>	<b>355,628</b>	<b>584,970</b>
<b>Other financing sources (uses)</b>				
Transfers out	(50,000)	(50,000)	(174,129)	(124,129)
Proceeds from sale of assets	-	-	8,024	8,024
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(166,105)</b>	<b>(116,105)</b>
<b>Net change in fund balance</b>	<b>\$ (279,342)</b>	<b>\$ (279,342)</b>	<b>189,523</b>	<b>\$ 468,865</b>
Fund balance - beginning of year			1,723,486	
<b>Fund balance - end of year</b>			<b>\$ 1,913,009</b>	

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
SOLID WASTE SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special assessments	\$ 2,850,000	\$ 2,850,000	\$ 3,348,898	\$ 498,898
Licenses and permits	700	700	1,835	1,135
Intergovernmental	135,883	135,883	211,643	75,760
Charges for services	2,116,000	2,116,000	2,738,426	622,426
Miscellaneous	<u>577,684</u>	<u>577,684</u>	<u>650,168</u>	<u>72,484</u>
Total revenues	5,680,267	5,680,267	6,950,970	1,270,703
<b>Expenditures</b>				
<b>Current</b>				
<b>Sanitation</b>				
Solid waste	<u>5,825,102</u>	<u>5,853,102</u>	<u>5,750,897</u>	<u>102,205</u>
<b>Excess of revenues over (under) expenditures</b>	(144,835)	(172,835)	1,200,073	1,372,908
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	61,921	61,921
Transfers out	(278,063)	(278,063)	(278,445)	(382)
Proceeds from sale of assets	-	-	56,163	56,163
Compensation for loss of capital assets	<u>-</u>	<u>-</u>	<u>5,332</u>	<u>5,332</u>
Total other financing Sources (uses)	<u>(278,063)</u>	<u>(278,063)</u>	<u>(155,029)</u>	<u>123,034</u>
<b>Net change in fund balance</b>	<u>\$ (422,898)</u>	<u>\$ (450,898)</u>	1,045,044	<u>\$ 1,495,942</u>
Fund balance - beginning of year			<u>1,378,050</u>	
<b>Fund balance - end of year</b>			<u>\$ 2,423,094</u>	

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 1 BUDGETARY INFORMATION**

The County Board adopts an annual budget for the following major funds: The General Fund, Road and Bridge Special Revenue Fund, Health and Human Services Special Revenue Fund, Forfeited Tax Special Revenue Fund, and Solid Waste Special Revenue Fund. These budgets are prepared on the modified accrual basis of accounting. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

Based on a process established by the County Board, all departments of the County submit requests for appropriations to the County Administrator each year. After review, analysis and discussions with the departments, the County Administrator's proposed budget is presented to the County Board for review. The County Board holds public hearings and a final budget must be prepared and adopted no later than December 31.

The overall budget is prepared by fund, function, and department. The legal level of budgetary control – the level at which expenditures may not legally exceed appropriations – is the fund level. Budgets may be amended during the year with proper approval.

Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the assignments will be re-apportioned and honored during the subsequent year.

**NOTE 2 EXCESS OF EXPENDITURES OVER BUDGET**

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

Fund	Actual	Budget	Excess
General	\$ 36,654,819	\$ 33,958,342	\$ 2,696,477
Health and Human Services	33,434,485	31,962,956	1,471,529
Road and Bridge	25,743,437	23,362,568	2,380,869
Forfeited Tax	2,144,725	1,855,342	289,383

The excess of expenditures over budgets were primarily funded by greater than anticipated revenues.



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 3 OTHER POSTEMPLOYMENT BENEFITS**

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

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

**2023**

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.

**2022**

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

**2021**

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

**2020**

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

**2019**

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

**2018**

- The discount rate changed from 3.50% to 3.30%

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

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

A. General Employees Fund

2023

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of 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.
- A one-time non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2021

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

A. General Employees Fund (Continued)

2020

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%.
- The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019

Changes in Actuarial Assumptions

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

A. General Employees Fund (Continued)

2019 (Continued)

Changes in Plan Provisions

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

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2017

Changes in Actuarial Assumptions

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

A. General Employees Fund (Continued)

2017 (Continued)

Changes in Plan Provisions

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

2016

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

B. Police and Fire Fund

2023

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.50% to 7.00%..
- The single discount rate changed from 65.40% to 7.00%.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

C. Police and Fire Fund (Continued)

2023 (Continued)

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time non-compounding benefit increase of 3.0% 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.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5% to 5.4%.

Changes in Plan Provisions

There have been no changes since the prior valuation.

2021

Changes in Actuarial Assumptions

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

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

B. Police and Fire Fund (Continued)

2021(Continued)

Changes in Actuarial Assumptions (Continued)

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

Changes in Plan Provisions

There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

There have been no changes since the prior valuation

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

B. Police and Fire Fund (Continued)

2018 (Continued)

Changes in Plan Provisions (Continued)

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

2017

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% % per annum.

Changes in Plan Provisions

There have been no changes since the prior valuation.



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

B. Police and Fire Fund (Continued)

2016

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

C. Correctional Fund

2023

Changes in Actuarial Assumptions

- The investment return rate was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.42% to 7.00%

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5%. The maximum increase is 1.5% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

C. Correctional Fund (Continued)

2022

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.42%.
- The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054 and 1.50% per annum thereafter.

Changes in Plan Provisions

There have been no changes since the prior valuation.

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- 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 MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85 percent to 75 percent.
- Minor changes to form of payment assumptions were applied.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

C. Correctional Fund (Continued)

2021 (Continued)

Changes in Plan Provisions

There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.50% per year with a provision to reduce to 1.00% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 2.50%, beginning January 1, 2019. If the funding status declines to 85.00% for two consecutive years or 80.00% for one year, the maximum increase will be lowered to 1.50%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 4 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

C. Correctional Fund (Continued)

2017

Changes in Actuarial Assumptions:

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016, and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The combined service annuity (CSA) load was 30.00% for vested and non-vested, deferred members. The CSA has been changed to 35.00% for vested members and 1.00% for non-vested members.
- The single discount rate was changed from 5.31% per annum to 5.96% per annum.

Changes in Plan Provisions:

There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions:

There have been no changes since the prior valuation.

Changes in Plan Provisions:

There have been no changes since the prior valuation.

## **SUPPLEMENTARY INFORMATION**

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
DESCRIPTIONS OF FUNDS  
DECEMBER 31, 2023**

**NONMAJOR SPECIAL REVENUE FUNDS**

The Ditch Special Revenue Fund is used to account for the construction, repair, and maintenance of the various ditches within the County.

The Technology Special Revenue Fund is used to account for the financial transaction of the County for computer-related activities.

The Unorganized Townships Special Revenue Fund is used to account for the activities of the eight unorganized townships in the County.

The Consolidated Conservation Special Revenue Fund is used to account for the promotion of tourism, agriculture, industrial development, and natural resource rehabilitation and development.

The Law Library Special Revenue Fund is used to account for the activities of the County's law library that is associated with the courts system.

The Development Special Revenue Fund is used to account for the promotion of tourism, agriculture, and industrial development, not to exceed five dollars per capita per year. Financing is provided by an apportionment of proceeds from tax-forfeited land.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
DESCRIPTIONS OF FUNDS (CONTINUED)  
DECEMBER 31, 2023**

**CUSTODIAL FUNDS**

The Beltrami County Soil and Water Conservation District (SWCD) Custodial Fund is an entity established by *Minnesota Statute* to provide conservation services to private and public lands. The SWCD is governed by a board that is elected during the State General Elections, representing four geographic districts of Beltrami County. The fifth board member is appointed by the Red Lake Tribal government. On July 1, 2010, Beltrami County absorbed the management of the SWCD through the Environmental Services Department. All finances of the SWCD are now managed by Beltrami County.

The Bemidji Regional Airport Custodial Fund is used to account for the tax levy collections and payments of the Bemidji-Beltrami Airport Commission. See Note 8.C for details on this entity.

The Development District Custodial Fund is used to account for the collection and payment of the funds due to the City of Bemidji for tax increment financing.

The Emergency Services District Custodial Fund is used to account for the collections and payments of the Emergency Services District.

The Headwaters Regional Development Commission Custodial Fund is used to account for the collection and payment of taxes due to the Headwaters Regional Development Commission.

The Jail Custodial Fund is used to account for the receipts and disbursements of the County's inmates.

The Medical Assistance Estate Recoveries is used to account for the collection and payment of the state's share of medical assistance estate recoveries.

The Northwestern Minnesota Juvenile Center Custodial Fund is used to account for the receipts and disbursements of the Northwestern Minnesota Juvenile Center.

The Other Custodial Fund is used to account for the collections and payments of employee medical and daycare reimbursement programs that is fully funded from employee contributions.

The Paul Bunyan Task Force Custodial Fund is used to account for the receipts and disbursements of the Paul Bunyan Drug Task Force.

The Red Lake Watershed District Custodial Fund is used to account for the collection and payment of taxes due to the Red Lake Watershed District.

The Roseau River Watershed District Custodial Fund is used to account for the collection and payment of taxes due to the Roseau River Watershed District.

The School Districts Custodial Fund is used to account for the collection and payment of funds due to school districts.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
DESCRIPTIONS OF FUNDS (CONTINUED)  
DECEMBER 31, 2023**

**CUSTODIAL FUNDS (CONTINUED)**

The State Revenue Custodial Fund is used to account for the state's share of the severed mineral tax and assurance collections and payments to the State of Minnesota.

The Townships and Cities Custodial Fund is used to account for the collection and payment of taxes and penalties to the various taxing districts.



**BELTRAMI COUNTY**  
**BEMIDJI, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

	Special Revenue Funds		
	Ditch	Technology	Unorganized Townships
<b><u>Assets</u></b>			
Cash and pooled investments	\$ 509,096	\$ 308,401	\$ 269,267
Taxes receivable			
Delinquent	2,358	-	-
Loans receivable	-	-	-
Due from other governments	15,976	-	6,000
	\$ 527,430	\$ 308,401	\$ 275,267
Total assets	\$ 527,430	\$ 308,401	\$ 275,267
<b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b>			
Liabilities			
Accounts payable	\$ -	\$ 795	\$ 107
Salaries payable	-	-	-
Due to other funds	675	-	-
Due to other governments	17,148	-	-
	17,823	795	107
Total liabilities	17,823	795	107
Deferred inflows of resources			
Unavailable taxes and special assessments	2,102	-	-
Unavailable grants	-	-	6,000
Other unavailable revenue	-	-	-
	2,102	-	6,000
Total deferred inflows of resources	2,102	-	6,000
Fund balances			
Restricted for			
Economic development	-	-	-
Law library	-	-	-
Consolidated conservation	-	-	-
Committed to			
Ditch repairs	507,505	-	-
Technology updates	-	307,606	-
Unorganized townships	-	-	269,160
	507,505	307,606	269,160
Total fund balances	507,505	307,606	269,160
Total liabilities, deferred inflows of resources, and fund balances	\$ 527,430	\$ 308,401	\$ 275,267

<u>Consolidated Conservation</u>	<u>Law Library</u>	<u>Development</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,064,957	\$ 41,652	\$ 74,936	\$ 2,268,309
-	-	-	2,358
32,044	-	166,667	198,711
-	2,840	-	24,816
<u>\$ 1,097,001</u>	<u>\$ 44,492</u>	<u>\$ 241,603</u>	<u>\$ 2,494,194</u>
\$ 10,316	\$ 4,779	\$ 1,429	\$ 17,426
-	153	-	153
-	-	-	675
13,000	-	-	30,148
23,316	4,932	1,429	48,402
-	-	-	2,102
-	-	-	6,000
-	-	166,667	166,667
-	-	166,667	174,769
-	-	73,507	73,507
-	39,560	-	39,560
1,073,685	-	-	1,073,685
-	-	-	507,505
-	-	-	307,606
-	-	-	269,160
1,073,685	39,560	73,507	2,271,023
<u>\$ 1,097,001</u>	<u>\$ 44,492</u>	<u>\$ 241,603</u>	<u>\$ 2,494,194</u>

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	<b>Special Revenue Funds</b>		
	<b>Ditch</b>	<b>Technology</b>	<b>Unorganized Townships</b>
<b>Revenues</b>			
Taxes	\$ -	\$ 95,000	\$ 54,971
Special assessments	34,608	-	-
Licenses and permits	-	-	38
Intergovernmental	87,047	-	12,823
Charges for services	-	17,350	-
Fines and forfeits	-	-	-
Miscellaneous	-	-	22,688
	<hr/>	<hr/>	<hr/>
Total revenues	121,655	112,350	90,520
<b>Expenditures</b>			
<b>Current</b>			
General government	-	70,297	-
Public safety	-	-	6,554
Highways and streets	-	-	45,916
Conservation of natural resources	241,062	-	-
Economic development	-	-	-
<b>Debt service</b>			
Principal	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	241,062	70,297	52,470
	<hr/>	<hr/>	<hr/>
<b>Excess of revenues over (under) expenditures</b>	(119,407)	42,053	38,050
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses)</b>			
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net change in fund balance</b>	(119,407)	42,053	38,050
	<hr/>	<hr/>	<hr/>
Fund balance - beginning of year	626,912	265,553	231,110
	<hr/>	<hr/>	<hr/>
<b>Fund balance - end of year</b>	<u>\$ 507,505</u>	<u>\$ 307,606</u>	<u>\$ 269,160</u>

<u>Consolidated Conservation</u>	<u>Law Library</u>	<u>Development</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 149,971
-	-	-	34,608
-	-	-	38
377,595	-	-	477,465
-	-	65,340	82,690
-	39,944	-	39,944
1,797	-	13,333	37,818
<u>379,392</u>	<u>39,944</u>	<u>78,673</u>	<u>822,534</u>
-	22,243	-	92,540
-	-	-	6,554
-	-	-	45,916
-	-	-	241,062
160,427	-	117,755	278,182
-	-	8,000	8,000
<u>160,427</u>	<u>22,243</u>	<u>125,755</u>	<u>672,254</u>
<u>218,965</u>	<u>17,701</u>	<u>(47,082)</u>	<u>150,280</u>
<u>(146,628)</u>	<u>-</u>	<u>-</u>	<u>(146,628)</u>
72,337	17,701	(47,082)	3,652
<u>1,001,348</u>	<u>21,859</u>	<u>120,589</u>	<u>2,267,371</u>
<u>\$ 1,073,685</u>	<u>\$ 39,560</u>	<u>\$ 73,507</u>	<u>\$ 2,271,023</u>

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

	<u>Beltrami County Soil &amp; Water Conservation District</u>	<u>Bemidji Regional Airport</u>	<u>Development District</u>
<b>ASSETS</b>			
Cash and pooled investments	\$ 1,341,169	\$ 8,496	\$ 8
Taxes receivable	-	-	-
Accounts receivable	-	-	-
Due from other governments	98,551	-	-
Interest receivable	-	-	-
Depreciable capital assets (net)	103,951	-	-
Total assets	<u>1,543,671</u>	<u>8,496</u>	<u>8</u>
<b>LIABILITIES</b>			
Accounts payable	13,919	-	-
Due to other governments	26,559	8,496	8
Total liabilities	<u>40,478</u>	<u>8,496</u>	<u>8</u>
<b>NET POSITION</b>			
Restricted for:			
Individuals, organizations, and other governments	1,503,193	-	-
Total net position	<u>\$ 1,503,193</u>	<u>\$ -</u>	<u>\$ -</u>

**Custodial Funds**

<u>Emergency Services District</u>	<u>Headwaters Regional Development Commission</u>	<u>Jail Custodial Fund</u>	<u>Medical Assistance Estate Recoveries</u>	<u>Northwest Minnesota Juvenile Center</u>	<u>Other Custodial</u>	<u>Paul Bunyan Task Force</u>
\$ 76,067	\$ 3,955	\$ 28,347	\$ 84,361	\$ 1,199,352	\$ 82,290	\$ 592,532
4,273	-	-	-	-	-	-
-	-	-	-	409	-	-
-	-	-	-	574,776	-	140,898
-	-	-	-	10,476	-	-
-	-	-	-	-	-	-
<u>80,340</u>	<u>3,955</u>	<u>28,347</u>	<u>84,361</u>	<u>1,785,013</u>	<u>82,290</u>	<u>733,430</u>
-	-	-	-	138,509	34,325	1,529
-	3,955	-	84,361	3,571	-	57,151
<u>-</u>	<u>3,955</u>	<u>-</u>	<u>84,361</u>	<u>142,080</u>	<u>34,325</u>	<u>58,680</u>
80,340	-	28,347	-	1,642,933	47,965	674,750
<u>\$ 80,340</u>	<u>\$ -</u>	<u>\$ 28,347</u>	<u>\$ -</u>	<u>\$ 1,642,933</u>	<u>\$ 47,965</u>	<u>\$ 674,750</u>

<u>Red Lake Watershed District</u>	<u>Roseau Watershed District</u>	<u>School Districts</u>	<u>State Revenue</u>	<u>Townships and Cities</u>	<u>Total Custodial Funds</u>
\$ 19,106	\$ 549	\$ 513,835	\$ 45,029	\$ 396,960	\$ 4,392,056
-	-	188,382	25,665	249,721	468,041
-	-	-	7	-	416
-	-	-	-	-	814,225
-	-	-	-	-	10,476
-	-	-	-	-	103,951
<u>19,106</u>	<u>549</u>	<u>702,217</u>	<u>70,701</u>	<u>646,681</u>	<u>5,789,165</u>
-	-	-	-	-	188,282
<u>19,106</u>	<u>549</u>	<u>513,835</u>	<u>45,036</u>	<u>396,960</u>	<u>1,159,587</u>
<u>19,106</u>	<u>549</u>	<u>513,835</u>	<u>45,036</u>	<u>396,960</u>	<u>1,347,869</u>
-	-	188,382	25,665	249,721	4,441,296
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,382</u>	<u>\$ 25,665</u>	<u>\$ 249,721</u>	<u>\$ 4,441,296</u>

**Beltrami County**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**December 31, 2023**

	<u>Beltrami Soil &amp; Water Conservation District</u>	<u>Bemidji Regional Airport</u>	<u>Development District</u>
<b>ADDITIONS</b>			
Property tax collection	\$ -	\$ 299,846	\$ -
Intergovernmental	1,186,686	173	-
Charges for services	68,177	-	-
Interest	-	-	-
Miscellaneous	731	-	-
Total additions	<u>1,255,594</u>	<u>300,019</u>	<u>-</u>
<b>DEDUCTIONS</b>			
Property tax allocation	-	299,846	45
Miscellaneous allocations	-	173	-
Operating expenses	1,886,368	-	-
Total deductions	<u>1,886,368</u>	<u>300,019</u>	<u>45</u>
<b>NET POSITION</b>			
Net increase (decrease) in fiduciary net position	(630,774)	-	(45)
Fiduciary net position - beginning of year	<u>2,133,967</u>	<u>-</u>	<u>45</u>
Fiduciary net position - Ending of year	<u>\$ 1,503,193</u>	<u>\$ -</u>	<u>\$ -</u>



Custodial Funds						
<u>Emergency Services District</u>	<u>Headwaters Regional Development Commission</u>	<u>Jail Custodial Fund</u>	<u>Medical Assistance Estate Recoveries</u>	<u>Northwest Minnesota Juvenile Center</u>	<u>Other Custodial</u>	<u>Paul Bunyan Task Force</u>
\$ 337,827	\$ 138,782	\$ -	\$ -	\$ -	\$ -	\$ -
360	-	-	347,505	-	-	353,425
-	-	-	-	6,270,414	-	31,500
-	-	-	-	18,786	-	-
-	81	348,787	-	2,528	153,310	139,656
<u>338,187</u>	<u>138,863</u>	<u>348,787</u>	<u>347,505</u>	<u>6,291,728</u>	<u>153,310</u>	<u>524,581</u>
340,000	138,782	-	-	-	-	-
-	81	352,685	347,505	-	147,773	-
240	-	-	-	6,904,416	-	531,840
<u>340,240</u>	<u>138,863</u>	<u>352,685</u>	<u>347,505</u>	<u>6,904,416</u>	<u>147,773</u>	<u>531,840</u>
(2,053)	-	(3,898)	-	(612,688)	5,537	(7,259)
82,393	-	32,245	-	2,255,621	42,428	682,009
<u>\$ 80,340</u>	<u>\$ -</u>	<u>\$ 28,347</u>	<u>\$ -</u>	<u>\$ 1,642,933</u>	<u>\$ 47,965</u>	<u>\$ 674,750</u>

<u>Red Lake Watershed District</u>	<u>Roseau Watershed District</u>	<u>School Districts</u>	<u>State Revenue</u>	<u>Townships and Cities</u>	<u>Total Custodial Funds</u>
\$ 235,754	\$ 1,942	\$ 11,436,037	\$ 3,849,720	\$ 14,053,071	\$ 30,352,979
596	-	298,056	-	736,426	2,923,227
-	-	-	-	-	6,370,091
-	-	-	-	-	18,786
-	-	-	-	1,855	646,948
<u>236,350</u>	<u>1,942</u>	<u>11,734,093</u>	<u>3,849,720</u>	<u>14,791,352</u>	<u>40,312,031</u>
235,754	1,942	11,511,915	3,859,456	14,119,681	30,507,421
596	-	298,056	-	738,281	1,885,150
-	-	-	-	-	9,322,864
<u>236,350</u>	<u>1,942</u>	<u>11,809,971</u>	<u>3,859,456</u>	<u>14,857,962</u>	<u>41,715,435</u>
-	-	(75,878)	(9,736)	(66,610)	(1,403,404)
-	-	264,260	35,401	316,331	5,844,700
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,382</u>	<u>\$ 25,665</u>	<u>\$ 249,721</u>	<u>\$ 4,441,296</u>

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF INTERGOVERNMENTAL REVENUES  
YEAR ENDED DECEMBER 31, 2023**

	<b>Governmental Funds</b>
<b>Shared Revenue</b>	
<b>State</b>	
Highway Users Tax	\$ 11,132,876
PERA Rate Reimbursement	22,194
Disparity Reduction Aid	294
Police Aid	353,906
Public Safety Aid	1,315,520
County Program Aid	6,371,286
Emergency Protective Care Hearings	16,941
Out of Home Placements	479,441
Local Homeless Prevention	624,290
Statewide Affordable Housing	131,410
Market Value Credit - Agriculture	283,242
Enhanced 911	316,866
Riparian Protection Aid	65,678
Aquatic Invasive Species	205,200
Red Lake Reimbursements	478,466
	<b>21,797,610</b>
<b>Total Shared Revenue</b>	
<b>Reimbursement for Services</b>	
<b>State</b>	
Minnesota Department of Administration	322,296
Minnesota Department of Human Services	3,554,476
Minnesota Department of Health	106,753
	<b>3,983,525</b>
<b>Total State Reimbursement for Services</b>	
<b>Payments</b>	
<b>Local</b>	
City of Bemidji	1,033,635
Townships	475,119
Counties	14,424
BI-CAP	130,119
Local	91,570
Payments in Lieu of Taxes	2,683,714
	<b>4,428,581</b>
<b>Total Payments</b>	
<b>Grants</b>	
<b>State</b>	
Minnesota Department/Board of Secretary of State	10,629
Public Safety	304,660
Veterans Affairs	10,000
Health	479,846
Natural Resources	623,207
Human Services	10,757,736
Soil and Water Resources	275,788
Pollution Control	211,643
	<b>12,673,509</b>
<b>Total State</b>	

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF INTERGOVERNMENTAL REVENUES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	<b>Governmental Funds</b>
<b>Grants (Continued)</b>	
<b>Federal</b>	
Department of	
Agriculture	\$ 1,131,067
Justice	239,741
Interior	118,429
Transportation	324,920
Treasury	198,957
Education	2,100
Homeland Security	369,166
Health and Human Services	5,648,054
<b>Total Federal</b>	<b>8,032,434</b>
<b>Total State and Federal Grants</b>	<b>20,705,943</b>
<b>Total Intergovernmental Revenues</b>	<b>\$ 50,915,659</b>

**REPORTS RELATED TO *GOVERNMENT AUDITING STANDARDS*  
AND SINGLE AUDIT**



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

Board of County Commissioners  
Beltrami County  
Bemidji, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beltrami County (the County), 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 REPORT DATE.

**Report on Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

**Beltrami County’s Response to Findings**

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

**Purpose of This Report**

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



**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
August 21, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of County Commissioners  
Beltrami County  
Bemidji, Minnesota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Beltrami County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Beltrami County's major federal programs for the year ended December 31, 2023. Beltrami County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

We are required to be independent of Beltrami 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 Beltrami 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 Beltrami County's federal programs.



### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Beltrami County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Beltrami 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 Beltrami 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 2023-003 through 2023-005. 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 Beltrami County's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Beltrami County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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 2023-003 through 2023-005, 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 Beltrami County's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Beltrami County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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



**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
August 21, 2024

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023**

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***Section I – Summary of Auditors’ Results***

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***Financial Statements***

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

***Federal Awards***

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

***Identification of Major Federal Programs:***

<b>Assistance Listing Numbers</b>	<b>Name of Federal Program or Cluster</b>
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP Cluster)
21.032	Local Assistance and Tribal Consistency Fund
93.558	Temporary Assistance for Needy Families
93.658	Title IV-E Foster Care
93.778	Medical Assistance Program (Medical Cluster)

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

Auditee qualified as low-risk auditee?          yes     X     no

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023**

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***Section II – Financial Statement Findings***

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**2023-001      AUDIT ADJUSTMENTS**

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

**Criteria or Specific Requirement:** County management is responsible for establishing and maintaining internal controls for the proper recording of all the County’s accounting transactions, including account coding, and reporting of accruals and net position.

**Condition:** As part of the audit, we proposed material audit adjustments to adjust the net pension liability and related deferred inflows and outflows of resources, adjust change in fair market value, record other postemployment benefits and the related deferred inflows and outflows of resources, record reclassifications between federal revenue and reimbursement for services.

**Cause:** The County has a limited number of personnel.

**Possible Effect:** The design of the internal controls over recording transactions and year-end accruals limits the ability of the County to provide accurate accrual basis financial information.

**Repeat Finding:** Yes – 2022-001.

**Recommendation:** We recommend County management and financial personnel continue to increase their awareness and knowledge of all procedures and processes involved in recording transactions, accruals, and reclassifications and develop internal control policies to ensure proper recording of these items.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding. The County will continue to work at eliminating the need for audit adjustments through learning about new GASB standards and reviewing work performed by department personnel.

**BELTRAMI COUNTY, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section II – Financial Statement Findings (Continued)***

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**2023-002      SEGREGATION OF DUTIES – VARIOUS DEPARTMENTS**

**Type of Finding      Significant Deficiency in Internal Control over Financial Reporting**

**Criteria or Specific Requirement:** County management should be aware of the need to have adequate segregation of duties regarding the processing of transactions for the County. In addition, County management should be aware that the concentration of duties and responsibilities in one or a very few individuals is not desirable from an internal control perspective.

**Condition:** Adequate segregation of the accounting functions necessary to ensure adequate internal accounting control, is not in place for various County departments as some departments have one or two personnel that perform all accounting related functions.

**Cause:** The County has a limited number of personnel within several County departments.

**Possible Effect:** The design of the internal controls over financial reporting could affect the ability of the County to record, process, summarize and report financial data consistently with the assertions of management in the financial statements. In addition, this lack of segregation of duties may result in the County's inability to prevent/detect misappropriation of County assets.

**Repeat Finding:** Yes – 2022-002.

**Recommendation:** We recommend County management be aware of the lack of segregation of duties within the accounting functions and assess whether additional segregation of duties is cost beneficial. If additional segregation is not possible, we recommend County management implement some oversight procedures to ensure the internal control policies and procedures are being implemented by County staff.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding. The County will review the accounting function and segregate them if deemed cost beneficial.

**BELTRAMI COUNTY, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section III – Major Program Findings and Compliance***

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**ELIGIBILITY CITIZENSHIP AND TERMINATION OF BENEFITS DOCUMENTATION (2023–003)**

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

**Federal Program Name:** Temporary Assistance for Needy Families

**Assistance Listing Number:** 93.558

**Pass-Through Agency:** Minnesota Department of Human Services and Minnesota Department of Health

**Federal Award Identification and Pass-Through Numbers:** 2301MNTANF

**Award Period:** Year Ended December 31, 2023

**Compliance Requirement:** Eligibility

**Type of Finding:** Significant Deficiency in Internal Control over Compliance and Other Matter

**Criteria or Specific Requirement:** The Uniform Guidance requires that the county maintain supporting documentation for eligibility verification requirements, as well as reasons for terminating or continuing benefits.

**Condition and Context:** During our testing, we were not presented with supporting documentation for citizenship verification for 2 out of 60 cases tested, and did not receive proper supporting documentation for continuance of benefits past 60 months for 2 of 60 cases. The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

**Questioned Costs:** None noted.

**Cause:** Lack of oversight by management.

**Effect:** Individuals could receive benefits that are not eligible.

**Repeat Finding:** No.

**Recommendation:** We recommend the County retain documentation related to the applicable federal requirements to ensure compliance with said requirements.

**Views of responsible officials:** There is no disagreement with the audit finding. A training with department staff will be scheduled to identify areas and best practices to fully implement County policy.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section III – Major Program Findings and Compliance (Continued)***

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**ELIGIBILITY DETERMINATION INCOME AND ASSET VERIFICATION (2023–004)**

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

**Federal Program Name:** Medical Assistance (Medicaid Cluster) and State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP Cluster)

**Assistance Listing Number:** 93.778 and 10.561

**Pass-Through Agency:** Minnesota Department of Human Services and Minnesota Department of Agriculture

**Federal Award Identification and Pass-Through Numbers:** 2305MN5ADM and 232MN101S2520

**Award Period:** Year Ended December 31, 2023

**Compliance Requirement:** Eligibility (Medical Assistance) and Special Provisions (SNAP)

**Type of Finding:** Significant Deficiency in Internal Control over Compliance and Other Matter

**Criteria or Specific Requirement:** Uniform Guidance requires the County to ensure compliance over eligibility by having the proper documentation of income, citizenship, and social security numbers.

**Condition and Context:** During our testing of compliance over eligibility, we noted 1 of 60 Medical Assistance case files tested did not have proper social security number documentation, and 2 of 60 cases files tested did not have proper citizenship documentation updated in METS. In the 2022 audit this finding related to retention of asset documentation. In addition, our testing of compliance eligibility (special provisions compliance requirement) for the SNAP program we noted 1 of 60 SNAP case files tested did not have proper income documentation on file. The sample sizes were based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

**Questioned Costs:** None noted.

**Cause:** The County's internal review process has a limited number of personnel available.

**Effect:** Errors made in determining eligibility may not be discovered and benefits may be issued to clients who are not eligible.

**Repeat Finding:** Yes – 2022-004.

**Recommendation:** We recommend the County implement procedures to ensure that asset and income documentation in the casefiles be retained and that it matches the information input into the METS eligibility system.

**Views of responsible officials:** There is no disagreement with the audit finding. Training will be provided to health and human services staff regarding proper documentation and entry into METS.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section III – Major Program Findings and Compliance (Continued)***

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**CASE FILE REVIEWS (2023–005)**

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

**Federal Program Name:** Medical Assistance (Medicaid Cluster), Temporary Assistance for Needy families (TANF), and State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP Cluster)

**Assistance Listing Number:** 93.778, 93.558, and 10.561

**Pass-Through Agency:** Minnesota Department of Human Services, Minnesota Department of Health, and Minnesota Department of Agriculture

**Federal Award Identification and Pass-Through Numbers:** 2305MN5ADM, 2301MNTANF, and 232MN101S2520

**Award Period:** Year Ended December 31, 2023

**Compliance Requirement:** Eligibility (Medical Assistance and TANF) and Special Provisions (SNAP)

**Type of Finding:** Significant Deficiency in Internal Control over Compliance

**Criteria or Specific Requirement:** Federal guidelines require grant recipients to implement internal controls for each direct and material compliance requirement applicable to the federal grant to ensure compliance with said requirements.

**Condition and Context:** During testing of controls over Eligibility (i.e., casefile reviews), it was noted that less than 1% of casefiles had documented reviews completed for each program. The quantity reviewed is insufficient sample sizes for the number of clients the county handles. The sample sizes were based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

**Questioned Costs:** None noted.

**Cause:** Significant staff turnover occurred with regard to these major program case workers, and an additional workload due to the state of emergency due to COVID ending in 2023, resulting in additional redetermination requirements for case workers.

**Effect:** The County may be incorrectly concluding that an applicant is eligible for the federal programs they are applying for.

**Repeat Finding:** Yes – 2022-006.

**Recommendation:** We recommend the County perform case file reviews on a more representative sample of the total clients served and that adequate supporting documentation be retained of those reviews.

**Views of responsible officials:** There is no disagreement with the audit finding. Additional documentation and specific casefile reviews will be implemented.



**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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**Section IV – Other Item for Consideration – Minnesota Legal Compliance**

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**PUBLISHING OF CLAIMS (2023-006)**

**Condition:** The County is not publishing claims with the board minutes in accordance with state statutes

**Criteria:** Minnesota Statutes §375.12 requires that when the County discloses the official proceedings of board meetings in the newspaper all claims exceeding \$2,000 and the total number of claims that did not exceed \$2,000 (their total dollar amount) must be disclosed.

**Effect:** The County is not in compliance with Minnesota State Statutes.

**Cause:** Past practice.

**Repeat Finding:** Yes - 2022-007.

**Recommendation:** We recommend the County publish the claims in the newspaper in accordance with state statutes.

**Views of Responsible Officials:** There is no disagreement with the audit finding.

**CLIENT'S RESPONSE:**

*Beltrami County referred to Minnesota Statutes §375.17 in determining that it could “refrain from publishing....an itemized account of amounts paid out....if all disbursements aggregating \$5,000 or more to any person are set forth in a schedule of major disbursements showing amounts paid out, to whom and for what purpose and are made a part of, and published with, the financial statement.” Based on that information, we published all aggregate payments over \$5,000. All financial information is made available to the public upon request, regardless of financial thresholds. The County will review the appropriate statutes before financial statement publication and will continue to find ways to reduce the total publication costs to the taxpayers.*

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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**Section V – Previously Reported Items Resolved**

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**2022-003      DOCUMENTATION OF PROCUREMENT, SUSPENSION AND DEBARMENT –  
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS (21.027)**

**Resolution:** The County spent the entirety of the grant proceeds in 2022, and did not receive funding for 2023. Therefore, the compliance requirements were not applicable in the current year.

**2022-005      RANDOM MOMENT STUDY EMPLOYEE LISTING – MEDICAL ASSISTANCE  
(MEDICAID CLUSTER 93.778), TEMPORARY ASSISTANCE FOR NEEDY FAMILIES  
(93.558), AND STATE ADMINISTRATIVE MATCHING GRANTS FOR  
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP CLUSTER 10.561)**

**Resolution:** The County implemented procedures to verify that all employees are appropriately included or excluded from the random moment studies, and a process in place to resolve any errors that did occur on the listings.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Pass-Through Agency Grant Program Title or Cluster Name	Assistance Listing Number	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Agriculture</b>				
Passed Through Minnesota Department of Health WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	242MN0004W1003	\$ 297,686	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for Supplemental Nutrition Assistance Program (Part of SNAP Cluster Total \$827,428)	10.561	2305MN5021	827,428	-
Passed Through Minnesota Department of Finance Schools and Roads Grants to States (Part of Forest Service Schools & Roads Cluster Total \$5,453)	10.665	G9RUSDFORESTRY	5,453	-
<b>Total U.S. Department of Agriculture</b>			<b>1,130,567</b>	<b>-</b>
<b>U.S. Department of Interior</b>				
Direct Payments in Lieu of Taxes	15.226	N/A	118,429	-
<b>U.S. Department of Justice</b>				
Direct Bulletproof Vest Partnership Program	16.607	N/A	4,150	-
Project Safe Neighborhoods	16.609	N/A	19,832	-
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	A-CVS-2022- BELTRAAO-147 A-CVS-2024- BELTRAAO-163	49,990 <u>20,100</u>	70,090 -
Public Safety Partnership and Community Policing Grants	16.710	167072	1,372	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	A-VCET-2022- BELTRASO-023	<u>144,297</u>	<u>144,297</u>
<b>Total U.S. Department of Justice</b>			<b>239,741</b>	<b>144,297</b>
<b>U.S. Department of Transportation</b>				
Passed Through Minnesota Department of Transportation Highway Planning and Construction (Part of Highway Planning and Construction Cluster Total Highway Planning and Construction Cluster \$195,963)	20.205	HSIP 0422(097) HSIP 0422(099) HSIP 0422(100) HSIP 0422(126) HSIP 0422(127) HSIP 0422(186) HSIP 0422(209)	\$ 48,533 19,497 37,768 44,632 6,723 31,746 <u>7,064</u>	195,963 -
Passed Through the Minnesota Department of Public Safety State and Community Highway Safety (Part of Highway Safety Cluster Total \$105,394; Total Assistance Listing 20.600 \$39,992)	20.600	A-OFFICR23-2023- BELTRASO	38,376	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (Total Assistance Listing 20.608 \$23,563)	20.608	A-OFFICR23-2023- BELTRASO	21,646	-
National Priority Safety Programs (Highway Safety Cluster Total \$105,394; Total Assistance Listing 20.616 \$64,843)	20.616	A-OFFICR23-2023- BELTRASO	64,564	-
Passed Through the City of Bemidji State and Community Highway Safety (Part of Highway Safety Cluster Total \$105,394; Total Assistance Listing 20.600 \$39,992)	20.600	A-ENFRC23- 2023BEMIDJPD	1,616	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (Total Assistance Listing 20.608 \$23,563)	20.608	A-ENFRC23- 2023BEMIDJPD	1,917	-
Safety Belt Performance Grants (Part of Highway Safety Cluster Total \$105,394)	20.609	A-ENFRC23- 2023BEMIDJPD	559	-
National Priority Safety Programs (Highway Safety Cluster Total \$105,394; Total Assistance Listing 20.616 \$64,843)	20.616	A-ENFRC23- 2023BEMIDJPD	<u>279</u>	<u>-</u>
<b>Total U.S. Department of Transportation</b>			<b>324,920</b>	<b>-</b>
<b>U.S. Department of Treasury</b>				
Direct COVID-19 Local Assistance and Tribal Consistency Fund	21.032	N/A	198,957	-

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Pass-Through Agency Grant Program Title or Cluster Name	Assistance Listing Number	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Education</b>				
Passed Through Minnesota Department of Health Special Education Grants for Infants and Families	84.181	H181A200029	\$ 2,100	\$ -
<b>U.S. Department of Health and Human Services</b>				
Passed Through Minnesota Department of Health and Clearwater County Public Health Emergency Preparedness	93.069	H12H675M	44,608	-
Universal Newborn Hearing Screening	93.251	H12H671N	1,200	-
COVID-19 Immunization Cooperative Agreements	93.268	H12H715J	26,893	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	H12H717H	102,264	-
Temporary Assistance for Needy Families (Total Assistance Listing 93.558 \$793,478)	93.558	2301MNTANF	88,057	-
Maternal and Child Health Services Block Grant to the States	93.994	H12H301N	59,967	-
Passed Through Minnesota Department of Human Services Promoting Safe and Stable Families	93.556	2301MNFFTA	5,055	-
Temporary Assistance for Needy Families (Total Assistance Listing 93.558 \$793,478)	93.558	2301MNTANF	705,421	-
Child Support Enforcement	93.563	2301MNCSES	926,849	-
Refugee & Entrance Assistance State Administered Programs	93.566	2301MNRCSA	2,721	-
Child Care and Development Block Grant (Part of Child Care Cluster)	93.575	2301MNCDCF	9,644	-
Community-Based Child Abuse Prevention Grants	93.590	2302MNBCAP	3,668	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2301MNCWSS	8,016	-
Foster Care-Title IV-E	93.658	2301MNFOST	933,062	-
Social Services Block Grant	93.667	2301MNSOSR	342,103	-
John H. Chafee Foster Care Program for Successful Transition into Adulthood	93.674	2301MNCILP	20,597	-
Elder Abuse Prevention Interventions Program	93.747	2301MNAPC6	7,111	-
Children's Health Insurance Program	93.767	2305MN5021	3,145	-
Medical Assistance Program (Medicaid Cluster Total \$2,460,773)	93.778	2305MN5ADM	2,460,773	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	NE110E000048	2,151	-
Block Grants for Community Mental Health Services	93.958	H55213980C	68,164	-
<b>Total U.S. Department of Health and Human Services</b>			<b>5,821,469</b>	<b>-</b>
<b>U.S. Department of Homeland Security</b>				
Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	R29CG70CBLA21	10,600	-
Passed Through Minnesota Department of Public Safety Emergency Management Performance Grants	97.042	F-EMPG-2021- BELTRACO-4330	26,264	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EMGP-20230320- EMGP-20230329- EMGP-20230427- EMGP-20230504- EMGP-20230511-	\$ 129,500 30,779 98,281 7,667 66,075	-
<b>Total U.S. Department of Homeland Security</b>			<b>369,166</b>	<b>-</b>
<b>Total Federal Expenditures</b>			<b>\$ 8,205,349</b>	<b>\$ 144,297</b>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**BELTRAMI COUNTY  
BEMIDJI, MINNESOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2023**

Notes to Schedule of Expenditures of Federal Awards

1. The Schedule of Expenditures of Federal Awards presents the activity of federal award programs expended by Beltrami County (the County). The County's reporting entity is defined in Note 1 to the financial statements.
2. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Beltrami 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) from the Office of Management and Budget (OMB). Because the schedule presents only a selected portion of the operations of Beltrami County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Beltrami County.
3. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* for all awards. Under these principles certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10% de minimus indirect cost rate allowed under Uniform Guidance.

4. Reconciliation to the Schedule of Intergovernmental Revenue

Federal Grant Revenue per Schedule of Intergovernmental Revenue	\$ 8,032,434
Expenditures in the Schedule of Expenditures of Federal Awards, not included as revenues reported in the Schedule of Intergovernmental Revenue	231,415
Revenues included on the Schedule of Intergovernmental Revenue that are not considered Federal Grant Expenditures	<u>(58,500)</u>
Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 8,205,349</u></u>



## INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of County Commissioners  
Beltrami County  
Bemidji, 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 Beltrami County (the County), 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 August 21, 2024.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to findings identified in our audit. 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 the response.

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
August 21, 2024



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