

# *Clay County Moorhead, MN*



## *Annual Financial Report*



*For Period Ending  
December 31, 2021*

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b>Introductory Section</b>		
Transmittal Letter		i
Organization		iii
<b>Financial Section</b>		
Independent Auditor’s Report		1
Management’s Discussion and Analysis		5
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	1	16
Statement of Activities	2	18
Fund Financial Statements		
Governmental Funds		
Balance Sheet	3	20
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position—Governmental Activities	4	24
Statement of Revenues, Expenditures, and Changes in Fund Balance	5	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities--Governmental Activities	6	29
Proprietary Funds		
Statement of Net Position	7	31
Statement of Revenues, Expenses, and Changes in Fund Net Position	8	35
Statement of Cash Flows	9	37
Fiduciary Funds		
Statement of Fiduciary Net Position	10	41
Statement of Changes in Fiduciary Net Position	11	42
Notes to the Financial Statements		43
Required Supplementary Information		
Budgetary Comparison Schedules		
General Fund	A-1	97
Road and Bridge Special Revenue Fund	A-2	100
Social Services Special Revenue Fund	A-3	101

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

TABLE OF CONTENTS

	Exhibit	Page
Schedule of Changes in Total OPEB Liability and Related Ratios	A-4	102
<b>Financial Section</b>		
Required Supplementary Information (Continued)		
PERA General Employees Retirement Plan		
Schedule of Proportionate Share of Net Pension Liability	A-5	103
Schedule of Contributions	A-6	104
PERA Public Employees Police and Fire Plan		
Schedule of Proportionate Share of Net Pension Liability	A-7	105
Schedule of Contributions	A-8	106
PERA Public Employees Correctional Plan		
Schedule of Proportionate Share of Net Pension Liability	A-9	107
Schedule of Contributions	A-10	108
Notes to the Required Supplementary Information		109
 Supplementary Information		
Nonmajor Governmental Funds		120
Combining Balance Sheet	B-1	121
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	B-2	122
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-3	123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Special Revenue Funds	B-4	124
Combining Balance Sheet – Nonmajor Debt Service Funds	B-5	125
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Debt Service Funds	B-6	127
Combining Balance Sheet – Nonmajor Capital Projects Funds	B-7	129
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Capital Projects Funds	B-8	130
 Budgetary Comparison Schedules		
County Building Special Revenue Fund	B-9	131
Courthouse Expansion Debt Service Fund	B-10	132
Joint Highway Facility Debt Service Fund	B-11	133
Law Enforcement Expansion Debt Service Fund	B-12	134
Fiduciary Funds – Custodial Funds		135
Combining Statement of Fiduciary Net Position	C-1	136

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Combining Statement of Changes in Fiduciary Net Position	C-2	138
Other Schedules		
Schedule of Intergovernmental Revenue	D-1	140
Schedule of Expenditures of Federal Awards	D-2	142
Notes to the Schedule of Expenditures of Federal Awards		145

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## **INTRODUCTORY SECTION**

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**COUNTY AUDITOR**

LORI J. JOHNSON

Office Telephone: (218) 299-5006

Fax: (218) 299-5195

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Honorable Chairman and Commissioners  
Clay County Board of Commissioners  
807 North 11th Street  
Moorhead, MN 56560

Commissioners,

The Annual Financial Report of Clay County is submitted for the fiscal year ended December 31, 2021. This report was prepared by the County Auditor's Office. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position of the County and results of operation of the County, as measured by the financial activity of its various funds, and all disclosures necessary to enable maximum understanding of the County's financial affairs.

The Annual Financial Report is presented in two sections: Introductory and Financial. The Introductory Section includes this transmittal letter and the County's organizational chart. The Financial Section includes the Management's Discussion and Analysis, the Basic Financial Statements, the Required Supplementary Information, and the Supplementary Information.

This report includes all of the funds and entities, which are considered to be under the direction and control of the County Board. The County provides a full range of services including public safety and law enforcement; courts and probation services; tax assessment and collection; vital statistics and public records; human services; highways, planning, inspection, and environmental health; and recreation and cultural services.

Copies of this report will be sent to elected officials, County management, bond rating agencies, and governmental agencies, which have expressed an interest in Clay County's financial affairs.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements, presented with the basic financial statements, are an integral part of this Annual Financial Report and should be read for a full understanding of the statements and information presented herein.

## INDEPENDENT AUDIT

Minnesota State Law requires an audit to be made of the books of accounts, financial records, and transactions of the County by the State Auditor. This requirement has been complied with, and the Auditor's opinion is included in this report.

The State Auditor will issue a management and compliance letter covering the review, made as part of their examination of Clay County's system of internal control and compliance with applicable legal provisions. The management and compliance letter will not modify or affect, in any way, this report on the financial statements.

### ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the professional and dedicated services of the entire staff of the Auditor's Office.

Sincerely,



Lori J. Johnson  
Clay County Auditor-Treasurer

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

ORGANIZATION  
December 31, 2021

Office	Name	Term Expires
<b>Elected</b>		
<b>Commissioners</b>		
1st District	Jenna Kahly	January 2025
2nd District	Frank Gross	January 2025
3rd District	Jenny Mongeau **	January 2023
4th District	Kevin Campbell *	January 2023
5th District	David Ebinger	January 2025
Attorney	Brian Melton	January 2023
County Sheriff	Mark Empting	January 2023
<b>Appointed</b>		
Assessor	Nancy Gunderson	December 2024
County Administrator	Steven Larson	Indefinite
Highway Engineer	David Overbo	May 2022
Auditor-Treasurer	Lori J. Johnson ***	Indefinite
County Recorder	Kimberly Savageau ***	Indefinite

\* Chair

\*\* Vice Chair

\*\*\* County Recorder and Auditor-Treasurer are appointed positions as of January 2015

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Clay County  
Moorhead, Minnesota

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clay County, Minnesota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clay County, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clay County's basic financial statements. The combining nonmajor fund financial statements; Budgetary Comparison Schedules – County Building Special Revenue Fund, Courthouse Expansion Debt Service Fund, Joint Highway Facility Debt Service Fund, Law Enforcement Expansion Debt Service Fund; combining fiduciary fund financial statements; Schedule of Intergovernmental Revenue; and Schedule of Expenditures of Federal Awards and related notes, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information as identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other 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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



JULIE BLAHA  
STATE AUDITOR



DIANNE SYVERSON, CPA  
DEPUTY STATE AUDITOR

September 28, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

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

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of Clay County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year (December 31, 2021) by \$151,873,910 (net position). Of this amount, \$29,540,711 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental activities' total net position is \$126,217,347, of which Clay County has invested \$103,528,462 in net investment in capital assets; \$6,268,072 is restricted to specific purposes/uses by Clay County.
- Business-type activities have total net position of \$25,656,563. Net investment in capital assets, represents \$11,994,073 of the total.
- The net cost of Clay County's governmental activities for the year ended December 31, 2021, was \$36,820,227. General property tax revenue and other general revenue sources totaled \$45,617,872.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to Clay County's basic financial statements. Clay County's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

## **Government-Wide Financial Statements**

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

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

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

Both of the government-wide financial statements distinguish functions of Clay County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of Clay County include general government, public safety, highways and streets, human services, culture and recreation, conservation of natural resources, and economic development. The business-type activities of Clay County include the Family Service Center, Juvenile Center, Public Health, and Solid Waste Management.

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

## **Fund Financial Statements**

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

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

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

Within the governmental funds, Clay County maintains four fund types: general, special revenue, debt service, and capital projects. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, Road and Bridge Special Revenue Fund, Social Services Special Revenue Fund, Opioid Settlement Special Revenue Fund, all of which are considered to be major funds. Data from the other special revenue, debt service and capital project nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Clay County adopts an annual budget for three of its major governmental funds, the County Building nonmajor special revenue fund, Courthouse Expansion nonmajor debt service fund, Joint Highway Facility nonmajor debt service fund, and Law Enforcement Expansion nonmajor debt service fund. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements may be found in Exhibits 3 through 6 of this report.

**General Fund.** The General Fund is used to account for all financial resources not accounted for in another fund.

**Special revenue funds.** Special revenue governmental funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The special revenue funds include:

- Road and Bridge,
- Social Services,
- Opioid Settlement,
- County Building, and
- Gravel Removal Tax Reserve.

**Debt service funds.** The debt service funds account for the payment of principal, interest, and fiscal charges on long-term debt obligations of Clay County. The debt service funds include:

- Ditch,
- Americana Estates,
- County Projects,
- Courthouse Expansion,
- Joint Highway Facility, and
- Law Enforcement Expansion.

**Capital projects funds.** The capital projects fund is used to account for financial resources to be used for improvement of capital facilities. The capital project funds include:

- County Improvement,
- Government Center Construction,
- Jail/Law Enforcement Construction.

**Proprietary funds.** Clay County maintains two different types of proprietary funds: enterprise and internal service. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. Clay County uses its Family Service Center Enterprise Fund to account for the financing of the Family Service Center, which provides rental space to other departments and agencies. The Juvenile Center Enterprise Fund is used to account for the financial transactions of the fund, which provides housing for juveniles and rental space to departments and agencies. The Public Health Enterprise Fund provides nursing service care to the elderly and other residents of the County, and the Solid Waste Management Enterprise Fund is used to account for providing refuse disposal services to the public. The internal service fund is an accounting device used to accumulate and allocate costs internally among Clay County's various functions. Clay County uses its Internal Service Fund to account for the financing of equipment provided by one department to other departments of the County on a cost-reimbursement basis. Each year, a transfer is made based upon the amount reflected in the equipment replacement schedule.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all of Clay County's enterprise funds since they are all considered to be major funds of the County. Conversely, the Internal Service Fund is reported separately on the proprietary fund financial statements.

The basic proprietary fund financial statements may be found in Exhibits 7 through 9 of this report.

**Fiduciary funds.** Fiduciary funds (trust and custodial funds) are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statement because the resources of those funds are not available to support Clay County's own programs or activities. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All fiduciary activities are reported in a separate Statement of Fiduciary Net Position on Exhibit 10 and Statement of Changes in Fiduciary Net Position on Exhibit 11.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the exhibits.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information the budgetary comparison schedules for Clay County's General Fund and major special revenue funds. Required supplementary information is presented immediately following the notes to the financial statements. After that, the combining statements referred to earlier in connection with nonmajor governmental funds and fiduciary funds are presented.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Clay County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$151,873,910 at the close of the most recent fiscal year, which is an increase of \$9,905,484.

Net investment in capital assets of \$115,522,535 (land, buildings, machinery and equipment, infrastructure, improvements other than buildings, and construction in progress, less any related debt used to acquire assets that is still outstanding) represents the largest portion of net position (76 percent). Clay County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Clay County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

Clay County's combined net position for the year ended December 31, 2021, was \$151,873,910. Clay County's analysis that follows focuses on the net position (Table 1) and changes in net position (Table 2) of Clay County's governmental and business-type activities.

**Table 1  
Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 59,452,194	\$ 47,352,927	\$ 31,087,944	\$ 23,002,907	\$ 90,540,138	\$ 70,355,834
Capital assets	151,099,614	148,954,372	24,791,144	20,353,818	175,890,758	169,308,190
<b>Total Assets</b>	<b>\$ 210,551,808</b>	<b>\$ 196,307,299</b>	<b>\$ 55,879,088</b>	<b>\$ 43,356,725</b>	<b>\$ 266,430,896</b>	<b>\$ 239,664,024</b>
<b>Deferred outflows of resources</b>						
OPEB	\$ 264,774	\$ 214,496	\$ 88,900	\$ 71,503	\$ 353,674	\$ 285,999
Deferred pension outflows	13,043,483	4,070,276	3,903,963	636,729	16,947,446	4,707,005
<b>Total Deferred Outflows of Resources</b>	<b>\$ 13,308,257</b>	<b>\$ 4,284,772</b>	<b>\$ 3,992,863</b>	<b>\$ 708,232</b>	<b>\$ 17,301,120</b>	<b>\$ 4,993,004</b>
<b>Liabilities</b>						
Long-term liabilities outstanding	\$ 70,242,888	\$ 74,445,112	\$ 27,398,533	\$ 16,600,814	\$ 97,641,421	\$ 91,045,926
Other liabilities	11,642,325	4,849,823	2,294,864	2,410,688	13,937,189	7,260,511
<b>Total Liabilities</b>	<b>\$ 81,885,213</b>	<b>\$ 79,294,935</b>	<b>\$ 29,693,397</b>	<b>\$ 19,011,502</b>	<b>\$ 111,578,610</b>	<b>\$ 98,306,437</b>
<b>Deferred inflows of resources</b>						
OPEB	\$ 19,874	\$ 24,690	\$ 6,052	\$ 7,718	\$ 25,926	\$ 32,408
Prepaid property taxes	33,949	15,617	-	-	33,949	15,617
Deferred pension inflows	15,703,682	3,837,127	4,515,939	497,013	20,219,621	4,334,140
<b>Total Deferred Inflows of Resources</b>	<b>\$ 15,757,505</b>	<b>\$ 3,877,434</b>	<b>\$ 4,521,991</b>	<b>\$ 504,731</b>	<b>\$ 20,279,496</b>	<b>\$ 4,382,165</b>
<b>Net Position</b>						
Net investments in capital assets	\$ 103,528,462	\$ 99,928,243	\$ 11,994,073	\$ 12,940,608	\$ 115,522,535	\$ 112,868,851
Restricted	6,268,072	5,870,616	542,592	956,200	6,810,664	6,826,816
Unrestricted	16,420,813	11,620,843	13,119,898	10,651,916	29,540,711	22,272,759
<b>Total Net Position, as reported</b>	<b>\$ 126,217,347</b>	<b>\$ 117,419,702</b>	<b>\$ 25,656,563</b>	<b>\$ 24,548,724</b>	<b>\$ 151,873,910</b>	<b>\$ 141,968,426</b>

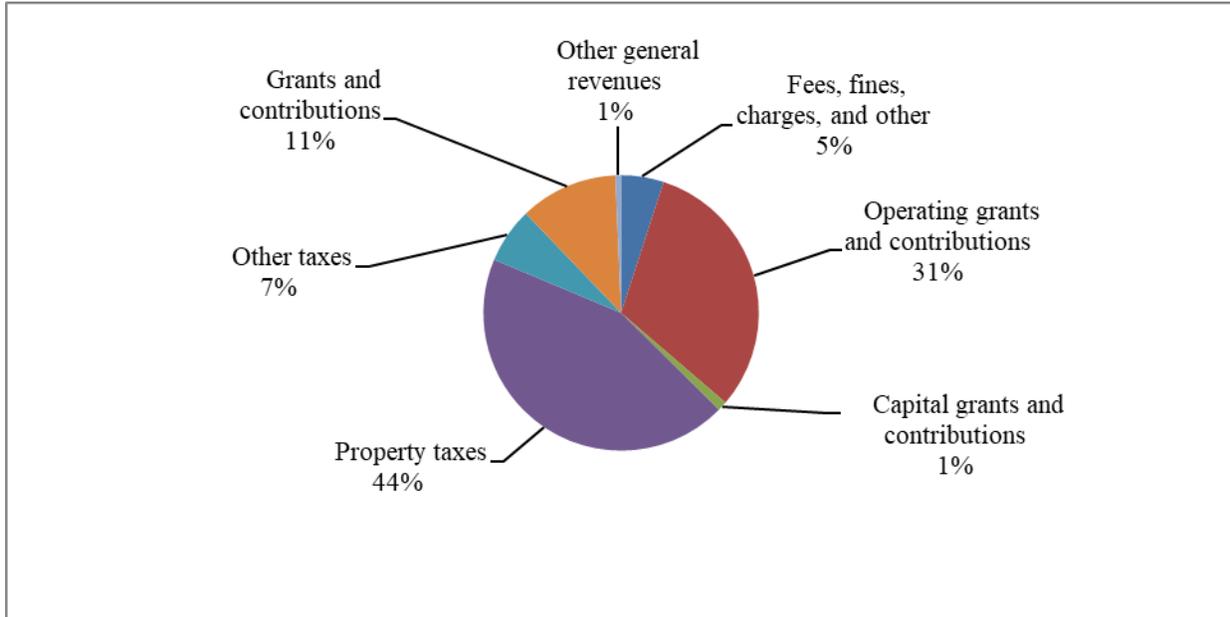
Clay County's total net position for the year ended December 31, 2021, total \$151,873,910. The governmental activities unrestricted net position totaling \$16,420,813 is available to Clay County to finance day-to-day operations of governmental activities. The remaining unrestricted net position totaling \$13,119,898 is available to finance the day-to-day operations of the business-type activities of the County.

**Table 2  
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program revenues						
Fees, fines, charges, and other	\$ 3,770,645	\$ 3,489,598	\$ 14,491,847	\$ 14,946,714	\$ 18,262,492	\$ 18,436,312
Operating grants and contributions	23,584,739	22,823,907	4,100,111	4,014,226	27,684,850	26,838,133
Capital grants and contributions	845,063	1,527,807	80,950	-	926,013	1,527,807
General revenues						
Property taxes	33,069,265	31,242,860	-	-	33,069,265	31,242,860
Other taxes	4,915,983	4,302,662	-	-	4,915,983	4,302,662
Grants and contributions	8,659,608	15,176,778	8,856	12,410	8,668,464	15,189,188
Other general revenues	503,012	1,176,227	(263)	8,897	502,749	1,185,124
<b>Total Revenues</b>	<b>\$ 75,348,315</b>	<b>\$ 79,739,839</b>	<b>\$ 18,681,501</b>	<b>\$ 18,982,247</b>	<b>\$ 94,029,816</b>	<b>\$ 98,722,086</b>
<b>Expenses</b>						
Program expenses						
General government	\$ 13,544,628	\$ 14,933,143	\$ -	\$ -	\$ 13,544,628	\$ 14,933,143
Public safety	13,368,132	13,308,870	-	-	13,368,132	13,308,870
Highways and streets	11,167,660	10,732,878	-	-	11,167,660	10,732,878
Human services	23,494,230	23,149,657	-	-	23,494,230	23,149,657
Culture and recreation	502,169	502,169	-	-	502,169	502,169
Conservation of natural resources	643,820	623,956	-	-	643,820	623,956
Economic development	618,226	707,760	-	-	618,226	707,760
Interest	1,681,809	1,746,880	-	-	1,681,809	1,746,880
Family service	-	-	1,573,678	1,645,179	1,573,678	1,645,179
Public health	-	-	6,809,753	6,572,677	6,809,753	6,572,677
Solid waste	-	-	4,006,644	4,123,786	4,006,644	4,123,786
Juvenile center	-	-	6,713,583	6,316,250	6,713,583	6,316,250
<b>Total Expenses</b>	<b>\$ 65,020,674</b>	<b>\$ 65,705,313</b>	<b>\$ 19,103,658</b>	<b>\$ 18,657,892</b>	<b>\$ 84,124,332</b>	<b>\$ 84,363,205</b>
Excess (Deficiency) Before Transfers						
	\$ 10,327,641	\$ 14,034,526	\$ (422,157)	\$ 324,355	\$ 9,905,484	\$ 14,358,881
Transfers						
	(1,529,996)	(1,055,928)	1,529,996	1,055,928	-	-
<b>Change in Net Position</b>	<b>\$ 8,797,645</b>	<b>\$ 12,978,598</b>	<b>\$ 1,107,839</b>	<b>\$ 1,380,283</b>	<b>\$ 9,905,484</b>	<b>\$ 14,358,881</b>
Net Position – January 1,	117,419,702	104,441,104	24,548,724	23,168,441	141,968,426	127,609,545
<b>Net Position – December 31</b>	<b>\$ 126,217,347</b>	<b>\$ 117,419,702</b>	<b>\$ 25,656,563</b>	<b>\$ 24,548,724</b>	<b>\$ 151,873,910</b>	<b>\$ 141,968,426</b>

Clay County's total revenues for the year ended December 31, 2021, were \$94,029,816. The total cost of Clay County programs and services for the year ended December 31, 2021, was \$84,124,332. The net position for Clay County's governmental activities increased by \$8,797,645 and increased by \$1,107,839 for the business-type activities.

**Revenues by Source - Governmental Activities**



**Governmental Activities**

Revenues for Clay County’s governmental activities for the year ended December 31, 2021, were \$75,348,315 (Table 2). Clay County’s costs for all governmental activities for the year ended December 31, 2021, were \$65,020,674 (Table 2). As shown in Clay County’s Statement of Activities, the amount that Clay County taxpayers ultimately financed for these governmental activities through local property taxation was \$33,069,265, because \$3,770,645 of the costs were paid by those who directly benefited from the programs, and \$24,429,802 was paid by other governments and organizations that subsidized certain programs with grants and contributions.

Table 3 presents the cost of each of Clay County’s five largest program functions, as well as each function’s net cost (total cost, less revenues generated by the activities). The net cost shows the financial burden placed on Clay County’s taxpayers by each of these functions.

**Table 3  
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Program Expenses				
General government	\$ 13,544,628	\$ 14,933,143	\$ 11,711,732	\$ 11,720,995
Public safety	13,368,132	13,308,870	11,880,678	12,211,487
Highways and streets	11,167,660	10,732,878	1,561,201	183,328
Human services	23,494,230	23,149,657	8,527,079	10,432,073
Interest and fiscal charges	1,681,809	1,746,880	1,681,809	1,746,880
All others	1,764,215	1,833,885	1,457,728	1,569,238
<b>Total Program Expenses</b>	<b>\$ 65,020,674</b>	<b>\$ 65,705,313</b>	<b>\$ 36,820,227</b>	<b>\$ 37,864,001</b>

## **Business-Type Activities**

Revenues of Clay County's business-type activities (Table 2) for the year ended December 31, 2021, were \$18,681,501. Expenses of Clay County's business-type activities (Table 2) for the year ended December 31, 2021, were \$19,103,658.

**Governmental funds.** The focus of Clay County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Clay County's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of 2021, Clay County's governmental funds reported combined ending fund balances of \$37,772,895, which is above last year's total of \$34,059,201. Included in this year's total fund balance is Clay County's General Fund balance of \$10,750,419.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

In Clay County's General Fund, the actual revenues exceeded the expected revenues by \$712,766, primarily due to intergovernmental transactions. Total actual expenditures in Clay County's General Fund were more than the budgeted expenditures by \$2,451,442, primarily due to unallocated general government expenses.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

Clay County's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounted to \$175,890,758 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, infrastructure, and construction in progress. The total increase in the Clay County investment in capital assets for the current fiscal year was \$6,582,568, or 4 percent (see Table 4).

The major capital asset event during the current fiscal year included the construction of the Landfill Transfer Station, resulting in an increase in construction in progress of \$5,623,140.

More detailed information about Clay County's capital assets can be found in Note 3.A. to the Clay County financial statements.

**Table 4  
Capital Assets at Year-End  
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 3,889,090	\$ 3,889,090	\$ 991,055	\$ 1,084,851	\$ 4,880,145	\$ 4,973,941
Construction in progress	1,312,981	5,021,196	6,309,840	1,848,655	7,622,821	6,869,851
Land improvements	1,604,836	1,696,215	336,997	341,297	1,941,833	2,037,512
Buildings	56,325,443	53,529,065	13,295,397	14,129,976	69,620,840	67,659,041
Machinery, furniture, and equipment	7,601,108	7,321,126	530,179	741,704	8,131,287	8,062,830
Infrastructure	80,366,156	77,497,680	1,433,925	231,665	81,800,081	77,729,345
Landfill	-	-	1,893,751	1,975,670	1,893,751	1,975,670
Totals	<u>\$ 151,099,614</u>	<u>\$ 148,954,372</u>	<u>\$ 24,791,144</u>	<u>\$ 20,353,818</u>	<u>\$ 175,890,758</u>	<u>\$ 169,308,190</u>

### Long-Term Debt

At the end of 2021, Clay County had total bonded debt outstanding of \$68,425,000. This is a increase of \$10,390,000 from the start of the year (see Table 5).

**Table 5  
Outstanding Debt at Year-End**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	<u>\$ 51,350,000</u>	<u>\$ 50,810,000</u>	<u>\$ 17,075,000</u>	<u>\$ 7,225,000</u>	<u>\$ 68,425,000</u>	<u>\$ 58,035,000</u>

Clay County’s general obligation bonds are rated an A2. These ratings have been assigned by a national rating agency to Clay County’s debt. The state limits the amount of debt that the counties can issue to three percent of the market value of all taxable property in Clay County. Clay County’s outstanding net debt is significantly below this \$134,685,049 state-imposed limit.

Other obligations include capital leases, compensated absences, and landfill closure and postclosure costs. Clay County’s notes to the financial statements provide detailed information about the County’s long-term liabilities.

### ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- Clay County’s average unemployment rate for 2021 and 2020 is 2.7 percent and 3.8 percent, respectively. The unemployment rate for the first six months of 2022 averaged 2.07 percent. This compares consistent to the state’s average unemployment rate for 2021 of 3.4 percent and favorably the national average rate of 5.3 percent. This information was taken from the Minnesota Department of Employment and Economic Development website for Clay County unemployment statistics.
- With limited financial resources and the desire by the Clay County Board of Commissioners to minimize the increase in local property taxation, the prioritization and review of programs

and services will be extremely important as future budgets are developed and efforts are made to control expenditures.

- Reviewing revenue sources and considering cost-effective and efficient means for the delivery of Clay County programs and services will influence the development of future budgets.

All of these factors were considered in preparing Clay County's governmental budget for the 2022 fiscal year.

On December 21, 2021, the Clay County Board of Commissioners approved the 2022 budget. The overall budget decrease was 9.38 percent, for a total budget of \$100,091,536. It also included a 3.82 percent property tax levy increase for a total levy of \$38,538,479.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Clay County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Lori J. Johnson, Clay County Auditor/Treasurer, Clay County Auditor's Office, P. O. Box 280, Moorhead, Minnesota 56561-0280; or contact us at 218-299-5006 or via email at [auditor@co.clay.mn.us](mailto:auditor@co.clay.mn.us).

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT 1**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>Assets</u></b>			
Cash and pooled investments	\$ 43,677,666	\$ 23,777,399	\$ 67,455,065
Investments	1,022,033	1,443,787	2,465,820
Taxes receivable delinquent	484,420	-	484,420
Special assessments receivable			
Delinquent	513	33,935	34,448
Liens	486,220	-	486,220
Accounts receivable - net	362,118	380,520	742,638
Accrued interest receivable	50,150	65	50,215
Internal balances	1,321,225	(1,321,225)	-
Due from other governments	10,936,086	2,371,734	13,307,820
Inventories	513,255	-	513,255
Prepaid items	90,353	2,369	92,722
Restricted assets			
Permanently restricted			
Investments	-	4,192,740	4,192,740
Accrued interest receivable	-	72,021	72,021
Long-term receivables	300,000	-	300,000
Net pension asset	208,155	134,599	342,754
Capital assets			
Non-depreciable	5,202,071	7,300,895	12,502,966
Depreciable - net of accumulated depreciation	145,897,543	17,490,249	163,387,792
<b>Total Assets</b>	<b>\$ 210,551,808</b>	<b>\$ 55,879,088</b>	<b>\$ 266,430,896</b>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred other postemployment benefits outflows	\$ 264,774	\$ 88,900	\$ 353,674
Deferred pension outflows	13,043,483	3,903,963	16,947,446
<b>Total Deferred Outflows of Resources</b>	<b>\$ 13,308,257</b>	<b>\$ 3,992,863</b>	<b>\$ 17,301,120</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT 1  
(Continued)**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>Liabilities</u></b>			
Accounts payable	\$ 1,189,644	\$ 259,659	\$ 1,449,303
Salaries payable	747,842	223,964	971,806
Contracts payable	805,938	863,849	1,669,787
Due to other governments	2,344,086	492,771	2,836,857
Accrued interest payable	708,605	170,434	879,039
Unearned revenue	5,846,210	284,187	6,130,397
Long-term liabilities			
Due within one year	3,464,098	962,166	4,426,264
Due in more than one year	53,390,026	22,536,085	75,926,111
Other postemployment benefits liability	1,664,781	306,064	1,970,845
Net pension liability	11,723,983	3,594,218	15,318,201
	<b>\$ 81,885,213</b>	<b>\$ 29,693,397</b>	<b>\$ 111,578,610</b>
<b><u>Deferred Inflows of Resources</u></b>			
Prepaid property taxes	\$ 33,949	\$ -	\$ 33,949
Deferred other postemployment benefits inflows	19,874	6,052	25,926
Deferred pension inflows	15,703,682	4,515,939	20,219,621
	<b>\$ 15,757,505</b>	<b>\$ 4,521,991</b>	<b>\$ 20,279,496</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	\$ 103,528,462	\$ 11,994,073	\$ 115,522,535
Restricted for			
General government	595,128	-	595,128
Public safety	508,920	-	508,920
Highways and streets	4,141,123	-	4,141,123
Closure/postclosure	-	-	-
Health	-	43,899	43,899
Conservation of natural resources	719,292	-	719,292
Capital projects	-	498,693	498,693
Debt service	287,283	-	287,283
Other purposes	16,326	-	16,326
Unrestricted	16,420,813	13,119,898	29,540,711
	<b>\$ 126,217,347</b>	<b>\$ 25,656,563</b>	<b>\$ 151,873,910</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Expenses</b>	<b>Fees, Charges, Fines, and Other</b>
<b><u>Functions/Programs</u></b>		
<b>Governmental activities</b>		
General government	\$ 13,544,628	\$ 1,443,552
Public safety	13,368,132	635,373
Highways and streets	11,167,660	800,868
Human services	23,494,230	880,602
Culture and recreation	502,169	-
Conservation of natural resources	643,820	10,250
Economic development	618,226	-
Interest and fiscal charges	1,681,809	-
	<b>\$ 65,020,674</b>	<b>\$ 3,770,645</b>
<b>Total governmental activities</b>		
<b>Business-type activities</b>		
Family Service Center	\$ 1,573,678	\$ 1,319,541
Public Health	6,809,753	2,632,939
Solid Waste Management	4,006,644	3,787,684
Juvenile Center	6,713,583	6,751,683
	<b>\$ 19,103,658</b>	<b>\$ 14,491,847</b>
<b>Total business-type activities</b>		
	<b>\$ 84,124,332</b>	<b>\$ 18,262,492</b>
<b>Total</b>	<b>\$ 84,124,332</b>	<b>\$ 18,262,492</b>

**General Revenues**

Property taxes  
Gravel taxes  
Mortgage registry and deed tax  
Local sales tax  
Taxes - other  
Grants and contributions not restricted to  
specific programs  
Payments in lieu of tax  
Investment income  
Miscellaneous

**Transfers**

**Total general revenues and transfers**

**Change in net position**

**Net Position - Beginning**

**Net Position - Ending**

**EXHIBIT 2**

<b>Program Revenues</b>		<b>Net (Expense) Revenue and Change in Net Position</b>		
<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ 386,369	\$ 2,975	\$ (11,711,732)	\$ -	\$ (11,711,732)
852,081	-	(11,880,678)	-	(11,880,678)
8,045,804	759,787	(1,561,201)	-	(1,561,201)
14,086,549	-	(8,527,079)	-	(8,527,079)
-	-	(502,169)	-	(502,169)
213,936	82,301	(337,333)	-	(337,333)
-	-	(618,226)	-	(618,226)
-	-	(1,681,809)	-	(1,681,809)
<b>\$ 23,584,739</b>	<b>\$ 845,063</b>	<b>\$ (36,820,227)</b>	<b>\$ -</b>	<b>\$ (36,820,227)</b>
\$ -	\$ 80,950	\$ -	\$ (173,187)	\$ (173,187)
3,480,687	-	-	(696,127)	(696,127)
364,533	-	-	145,573	145,573
254,891	-	-	292,991	292,991
<b>\$ 4,100,111</b>	<b>\$ 80,950</b>	<b>\$ -</b>	<b>\$ (430,750)</b>	<b>\$ (430,750)</b>
<b>\$ 27,684,850</b>	<b>\$ 926,013</b>	<b>\$ (36,820,227)</b>	<b>\$ (430,750)</b>	<b>\$ (37,250,977)</b>
		\$ 33,069,265	\$ -	\$ 33,069,265
		413,790	-	413,790
		107,588	-	107,588
		3,846,859	-	3,846,859
		547,746	-	547,746
		8,659,608	8,856	8,668,464
		93,490	-	93,490
		(213,739)	(263)	(214,002)
		623,261	-	623,261
		(1,529,996)	1,529,996	-
		<b>\$ 45,617,872</b>	<b>\$ 1,538,589</b>	<b>\$ 47,156,461</b>
		<b>\$ 8,797,645</b>	<b>\$ 1,107,839</b>	<b>\$ 9,905,484</b>
		<b>117,419,702</b>	<b>24,548,724</b>	<b>141,968,426</b>
		<b>\$ 126,217,347</b>	<b>\$ 25,656,563</b>	<b>\$ 151,873,910</b>

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**FUND FINANCIAL STATEMENTS**

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**GOVERNMENTAL FUNDS**

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<b>General</b>	<b>Road and Bridge</b>
<b><u>Assets</u></b>		
Cash and pooled investments	\$ 15,730,825	\$ 5,746,073
Petty cash and change funds	9,175	-
Investments	22,033	1,000,000
Taxes receivable delinquent	285,213	48,474
Special assessments		
Delinquent	-	-
Liens	-	-
Accounts receivable net	79,634	96,348
Accrued interest receivable	50,137	13
Due from other funds	373,843	-
Due from other governments	194,305	5,206,348
Prepaid items	66,599	2,033
Advance to other funds	1,845,000	-
Long-term receivables	300,000	-
Inventories	-	513,255
<b>Total Assets</b>	<b>\$ 18,956,764</b>	<b>\$ 12,612,544</b>
 <b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b>		
<b>Liabilities</b>		
Accounts payable	\$ 482,865	\$ 118,034
Salaries payable	426,332	100,540
Compensated absences/vacation/sick payable current	-	-
Contracts payable	-	805,938
Due to other funds	90,223	62,531
Due to other governments	1,107,537	1,006,145
Unearned revenue	5,839,397	-
Advance from other funds	-	279,796
<b>Total Liabilities</b>	<b>\$ 7,946,354</b>	<b>\$ 2,372,984</b>

**EXHIBIT 3**

<u>Social Services</u>	<u>Opioid Settlement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 8,816,177	\$ -	\$ 10,941,727	\$ 41,234,802
1,700	-	-	10,875
-	-	-	1,022,033
141,967	-	8,766	484,420
-	-	513	513
-	-	486,220	486,220
186,136	-	-	362,118
-	-	-	50,150
86,530	-	62,068	522,441
2,569,207	2,093,241	863,652	10,926,753
5,783	-	-	74,415
-	-	-	1,845,000
-	-	-	300,000
-	-	-	513,255
<b><u>\$ 11,807,500</u></b>	<b><u>\$ 2,093,241</u></b>	<b><u>\$ 12,362,946</u></b>	<b><u>\$ 57,832,995</u></b>
\$ 572,616	\$ -	\$ 15,000	\$ 1,188,515
220,970	-	-	747,842
23,969	-	-	23,969
-	-	-	805,938
700,024	-	-	852,778
144,799	-	-	2,258,481
6,813	-	-	5,846,210
-	-	-	279,796
<b><u>\$ 1,669,191</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 15,000</u></b>	<b><u>\$ 12,003,529</u></b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<b>General</b>	<b>Road and Bridge</b>
<b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b> (Continued)		
<b>Deferred Inflows of Resources</b>		
Unavailable revenue	\$ 239,676	\$ 3,785,484
Prepaid property taxes	20,315	3,391
	<b>\$ 259,991</b>	<b>\$ 3,788,875</b>
<b>Fund Balances</b>		
Nonspendable		
Inventories	\$ -	\$ 513,255
Prepaid items	66,598	2,033
Long-term receivables	300,000	-
Advances to other funds	1,845,000	-
Restricted for		
Debt service	-	-
Law library	30,578	-
Capital projects	-	-
Gravel pit restoration	-	-
County state-aid highway system	-	31,527
Real estate tax shortfall	22,033	-
Administering the carrying of weapons	337,801	-
Missing heirs	16,326	-
K-9	30,339	-
DARE Program	32,599	-
Posse	7,117	-
Veteran's affairs	132	-
Law enforcement	74,339	-
Prosecutorial purposes	207,129	-
Recorder's technology equipment	178,145	-
Recorder's enhancements	157,111	-
Correctional services	26,725	-
Aquatic invasive species	62,676	-
Riparian aid	656,616	-
Wheelage tax - for highway purposes	-	693,929
Assigned for		
Road and bridge	-	5,209,941
Human services	-	-
Health insurance	200,000	-
County building projects	-	-
Unassigned	6,499,155	-
	<b>\$ 10,750,419</b>	<b>\$ 6,450,685</b>
	<b>\$ 18,956,764</b>	<b>\$ 12,612,544</b>

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

**EXHIBIT 3**  
**(Continued)**

<u>Social Services</u>	<u>Opioid Settlement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 636,105	\$ 2,093,241	\$ 1,268,116	\$ 8,022,622
9,850	-	393	33,949
<u>\$ 645,955</u>	<u>\$ 2,093,241</u>	<u>\$ 1,268,509</u>	<u>\$ 8,056,571</u>
\$ -	\$ -	\$ -	\$ 513,255
5,783	-	-	74,414
-	-	-	300,000
-	-	-	1,845,000
-	-	5,202,871	5,202,871
-	-	-	30,578
-	-	5,012,990	5,012,990
-	-	860,481	860,481
-	-	-	31,527
-	-	-	22,033
-	-	-	337,801
-	-	-	16,326
-	-	-	30,339
-	-	-	32,599
-	-	-	7,117
-	-	-	132
-	-	-	74,339
-	-	-	207,129
-	-	-	178,145
-	-	-	157,111
-	-	-	26,725
-	-	-	62,676
-	-	-	656,616
-	-	-	693,929
-	-	-	5,209,941
9,486,571	-	-	9,486,571
-	-	-	200,000
-	-	3,095	3,095
-	-	-	6,499,155
<u>\$ 9,492,354</u>	<u>\$ -</u>	<u>\$ 11,079,437</u>	<u>\$ 37,772,895</u>
<u>\$ 11,807,500</u>	<u>\$ 2,093,241</u>	<u>\$ 12,362,946</u>	<u>\$ 57,832,995</u>

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

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**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT 4**

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

**Fund balances - total governmental funds (Exhibit 3) \$ 37,772,895**

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 151,099,614

Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in the governmental funds. 13,043,483

Deferred outflows of resources resulting from OPEB obligations are not available resources and, therefore, are not reported in the governmental funds. 264,774

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 8,022,622

Internal service funds are used by management to charge the cost of management of fleet maintenance. The assets and liabilities that are included in governmental activities in the statement of net position are:

Total internal services net position	\$ 8,320,006	
Long-term liabilities of the Internal Service Fund	19,221	
Net position representing capital assets included above	(5,882,343)	2,456,884

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	\$ (53,735,754)	
Capital leases payable	(19,221)	
Compensated absences	(3,075,180)	
Accrued interest payable	(708,605)	
Other postemployment benefits liability	(1,664,781)	
Net pension asset	208,155	
Net pension liability	(11,723,983)	(70,719,369)

Deferred inflows of resources resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds. (15,703,682)

Deferred inflows of resources resulting from OPEB obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds. (19,874)

**Net Position of Governmental Activities (Exhibit 1) \$ 126,217,347**

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<b>General</b>	<b>Road and Bridge</b>
<b>Revenues</b>		
Taxes	\$ 19,896,512	\$ 4,189,248
Special assessments	-	-
Licenses and permits	162,704	120,020
Intergovernmental	6,831,858	10,226,925
Charges for services	1,395,418	612,336
Fines and forfeits	85,133	-
Investment earnings	(193,341)	293
Miscellaneous	981,220	42,275
	<b>\$ 29,159,504</b>	<b>\$ 15,191,097</b>
<b>Expenditures</b>		
<b>Current</b>		
General government	\$ 13,272,512	\$ -
Public safety	13,933,969	-
Highways and streets	-	12,639,732
Human services	-	-
Culture and recreation	200,554	-
Conservation of natural resources	609,500	-
Economic development	618,226	-
<b>Intergovernmental</b>		
Highways and streets	-	586,771
Culture and recreation	301,615	-
<b>Capital outlay</b>		
General government	1,136,761	-
Public safety	-	-
Highways and streets	7,500	-
<b>Debt service</b>		
Principal	-	-
Interest	-	-
Administrative (fiscal charges)	-	-
Bond issuance costs	-	-
	<b>\$ 30,080,637</b>	<b>\$ 13,226,503</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (921,133)</b>	<b>\$ 1,964,594</b>

**EXHIBIT 5**

<u>Social Services</u>	<u>Opioid Settlement</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 9,635,179	\$ -	\$ 4,397,770	\$ 38,118,709
-	-	542,356	542,356
-	-	-	282,724
14,665,149	-	71,008	31,794,940
-	-	-	2,007,754
15,935	-	-	101,068
-	-	-	(193,048)
867,836	-	87,961	1,979,292
<b>\$ 25,184,099</b>	<b>\$ -</b>	<b>\$ 5,099,095</b>	<b>\$ 74,633,795</b>
\$ -	\$ -	\$ 16,905	\$ 13,289,417
-	-	1,450	13,935,419
-	-	-	12,639,732
24,045,252	-	-	24,045,252
-	-	-	200,554
-	-	5,319	614,819
-	-	-	618,226
-	-	-	586,771
-	-	-	301,615
-	-	1,074,070	2,210,831
-	-	82,632	82,632
-	-	-	7,500
-	-	2,645,000	2,645,000
-	-	1,693,555	1,693,555
-	-	2,400	2,400
-	-	52,910	52,910
<b>\$ 24,045,252</b>	<b>\$ -</b>	<b>\$ 5,574,241</b>	<b>\$ 72,926,633</b>
<b>\$ 1,138,847</b>	<b>\$ -</b>	<b>\$ (475,146)</b>	<b>\$ 1,707,162</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<b>General</b>	<b>Road and Bridge</b>
<b>Other Financing Sources (Uses)</b>		
Transfers in	\$ 310,242	\$ -
Transfers out	(2,352,484)	-
Bonds issued	-	-
Premium on bonds/notes issued	-	-
	<b>\$ (2,042,242)</b>	<b>\$ -</b>
<b>Net Change in Fund Balance</b>	<b>\$ (2,963,375)</b>	<b>\$ 1,964,594</b>
<b>Fund Balance - January 1</b>	<b>13,713,794</b>	<b>4,383,451</b>
<b>Increase (decrease) in inventories</b>	<b>-</b>	<b>102,640</b>
<b>Fund Balance - December 31</b>	<b>\$ 10,750,419</b>	<b>\$ 6,450,685</b>

**EXHIBIT 5**  
**(Continued)**

<u>Social Services</u>	<u>Opioid Settlement</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 702,488	\$ 1,012,730
-	-	(190,242)	(2,542,726)
-	-	3,185,000	3,185,000
-	-	248,888	248,888
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,946,134</u>	<u>\$ 1,903,892</u>
\$ 1,138,847	\$ -	\$ 3,470,988	\$ 3,611,054
8,353,507	-	7,608,449	34,059,201
-	-	-	102,640
<u>\$ 9,492,354</u>	<u>\$ -</u>	<u>\$ 11,079,437</u>	<u>\$ 37,772,895</u>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT 6  
(Continued)**

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

**Net change in fund balances - total governmental funds (Exhibit 5) \$ 3,611,054**

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

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

Unavailable revenue - December 31	\$ 8,022,622	
Unavailable revenue - January 1	<u>(7,277,956)</u>	744,666

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets and infrastructure	\$ 7,707,235	
Net book value of assets sold	(31,606)	
Current year depreciation	<u>(6,015,164)</u>	1,660,465

Capital contributions of the internal service fund which are recognized in the governmental activities.		2,975
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Issuing long-term debt provides current financial resources to governmental funds, while the repayment of debt consumes current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued; whereas, those amounts are deferred and amortized over the life of the debt in the statement of net position.

Proceeds of new debt		
Bonds issued	\$ (3,185,000)	
Premium on bonds issued	<u>(248,888)</u>	(3,433,888)

Principal repayments		
General obligation bonds		2,645,000

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT 6  
(Continued)**

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

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable	\$	14,803	
Amortization of premiums and discounts		162,212	
Change in compensated absences		64,512	
Change in other postemployment benefits liability		(138,108)	
Change in deferred other post employment benefits inflows		4,816	
Change in inventories		102,640	
Change in net pension liability		4,909,455	
Change in net pension asset		208,155	
Change in deferred pension outflows		8,973,207	
Change in other post employment benefits outflows		50,278	
Change in deferred pension inflows		<u>(11,866,555)</u>	2,485,415

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.

Governmental activities share of net income before transfers			<u>1,081,958</u>
<b>Change in Net Position of Governmental Activities (Exhibit 2)</b>			<u><u>\$ 8,797,645</u></u>

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**PROPRIETARY FUNDS**

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<b>Business-Type</b>	
	<b>Family Service Center</b>	<b>Juvenile Center</b>
<b><u>Assets</u></b>		
<b>Current assets</b>		
Cash and pooled investments	\$ 1,206,101	\$ 3,728,269
Petty cash and change funds	300	-
Investments	-	163,838
Special assessments		
Delinquent	-	-
Accounts receivable - net	4,537	20,290
Accrued interest receivable	-	48
Due from other funds	59,137	189,829
Due from other governments	1,456	1,072,780
Prepaid items	-	295
<b>Total current assets</b>	<b>\$ 1,271,531</b>	<b>\$ 5,175,349</b>
<b>Restricted assets</b>		
Investments	\$ -	\$ -
Accrued interest receivable	-	-
<b>Total restricted assets</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Noncurrent assets</b>		
Advance to other funds	\$ -	\$ -
Net pension asset	-	134,599
Capital assets		
Nondepreciable	240,500	-
Depreciable - net	2,432,921	10,590,418
<b>Total noncurrent assets</b>	<b>\$ 2,673,421</b>	<b>\$ 10,725,017</b>
<b>Total Assets</b>	<b>\$ 3,944,952</b>	<b>\$ 15,900,366</b>
<b>Deferred Outflows of Resources</b>		
Deferred pension outflows	\$ 189,943	\$ 1,428,068
Deferred other postemployment benefits outflows	5,698	30,520
<b>Total deferred outflows of resources</b>	<b>\$ 195,641</b>	<b>\$ 1,458,588</b>

**EXHIBIT 7**

<b>Activities - Enterprise Funds</b>			<b>Governmental</b>
<b>Public Health</b>	<b>Solid Waste Management</b>	<b>Totals</b>	<b>Activities Internal Service Fund</b>
\$ 3,504,628	\$ 15,337,231	\$ 23,776,229	\$ 2,431,989
170	700	1,170	-
-	1,279,949	1,443,787	-
-	33,935	33,935	-
275,961	79,732	380,520	-
-	17	65	-
778,355	-	1,027,321	753
468,849	217,041	1,760,126	9,333
1,874	200	2,369	15,938
<b>\$ 5,029,837</b>	<b>\$ 16,948,805</b>	<b>\$ 28,425,522</b>	<b>\$ 2,458,013</b>
\$ -	\$ 4,192,740	\$ 4,192,740	\$ -
-	72,021	72,021	-
<b>\$ -</b>	<b>\$ 4,264,761</b>	<b>\$ 4,264,761</b>	<b>\$ -</b>
\$ -	\$ 279,796	\$ 279,796	\$ -
-	-	134,599	-
-	7,060,395	7,300,895	-
21,738	4,445,172	17,490,249	5,882,343
<b>\$ 21,738</b>	<b>\$ 11,785,363</b>	<b>\$ 25,205,539</b>	<b>\$ 5,882,343</b>
<b>\$ 5,051,575</b>	<b>\$ 32,998,929</b>	<b>\$ 57,895,822</b>	<b>\$ 8,340,356</b>
\$ 2,002,140	\$ 283,812	\$ 3,903,963	\$ -
46,520	6,162	88,900	-
<b>\$ 2,048,660</b>	<b>\$ 289,974</b>	<b>\$ 3,992,863</b>	<b>\$ -</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<u>Family Service Center</u>	<u>Business-Type Juvenile Center</u>
<b><u>Liabilities</u></b>		
<b>Current liabilities</b>		
Accounts payable	\$ 83,127	\$ 69,850
Salaries payable	10,217	99,958
Contracts payable	-	-
Due to other funds	21,577	59,831
Due to other governments	761	-
Accrued interest payable	-	96,651
Unearned revenue	23,802	-
General obligation bonds payable - current	-	290,000
Capital leases payable - current	-	-
Compensated absences payable - current	16,588	87,702
<b>Total current liabilities</b>	<b>\$ 156,072</b>	<b>\$ 703,992</b>
<b>Noncurrent liabilities</b>		
Advance from other funds	\$ 1,495,000	\$ 350,000
General obligation bonds payable - long-term	-	6,655,000
Unamortized premiums on G.O. bonds	-	177,802
Capital leases payable - long-term	-	-
Estimated liability for landfill closure/postclosure	-	-
Net pension liability	230,932	584,044
Other postemployment benefits liability	14,142	112,926
Compensated absences payable - long-term	28,390	89,270
<b>Total noncurrent liabilities</b>	<b>\$ 1,768,464</b>	<b>\$ 7,969,042</b>
<b>Total Liabilities</b>	<b>\$ 1,924,536</b>	<b>\$ 8,673,034</b>
<b>Deferred Inflows of Resources</b>		
Deferred pension inflows	\$ 215,245	\$ 1,710,237
Deferred other postemployment benefits inflows	133	1,813
<b>Total deferred inflows of resources</b>	<b>\$ 215,378</b>	<b>\$ 1,712,050</b>
<b><u>Net Position</u></b>		
<b>Net Position</b>		
Net investment in capital assets	\$ 2,673,421	\$ 3,467,616
Restricted for		
Capital projects	-	498,693
Health	-	-
Unrestricted	(672,742)	3,007,561
<b>Total Net Position</b>	<b>\$ 2,000,679</b>	<b>\$ 6,973,870</b>

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

**EXHIBIT 7**  
**(Continued)**

<b>Activities - Enterprise Funds</b>			<b>Governmental Activities Internal Service Fund</b>
<b>Public Health</b>	<b>Solid Waste Management</b>	<b>Totals</b>	
\$ 52,842	\$ 53,840	\$ 259,659	\$ 1,129
100,029	13,760	223,964	-
-	863,849	863,849	-
225,255	819	307,482	-
91,037	265,225	357,023	-
-	73,783	170,434	-
260,385	-	284,187	-
-	400,000	690,000	-
-	-	-	14,657
146,841	21,035	272,166	-
<b>\$ 876,389</b>	<b>\$ 1,692,311</b>	<b>\$ 3,428,764</b>	<b>\$ 15,786</b>
\$ -	\$ -	\$ 1,845,000	\$ -
-	9,730,000	16,385,000	-
-	883,531	1,061,333	-
-	-	-	4,564
-	4,567,476	4,567,476	-
2,434,186	345,056	3,594,218	-
157,341	21,655	306,064	-
346,282	58,334	522,276	-
<b>\$ 2,937,809</b>	<b>\$ 15,606,052</b>	<b>\$ 28,281,367</b>	<b>\$ 4,564</b>
<b>\$ 3,814,198</b>	<b>\$ 17,298,363</b>	<b>\$ 31,710,131</b>	<b>\$ 20,350</b>
\$ 2,268,839	\$ 321,618	\$ 4,515,939	\$ -
3,655	451	6,052	-
<b>\$ 2,272,494</b>	<b>\$ 322,069</b>	<b>\$ 4,521,991</b>	<b>\$ -</b>
\$ 21,738	\$ 5,831,298	\$ 11,994,073	\$ 5,863,122
-	-	498,693	-
43,899	-	43,899	-
947,906	9,837,173	13,119,898	2,456,884
<b>\$ 1,013,543</b>	<b>\$ 15,668,471</b>	<b>\$ 25,656,563</b>	<b>\$ 8,320,006</b>

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<u>Family Service Center</u>	<u>Business-Type Juvenile Center</u>
<b>Operating Revenues</b>		
Charges for services	\$ 79,313	\$ 6,329,539
Licenses and permits	-	-
Rents	1,187,042	-
Miscellaneous	53,186	422,144
<b>Total Operating Revenues</b>	<b>\$ 1,319,541</b>	<b>\$ 6,751,683</b>
<b>Operating Expenses</b>		
Personal services	\$ 452,998	\$ 4,497,494
Other services and charges	694,282	1,251,539
Supplies	49,857	188,786
Depreciation	364,252	498,939
Landfill closure and postclosure costs	-	-
<b>Total Operating Expenses</b>	<b>\$ 1,561,389</b>	<b>\$ 6,436,758</b>
<b>Operating Income (Loss)</b>	<b>\$ (241,848)</b>	<b>\$ 314,925</b>
<b>Nonoperating Revenues (Expenses)</b>		
Special assessments	\$ -	\$ -
Intergovernmental	569	256,330
Interest income (Loss)	-	(610)
Gain (loss) on sale/disposal of capital assets	(12,289)	(53,620)
Interest expense	-	(223,205)
Bond issue expense	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ (11,720)</b>	<b>\$ (21,105)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>\$ (253,568)</b>	<b>\$ 293,820</b>
Capital contributions	80,950	-
Transfers in	-	-
Transfers out	-	-
<b>Change in net position</b>	<b>\$ (172,618)</b>	<b>\$ 293,820</b>
<b>Net Position - January 1</b>	<b>2,173,297</b>	<b>6,680,050</b>
<b>Net Position - December 31</b>	<b>\$ 2,000,679</b>	<b>\$ 6,973,870</b>

**EXHIBIT 8**

<b>Activities - Enterprise Funds</b>			<b>Governmental</b>
<b>Public Health</b>	<b>Solid Waste Management</b>	<b>Totals</b>	<b>Activities Internal Service Fund</b>
\$ 2,607,903	\$ 2,432,145	\$ 11,448,900	\$ 2,570,281
-	855	855	-
-	-	1,187,042	-
25,036	29,849	530,215	40,635
<b>\$ 2,632,939</b>	<b>\$ 2,462,849</b>	<b>\$ 13,167,012</b>	<b>\$ 2,610,916</b>
\$ 5,910,114	\$ 858,448	\$ 11,719,054	\$ -
676,804	1,385,155	4,007,780	63,450
210,725	370,346	819,714	294,848
12,110	470,484	1,345,785	1,305,788
-	789,844	789,844	-
<b>\$ 6,809,753</b>	<b>\$ 3,874,277</b>	<b>\$ 18,682,177</b>	<b>\$ 1,664,086</b>
<b>\$ (4,176,814)</b>	<b>\$ (1,411,428)</b>	<b>\$ (5,515,165)</b>	<b>\$ 946,830</b>
\$ -	\$ 1,324,835	\$ 1,324,835	\$ -
3,486,685	363,884	4,107,468	-
-	1,846	1,236	-
-	55,854	(10,055)	135,785
-	(62,503)	(285,708)	(657)
-	(125,718)	(125,718)	-
<b>\$ 3,486,685</b>	<b>\$ 1,558,198</b>	<b>\$ 5,012,058</b>	<b>\$ 135,128</b>
\$ (690,129)	\$ 146,770	\$ (503,107)	\$ 1,081,958
-	-	80,950	2,975
1,649,996	-	1,649,996	-
-	(120,000)	(120,000)	-
<b>\$ 959,867</b>	<b>\$ 26,770</b>	<b>\$ 1,107,839</b>	<b>\$ 1,084,933</b>
<b>53,676</b>	<b>15,641,701</b>	<b>24,548,724</b>	<b>7,235,073</b>
<b>\$ 1,013,543</b>	<b>\$ 15,668,471</b>	<b>\$ 25,656,563</b>	<b>\$ 8,320,006</b>

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<b>Business-Type</b>	
	<b>Family Service Center</b>	<b>Juvenile Center</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 1,350,210	\$ 6,624,101
Payments to suppliers	(711,725)	(1,496,478)
Payments to employees	(522,330)	(4,581,428)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 116,155</b>	<b>\$ 546,195</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Special assessments	\$ -	\$ -
Intergovernmental	569	298,475
Advance to other funds	-	-
Transfers in	-	-
Transfers out	-	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>\$ 569</b>	<b>\$ 298,475</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Principal paid on installment purchase	\$ -	\$ -
Interest paid on long-term debt	-	(237,113)
Proceeds from capital debt	-	-
Proceeds from the sale of capital assets	-	-
Purchases of capital assets	-	(310,516)
Cash received from escrow	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>\$ -</b>	<b>\$ (547,629)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	\$ -	\$ -
Investment earnings received	-	368
<b>Net cash provided by (used in) investing activities</b>	<b>\$ -</b>	<b>\$ 368</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 116,724</b>	<b>\$ 297,409</b>
<b>Cash and Cash Equivalents at January 1</b>	<b>1,089,677</b>	<b>3,430,860</b>
<b>Cash and Cash Equivalents at December 31</b>	<b>\$ 1,206,401</b>	<b>\$ 3,728,269</b>

**EXHIBIT 9**

<b>Activities - Enterprise Funds</b>			<b>Governmental Activities Internal Service Fund</b>
<b>Public Health</b>	<b>Solid Waste Management</b>	<b>Totals</b>	
\$ 2,444,358	\$ 2,390,671	\$ 12,809,340	\$ 2,610,163
(908,989)	(1,912,553)	(5,029,745)	(331,973)
<u>(5,742,744)</u>	<u>(834,460)</u>	<u>(11,680,962)</u>	<u>-</u>
<b>\$ (4,207,375)</b>	<b>\$ (356,342)</b>	<b>\$ (3,901,367)</b>	<b>\$ 2,278,190</b>
\$ -	\$ 1,334,897	\$ 1,334,897	\$ -
3,064,295	353,723	3,717,062	-
-	50,000	50,000	-
1,649,996	-	1,649,996	-
<u>-</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
<b>\$ 4,714,291</b>	<b>\$ 1,618,620</b>	<b>\$ 6,631,955</b>	<b>\$ -</b>
\$ -	\$ -	\$ -	\$ (17,010)
-	-	(237,113)	(657)
-	10,899,093	10,899,093	-
-	149,649	149,649	149,378
-	(5,839,449)	(6,149,965)	(1,801,183)
<u>-</u>	<u>102,808</u>	<u>102,808</u>	<u>-</u>
<b>\$ -</b>	<b>\$ 5,312,101</b>	<b>\$ 4,764,472</b>	<b>\$ (1,669,472)</b>
\$ -	\$ (114,405)	\$ (114,405)	\$ -
<u>-</u>	<u>(2,390)</u>	<u>(2,022)</u>	<u>-</u>
<b>\$ -</b>	<b>\$ (116,795)</b>	<b>\$ (116,427)</b>	<b>\$ -</b>
\$ 506,916	\$ 6,457,584	\$ 7,378,633	\$ 608,718
<u>2,997,882</u>	<u>8,880,347</u>	<u>16,398,766</u>	<u>1,823,271</u>
<b>\$ 3,504,798</b>	<b>\$ 15,337,931</b>	<b>\$ 23,777,399</b>	<b>\$ 2,431,989</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<b>Business-Type</b>	
	<b>Family Service Center</b>	<b>Juvenile Center</b>
<b>Cash and Cash Equivalents - Exhibit 7</b>		
Cash and pooled investments	\$ 1,206,101	\$ 3,728,269
Petty cash and change funds	300	-
<b>Total Cash and Cash Equivalents</b>	<b><u>\$ 1,206,401</u></b>	<b><u>\$ 3,728,269</u></b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
<b>Operating income (loss)</b>	<b><u>\$ (241,848)</u></b>	<b><u>\$ 314,925</u></b>
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities</b>		
Depreciation expense	\$ 364,252	\$ 498,939
(Increase) decrease in accounts receivable	(2,628)	(20,290)
(Increase) decrease in allowance for uncollectible accounts receivable	-	-
(Increase) decrease in OPEB outflows	(1,327)	(6,193)
(Increase) decrease in due from other governments	4,495	106,965
(Increase) decrease in due from other funds	(8,553)	(129,486)
(Increase) decrease in prepaid items	8,258	39,488
(Increase) decrease in deferred pension outflows	(131,222)	(1,300,455)
(Increase) decrease in net pension asset	-	(134,599)
Increase (decrease) in accounts payable	32,289	(118,894)
Increase (decrease) in salaries payable	2,913	16,776
Increase (decrease) in compensated absences - current	4,130	(7,812)
Increase (decrease) in compensated absences - long-term	(17,588)	(15,422)
Increase (decrease) in due to other funds	21,577	(5,977)
Increase (decrease) in due to other governments	(308)	(23,209)
Increase (decrease) in contracts payable	-	-
Increase (decrease) in unearned revenue	16,211	-
Increase (decrease) in net OPEB liability	3,645	17,010
Increase (decrease) in landfill closure and postclosure payable	-	-
Increase (decrease) in deferred pension inflows	190,178	1,413,531
Increase (decrease) in OPEB inflows	(127)	(593)
Increase (decrease) in net pension liability	(128,192)	(98,509)
<b>Total adjustments</b>	<b><u>\$ 358,003</u></b>	<b><u>\$ 231,270</u></b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b><u>\$ 116,155</u></b>	<b><u>\$ 546,195</u></b>
<b>Non-Cash Investing, Capital, and Financing Activities</b>		
Capital assets acquired on account	<b><u>\$ 80,950</u></b>	<b><u>\$ -</u></b>

**EXHIBIT 9**  
**(Continued)**

<b>Activities - Enterprise Funds</b>			<b>Governmental Activities Internal Service Fund</b>
<b>Public Health</b>	<b>Solid Waste Management</b>	<b>Totals</b>	
\$ 3,504,628	\$ 15,337,231	\$ 23,776,229	\$ 2,431,989
170	700	1,170	-
<b><u>\$ 3,504,798</u></b>	<b><u>\$ 15,337,931</u></b>	<b><u>\$ 23,777,399</u></b>	<b><u>\$ 2,431,989</u></b>
<b><u>\$ (4,176,814)</u></b>	<b><u>\$ (1,411,428)</u></b>	<b><u>\$ (5,515,165)</u></b>	<b><u>\$ 946,830</u></b>
\$ 12,110	\$ 470,484	\$ 1,345,785	\$ 1,305,788
(168,618)	40,234	(151,302)	-
(19,302)	-	(19,302)	-
(8,698)	(1,179)	(17,397)	-
236,586	(113,003)	235,043	(8,971)
(158,714)	-	(296,753)	15,786
56,916	9,429	114,091	58,412
(1,604,437)	(231,120)	(3,267,234)	-
-	-	(134,599)	-
(27,022)	12,422	(101,205)	(3,641)
23,823	1,045	44,557	-
5,789	743	2,850	-
43,837	10,321	21,148	-
(20,936)	(182)	(5,518)	(36,014)
6,497	(53,462)	(70,482)	-
-	(114,297)	(114,297)	-
(55,656)	-	(39,445)	-
23,896	3,240	47,791	-
-	789,844	789,844	-
2,114,744	300,473	4,018,926	-
(833)	(113)	(1,666)	-
(490,543)	(69,793)	(787,037)	-
<b><u>\$ (30,561)</u></b>	<b><u>\$ 1,055,086</u></b>	<b><u>\$ 1,613,798</u></b>	<b><u>\$ 1,331,360</u></b>
<b><u>\$ (4,207,375)</u></b>	<b><u>\$ (356,342)</u></b>	<b><u>\$ (3,901,367)</u></b>	<b><u>\$ 2,278,190</u></b>
<b><u>\$ -</u></b>	<b><u>\$ 87,256</u></b>	<b><u>\$ 168,206</u></b>	<b><u>\$ 2,975</u></b>

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

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**CLAY COUNTY  
MOORHEAD, MINNESOTA**

FIDUCIARY FUNDS

AGENCY FUNDS

Forfeited Tax - is used to account for proceeds from the sale or rental of lands forfeited to the State of Minnesota pursuant to Minn. Stat. ch. 282. The distribution of the net proceeds, after deducting the expenses of the County for managing the tax-forfeited lands, is governed by Minn. Stat. § 282.08. Title to the tax-forfeited lands remains with the state until sold by the County.

Joint Powers Collaborative - to account for the collection and disbursement of funds for the local collaborative.

Partnership4Health – to account for the collection and disbursement of funds for the Community Health Board which consists of Becker, Clay, Ottertail and Wilkin Counties.

State Revenue - to account for the collection and disbursement of the state's share of fees, fines, and mortgage registry and state deed taxes collected by the County.

Taxes and Penalties - to account for the collection of taxes and penalties and their distribution to the various funds and governmental units.

Watershed Districts - to account for the collection and disbursement of funds for the maintenance of ditches.

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**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT 10**

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

	<u>Custodial Funds</u>
<b><u>Assets</u></b>	
Cash and pooled investments	\$ 4,172,005
Taxes receivable, for other governments	1,434,965
Accounts receivable, net	232,411
Due from other funds	221,353
Due from other governments	<u>1,511,073</u>
<b>Total Assets</b>	<b>\$ <u>7,571,807</u></b>
<b><u>Liabilities</u></b>	
Accounts payable	\$ 113,015
Due to other funds	611,608
Due to other governments	<u>4,127,748</u>
<b>Total Liabilities</b>	<b>\$ <u>4,852,371</u></b>
<b><u>Deferred Inflows of Resources</u></b>	
Prepaid taxes	<u>\$ 44,415</u>
<b><u>Net Position</u></b>	
Restricted for Individuals, organizations, other governments	<b>\$ <u><u>2,675,021</u></u></b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT 11**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Custodial Funds</b>
<b>Additions</b>	
Contributions:	
Individuals	\$ 817,282
Investment earnings:	
Interest, dividends, other	2,612
Property tax collections for other governments	66,158,566
License and fees collected for State	228,398
Miscellaneous	11,227,595
	<b>\$ 78,434,453</b>
<b>Deductions</b>	
Payments of property tax to other governments	\$ 66,849,853
Payments to state	817,282
Distributions to participants	207,810
Administrative expense	28,160
Payments to other entities	10,631,764
	<b>\$ 78,534,869</b>
<b>Change in net position</b>	<b>\$ (100,416)</b>
<b>Net Position – January 1</b>	<b>2,775,437</b>
<b>Net Position – December 31</b>	<b>\$ 2,675,021</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

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1. Summary of Significant Accounting Policies

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America as of and for the year ended December 31, 2021. 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

Clay County was established March 8, 1862, and organized April 14, 1872; it has the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year. The County Administrator, appointed by the Board, serves as the clerk of the Board of Commissioners but has no vote.

Joint Ventures

The County participates in several joint ventures which are described in Note 7.B. The County also participates in jointly-governed organizations and related organizations described in Notes 7.C. and 7.D., respectively.

B. Basic Financial Statements

1. Government-Wide Statements

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

The statement of activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities and different business-type activities are offset by program revenues. Direct expenses are those 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 and the policy for allocating indirect expenses to functions. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

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

The Opioid Settlement Special Revenue Fund is used to account for the receipt and expenditure of Opioid Settlement Funds.

The County reports the following major enterprise funds:

The Family Service Center Fund is used to account for the financing of the Family Service Center, which provides rental space to other departments and agencies.

The Juvenile Center Fund is used to account for the financial transactions of the Juvenile Center, which provides housing for juveniles and rental space to other departments and agencies.

The Public Health Fund is used to account for providing nursing service care to the elderly and other residents of the County. All activities necessary to provide such services are accounted for in this fund. Financing is provided by a health service grant and user service charges.

The Solid Waste Management Fund is used to account for the operation, maintenance, and development of the County solid waste landfill.

Additionally, the County reports the following fund types:

The Internal Service Fund is used to account for the financing of equipment provided by one department to other departments of the County on a cost-reimbursement basis.

Capital Projects Funds account for financial resources supporting capital projects during the life of the project.

Debt service funds account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Shared revenues are generally recognized in the period the appropriation goes into effect. 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. Clay County considers all revenues as available if collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

1. Cash and Cash Equivalents

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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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 at December 31, 2021. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2021 were \$(97,774), due to a decrease in the market value of investments.

Clay County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The investment in the pool is measured at the net asset value per share provided by the pool.

3. Receivables and Payables

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

All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

All accounts receivables are shown net of an allowance for uncollectibles.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due May 15 and the second half payment due October 15. Unpaid taxes at

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

4. Special Assessments Receivable

Special assessments receivable consist of delinquent special assessments payable in the years 2013 through 2021. No allowances for special assessments are shown because such amounts are not expected to be material.

5. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

6. Restricted Assets

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

7. Long-Term Receivable

Clay County and the City of Moorhead established the Moorhead-Clay County Joint Powers Authority (MCCJPA) on July 1, 2019. The purpose of the agreement is to allow the member entities to work collaboratively to maximize efficiencies with respect to the acquisition of project properties. Financing is provided by Metro Flood Diversion Authority and the State of Minnesota. Clay County has contributed \$300,000 in the form of a long-term receivable, to cover expenses incurred but not yet reimbursed.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. 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 entry price at the date of donation. Computer software has a threshold of \$50,000 and is included in the category of Machinery and Equipment.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	15 - 75
Land improvements	5 - 30
Public domain infrastructure	20 - 50
Furniture, equipment, and vehicles	3 - 15

The County landfill is depreciated based on capacity.

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 and proprietary fund 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. The government-wide statement of net position reports both the current and noncurrent portion of compensated absences. The current portion consists of an amount based on the vacation each employee accrues in one year.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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10. Long-Term Obligations

In the government-wide financial statements, and in the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

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

11. Pension Plan

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

12. Deferred Outflows/Inflows of Resources and Unearned Revenue

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The County reports deferred outflows of resources only under the full accrual basis of accounting associated with pension

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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plans and other postemployment benefits (OPEB) and, accordingly, are reported only in the statement of net position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four types of deferred inflows, unavailable revenue, prepaid property taxes, deferred pension inflows, and other postemployment benefits (OPEB), that qualify for reporting in this category. The governmental funds report unavailable revenue from delinquent taxes receivable, delinquent special assessments and liens receivable, and for amounts that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. Prepaid Property taxes arises under both the modified and full accrual basis of accounting and, accordingly, are reported in both the governmental funds balance sheet and the statement of net position. The unavailable revenue and prepaid taxes amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reported deferred inflows of resources associated with pensions and OPEB benefits. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

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

13. Classification of Net Position

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

Net investment in capital assets - represents capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

14. Classification of Fund Balances

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

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

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

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

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

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

15. Minimum Fund Balance

Clay County has adopted a minimum fund balance policy to address cash flow or working capital needs for the General Fund, which is heavily reliant on property tax revenues to fund current operations. However, current property tax revenues are not available for distribution until June. Therefore, the County Board has determined the County needs to maintain a minimum unrestricted fund balance in the General Fund and has set the year-end minimum fund balance amount for the General Fund equal to 16 percent of the total General Fund annual expenditures. At December 31, 2021, unrestricted fund balance for the General Fund was at or above the minimum fund balance level.

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, deferred outflows of resources, liabilities, and deferred inflows of resources; and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Budget

The following is a table of the individual nonmajor funds with expenditures in excess of budget for the year ended December 31, 2021.

	<u>Expenditures</u>	<u>Budget</u>	<u>Excess</u>
Joint Highway Facility Debt Service Fund	\$ 168,459	\$ 168,246	\$ 213
Law Enforcement Expansion Debt Service Fund	3,409,050	3,407,200	1,850

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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B. Tax Abatements

The County offers tax abatements through a Two-year Property Tax Abatement Program.

Two-year Property Tax Abatement Program

To promote new residential construction within the County, the County offers a property tax abatement (rebate) program to individuals constructing new residential homes in Clay County (only where the city participates), pursuant to Minnesota Statutes §§ 469.1813 – 469.1815. The property taxes are paid when due and the county/city/school district tax capacity taxes are subsequently rebated to the homeowner in December. This rebate is available for the first two years of property taxes. At December 31, 2021, the amount of taxes abated for this program was \$411,905.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

Reconciliation of the County's total cash and investments are reported as follows:

Governmental and business-type activities totals	
Cash and pooled investments	\$ 67,455,065
Investments	2,465,820
Permanently restricted assets	
Investments	4,192,740
Statement of fiduciary net position	
Cash and pooled investments	
Custodial funds	<u>4,172,005</u>
Total Cash and Investments	<u>\$ 78,285,630</u>

a. Deposits

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2021, the County’s deposits were not exposed to custodial credit risk.

b. Investments

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

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County minimizes its exposure to interest rate risk by investing in both short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The County does not have a policy for interest rate risk

Credit Risk

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

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County has a policy to minimize investment custodial credit risk. At December 31, 2021, the County's investments were not exposed to custodial credit risk.

Concentration of Credit Risk

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

The following table presents the County's deposit and investment balances at December 31, 2021, and information relating to potential investment risks:

Investment Type	Credit Risk		Concentration Risk	Interest Rate Risk	Carrying (Fair) Value
	Credit Rating	Rating Agency	Over 5 Percent of Portfolio	Maturity Date	
U.S. Government agency securities					
Federal Home Loan Mortgage Corp.	AAA	Moody's	<5%	06/28/24	\$ 1,979,800
Federal Home Loan Bank	AAA	Moody's		10/14/25	983,900
Federal Home Loan Bank	AAA	Moody's		01/27/26	984,010
Federal Home Loan Bank	AAA	Moody's		02/24/26	1,965,620
Federal Home Loan Bank	AAA	Moody's		02/26/26	971,130
Federal Home Loan Bank	AAA	Moody's		03/16/26	987,380
Federal Home Loan Bank	AAA	Moody's		03/16/26	740,535
Federal Home Loan Bank	AAA	Moody's		03/17/26	990,430
Federal Home Loan Bank	AAA	Moody's		03/30/26	495,150
Federal Home Loan Bank	AAA	Moody's		03/30/26	992,810
Federal Home Loan Bank	AAA	Moody's		03/30/26	990,340
Federal Home Loan Bank	AAA	Moody's		04/14/26	991,990
Federal Home Loan Bank	AAA	Moody's		04/28/26	995,900
Federal Home Loan Bank	AAA	Moody's		04/29/26	994,690
Federal Home Loan Bank	AAA	Moody's		05/12/26	744,735
Federal Home Loan Bank	AAA	Moody's		05/12/26	745,215
Federal Home Loan Bank	AAA	Moody's		05/27/26	992,770
Federal Home Loan Bank	AAA	Moody's		05/27/26	411,999
Federal Home Loan Bank	AAA	Moody's		06/15/26	2,481,300
Federal Home Loan Bank	AAA	Moody's		06/30/26	1,232,225
Federal Home Loan Bank	AAA	Moody's		06/30/26	1,216,119
Federal Home Loan Bank	AAA	Moody's		07/28/26	598,109
Federal Home Loan Bank	AAA	Moody's		08/26/26	495,015
Federal Home Loan Bank	AAA	Moody's		09/09/26	979,570
Federal Home Loan Bank	AAA	Moody's		09/23/26	1,185,672
Federal Home Loan Bank	AAA	Moody's		09/30/26	989,140
Federal Home Loan Bank	AAA	Moody's		10/13/26	1,387,316
Federal Home Loan Bank	AAA	Moody's		10/28/26	748,965
Federal Home Loan Bank	AAA	Moody's		10/28/26	996,440
Federal Home Loan Bank	AAA	Moody's		10/28/26	1,196,640
Federal Home Loan Bank	AAA	Moody's		10/28/26	995,800
Federal Home Loan Bank	AAA	Moody's		11/23/26	998,390
Federal Home Loan Bank	AAA	Moody's		11/23/26	998,390
Federal Home Loan Bank	AAA	Moody's		11/24/26	999,200
Federal Home Loan Bank	AAA	Moody's		12/30/26	999,430
Federal Home Loan Bank	AAA	Moody's		07/12/27	1,190,580
Federal Home Loan Bank	AAA	Moody's		01/28/28	1,469,265
Federal Home Loan Bank	AAA	Moody's		08/25/28	988,110
<b>Total Federal Home Loan Bank</b>			74%		\$ 38,124,280
Investment pools					
MAGIC Fund - General Revenue					\$ 1,792,164
MAGIC Fund - Solid Waste Long-Term					2,532,971
MAGIC Fund - Solid Waste Management					1,279,949
MAGIC Fund - Road and Bridge					1,000,000
<b>Total investment pools</b>	N/R	N/A	N/A	N/A	\$ 6,605,084

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

Investment Type	Credit Risk		Concentration Risk	Interest Rate Risk	Carrying (Fair) Value
	Credit Rating	Rating Agency	Over 5 Percent of Portfolio	Maturity Date	
Negotiable certificates of deposit					\$ 3,823,708
Repurchase Agreement					\$ 1,026,356
Total investments					\$ 51,559,228
Deposits					26,714,357
Change funds					12,045
Total Cash and Investments					\$ 78,285,630

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

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

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

At December 31, 2021, the County had the following recurring fair value measurements.

	December 31, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. Agencies	\$ 40,104,080	\$ -	\$ 40,104,080	\$ -
Negotiable certificates of deposit	3,823,708	-	3,823,708	-
Total Investments Included in the Fair Value Hierarchy	\$ 43,927,788	\$ -	\$ 43,927,788	\$ -
Investments measured at the net asset value (NAV)				
Repurchase agreement	\$ 1,026,356			
MAGIC Portfolio	6,605,084			
Total Investments Measured at the NAV	\$ 7,631,440			

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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All Level 2 debt securities are valued using a market approach based on the securities' relationship to benchmark quoted prices.

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.

The County invests in repurchase agreements through the banks sweep accounts. These accounts have daily liquidity and funds can be accessed any time.

2. Receivables

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

	Total Receivables	Less: Allowance for Uncollectibles	Total Receivables - Net	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities				
Taxes	\$ 484,420	\$ -	\$ 484,420	\$ -
Special assessments	486,733	-	486,733	455,474
Accounts	842,371	(480,253)	362,118	-
Accrued interest receivable	50,150	-	50,150	-
Due from other governments	10,936,086	-	10,936,086	2,656,924
Long-term receivable	300,000	-	300,000	300,000
Total Receivables	<u>\$ 13,099,760</u>	<u>\$ (480,253)</u>	<u>\$ 12,619,507</u>	<u>\$ 3,412,398</u>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

	Total Receivables	Less: Allowance for Uncollectibles	Total Receivables - Net	Amounts Not Scheduled for Collection During the Subsequent Year
Business-Type Activities				
Special assessments	\$ 33,935	\$ -	\$ 33,935	\$ -
Accounts	631,934	(251,414)	380,520	-
Accrued interest receivable	65	-	65	-
Due from other governments	2,371,734	-	2,371,734	-
Total Receivables	<u>\$ 3,037,668</u>	<u>\$ (251,414)</u>	<u>\$ 2,786,254</u>	<u>\$ -</u>

**3. Capital Assets**

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

**Governmental Activities**

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	\$ 3,889,090	\$ -	\$ -	\$ 3,889,090
Construction in progress	5,021,196	1,425,660	5,133,875	1,312,981
Total capital assets not depreciated	<u>\$ 8,910,286</u>	<u>\$ 1,425,660</u>	<u>\$ 5,133,875</u>	<u>\$ 5,202,071</u>
Capital assets depreciated				
Land improvements	\$ 2,060,772	\$ 22,780	\$ 63,934	\$ 2,019,618
Buildings	60,897,623	4,291,748	16,370	65,173,001
Machinery, furniture, and equipment	14,842,864	2,135,846	1,446,093	15,532,617
Infrastructure	148,692,120	7,005,139	-	155,697,259
Total capital assets depreciated	<u>\$ 226,493,379</u>	<u>\$ 13,455,513</u>	<u>\$ 1,526,397</u>	<u>\$ 238,422,495</u>
Less: accumulated depreciation for				
Land improvements	\$ 364,557	\$ 86,099	\$ 35,874	\$ 414,782
Buildings	7,368,558	1,491,824	12,824	8,847,558
Machinery, furniture, and equipment	7,521,738	1,606,365	1,196,594	7,931,509
Infrastructure	71,194,440	4,136,663	-	75,331,103
Total accumulated depreciation	<u>\$ 86,449,293</u>	<u>\$ 7,320,951</u>	<u>\$ 1,245,292</u>	<u>\$ 92,524,952</u>
Total capital assets depreciated, net	<u>\$ 140,044,086</u>	<u>\$ 6,134,562</u>	<u>\$ 281,105</u>	<u>\$ 145,897,543</u>
Governmental Activities Capital Assets, Net	<u>\$ 148,954,372</u>	<u>\$ 7,560,222</u>	<u>\$ 5,414,980</u>	<u>\$ 151,099,614</u>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

Business-Type Activities

	Beginning Balance	Increase	Decrease/ Adjustment	Ending Balance
Capital assets not depreciated				
Land	\$ 1,084,851	\$ -	\$ 93,796	\$ 991,055
Construction in progress	1,848,655	5,806,042	1,344,857	6,309,840
Total capital assets not depreciated	\$ 2,933,506	\$ 5,806,042	\$ 1,438,653	\$ 7,300,895
Capital assets depreciated				
Buildings	\$ 25,688,496	\$ 103,365	\$ 307,830	\$ 25,484,031
Landfill	10,720,892	22,596	-	10,743,488
Improvements other than building	620,791	10,812	-	631,603
Machinery, furniture, and equipment	2,105,434	25,000	16,325	2,114,109
Infrastructure	1,564,858	1,344,857	-	2,909,715
Total capital assets depreciated	\$ 40,700,471	\$ 1,506,630	\$ 324,155	\$ 41,882,946
Less: accumulated depreciation for				
Buildings	\$ 11,558,520	\$ 872,036	\$ 241,922	\$ 12,188,634
Landfill	8,745,222	104,515	-	8,849,737
Improvements other than building	279,494	15,112	-	294,606
Machinery, furniture, and equipment *	1,363,730	211,525	(8,675)	1,583,930
Infrastructure	1,333,193	142,597	-	1,475,790
Total accumulated depreciation	\$ 23,280,159	\$ 1,345,785	\$ 233,247	\$ 24,392,697
Total capital assets depreciated, net	\$ 17,420,312	\$ 160,845	\$ 90,908	\$ 17,490,249
Business-Type Activities Capital Assets, Net	\$ 20,353,818	\$ 5,966,887	\$ 1,529,561	\$ 24,791,144

\*Decrease includes an adjustment of \$25,000 for correction of previous error.

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

Governmental Activities	
General government	\$ 528,500
Public safety	1,163,536
Conservation	38,933
Highways and streets, including depreciation of infrastructure assets	4,276,862
Human Services	7,333
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	1,305,787
Total Depreciation Expense - Governmental Activities	\$ 7,320,951
Business-Type Activities	
Family Service Center	\$ 364,252
Juvenile Center	498,939
Public Health	12,110
Solid Waste	470,484
Total Depreciation Expense - Business-Type Activities	\$ 1,345,785

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**B. Interfund Receivables, Payables, and Transfers**

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

**1. Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Road and Bridge	\$ 463
	Social Services	341,763
	Public Health	2,812
	Solid Waste	400
	Family Service Center	21,577
	Juvenile Center	6,828
		<hr/>
Total due to General Fund		\$ 373,843
Social Services	General Fund	\$ 1,450
	Public Health	85,080
		<hr/>
Total due to Social Services		\$ 86,530
Gravel Removal Tax Reserve	Road and Bridge	\$ 62,068
Family Service Center	Social Services	\$ 4,519
	Public Health	1,615
	Juvenile Center	53,003
		<hr/>
Total due to Family Service Center Fund		\$ 59,137
Juvenile Center	General Fund	\$ 63,042
	Social Services	126,787
		<hr/>
Total due to Juvenile Center Fund		\$ 189,829
Public Health	Social Services	\$ 166,328
	Solid Waste	419
	Fiduciary Funds	611,608
		<hr/>
Total due to Public Health Fund		\$ 778,355
Internal Service Fund	Social Services	\$ 753
Fiduciary Funds	General Fund	\$ 25,731
	Social Services	59,874
	Public Health	135,748
		<hr/>
Total due to Fiduciary Funds		\$ 221,353
Total Due To/From Other Funds		<hr/> <hr/> \$ 1,771,868

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

2. Advances From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Family Service Center	\$ 1,495,000
	Juvenile Center	350,000
Total General Fund		<u>\$ 1,845,000</u>
Solid Waste Management	Road and Bridge	\$ 279,796
Total Advances From/To Other Funds		<u>\$ 2,124,796</u>

The purpose of the advances from the General Fund was to cover negative cash balances. The advances will be repaid when cash is available. Advances have also been made to the Road and Bridge Special Revenue Fund from the Solid Waste Enterprise Fund for the Road and Bridge Fund's share of construction costs of the new shared facility. The advance will be repaid over the next year.

3. Interfund Transfers

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

Transfers to General Fund from Solid Waste Management Enterprise Fund	\$ 120,000	To transfer funds as a reimbursement of services
Transfers to General Fund from Government Center Construction Capital Projects Fund	796	To transfer funds to close fund
Transfers to General Fund from Ditch Debt Service Fund	189,446	To transfer funds for prior year cash flow purposes
Transfers to Law Enforcement Debt Service Fund from General Fund	702,488	To transfer funds for jail funding
Transfers to Public Health Enterprise Fund from General Fund	<u>1,649,996</u>	Budgeted transfer
Total Interfund Transfers	<u>\$ 2,662,726</u>	

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

C. Liabilities and Deferred Inflows of Resources

1. Payables

Payables at December 31, 2021, were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Accounts	\$ 1,189,644	\$ 259,659
Salaries	747,842	223,964
Contracts	805,938	863,849
Due to other governments	2,344,086	492,771
Total Payables	<u>\$ 5,087,510</u>	<u>\$ 1,840,243</u>

2. Construction and Other Significant Commitments

The County has active construction projects and other commitments as of December 31, 2021. The projects and commitments include the following:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Landfill Construction Project – Solid Waste Enterprise Fund	\$ 2,820,448	\$ 544,216
Resource Recovery Campus Project – Solid Waste Enterprise Fund	5,047,908	12,799,003
Total Commitments	<u>\$ 7,868,356</u>	<u>\$ 13,343,219</u>

3. Unearned Revenue

Unearned revenue as of December 31, 2021, was as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Charges for services	\$ -	\$ 260,908
Grants	5,839,397	3,267
Rent	-	20,012
Miscellaneous	6,813	-
Total Unearned Revenue	<u>\$ 5,846,210</u>	<u>\$ 284,187</u>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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4. Leases

Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of certain equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The original lease amounts range from \$7,572.82 to \$22,275. The balance at 12/31/21 ranges from \$857.31 to \$8,818.23 with a total of \$19,221.

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

Year Ending December 31	Governmental Activities
2022	\$ 14,964
2023	4,666
Total minimum lease payments	\$ 19,630
Less: amount representing interest	(409)
Present Value of Minimum Lease Payments	\$ 19,221

5. Long-Term Debt

Governmental Activities

The payments on the 2019 G.O. Watershed Improvement Bonds are being made from the Ditch Debt Service Fund. The payments on the 2008 G.O. Capital Improvement Plan Bonds are being paid out of the Joint Highway Facility and Courthouse Expansion Debt Service Funds. The payments for the 2016 & 2017 G.O. Jail Bonds and 2017 G.O. Capital Improvement Bonds are being paid out of the Law Enforcement Expansion Debt Service Fund. The payments for the 2021 G.O. Capital Improvement Bonds are being paid out of the County Projects Debt Service Fund.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2021
General obligation bonds					
2008 G.O. Capital Improvement Plan Bonds	2022	\$110,000 - \$305,000	3.535	\$ 5,135,000	\$ 305,000
2016 G.O. Jail Bonds	2036	\$425,000 - \$620,000	1.982	9,770,000	8,010,000
2017 G.O. Jail Bonds	2036	\$115,000 - \$2,085,000	3.248	26,380,000	24,130,000
2017 G.O. Capital Improvement Bonds	2036	\$375,000 - \$1,165,000	2.698	15,440,000	14,100,000
2019 G.O. Watershed Improvement Bonds	2035	\$100,000 - \$135,000	2.439	1,720,000	1,620,000
2021 G.O. Capital Improvement Bonds	2029	\$390,000 - \$495,000	0.853	<u>3,185,000</u>	<u>3,185,000</u>
Total general obligation bonds				<u>\$ 61,630,000</u>	\$ 51,350,000
Add: unamortized premiums					<u>2,385,754</u>
Total General Obligation Bonds, Net					<u>\$ 53,735,754</u>

**Business-Type Activities**

The payments on the 2018 G.O. Jail Bonds are being paid out of the Juvenile Center Enterprise Fund. The payments on the 2021 G.O. Solid Waste Revenue Bonds are being paid out of the Solid Waste Enterprise Fund.

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2021
General obligation bonds					
2018 G.O. Jail Bonds	2039	\$270,000- \$505,000	3.147	\$ 7,495,000	\$ 6,945,000
2021 G.O. Solid Waste Revenue Bonds	2041	\$370,000- \$635,000	1.671	<u>10,130,000</u>	<u>10,130,000</u>
				<u>\$ 17,625,000</u>	\$ 17,075,000
Add: unamortized premiums					<u>1,061,333</u>
Total General Obligation Bonds, Net					<u>\$ 18,136,333</u>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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6. Debt Service Requirements

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

Governmental Activities

<u>Year Ending December 31</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,565,000	\$ 1,679,058
2023	2,955,000	1,596,393
2024	3,100,000	1,487,417
2025	3,205,000	1,374,692
2026	3,325,000	1,246,292
2027 – 2031	17,485,000	4,394,078
2032 – 2036	18,715,000	1,509,354
Total	<u>\$ 51,350,000</u>	<u>\$ 13,287,284</u>

Business-Type Activities

<u>Year Ending December 31</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 690,000	\$ 473,555
2023	665,000	496,988
2024	690,000	473,187
2025	715,000	446,912
2026	745,000	418,012
2027 – 2031	4,165,000	1,644,963
2032 – 2036	4,890,000	917,081
2037 – 2041	4,515,000	263,675
Total	<u>\$ 17,075,000</u>	<u>\$ 5,134,373</u>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

7. Changes in Long-Term Liabilities

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

Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable					
General obligation bonds	\$ 50,810,000	\$ 3,185,000	\$ 2,645,000	\$ 51,350,000	\$ 2,565,000
Add: deferred amounts for issuance premiums	<u>2,299,078</u>	<u>248,888</u>	<u>162,212</u>	<u>2,385,754</u>	<u>-</u>
Total bonds payable	\$ 53,109,078	\$ 3,433,888	\$ 2,807,212	\$ 53,735,754	\$ 2,565,000
Capital leases	36,231	-	17,010	19,221	14,657
Compensated absences	<u>3,139,692</u>	<u>2,062,675</u>	<u>2,103,218</u>	<u>3,099,149</u>	<u>884,441</u>
Governmental Activities Long-Term Liabilities	<u>\$ 56,285,001</u>	<u>\$ 5,496,563</u>	<u>\$ 4,927,440</u>	<u>\$ 56,854,124</u>	<u>\$ 3,464,098</u>

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable					
General obligation bonds	\$ 7,225,000	\$ 10,130,000	\$ 280,000	\$ 17,075,000	\$ 690,000
Add: deferred amounts for issuance discounts	<u>188,210</u>	<u>894,810</u>	<u>21,687</u>	<u>1,061,333</u>	<u>-</u>
Total bonds payable	\$ 7,413,210	\$ 11,024,810	\$ 301,687	\$ 18,136,333	\$ 690,000
Estimated liability for landfill closure/postclosure	3,777,632	789,844	-	4,567,476	-
Compensated absences	<u>770,444</u>	<u>614,640</u>	<u>590,642</u>	<u>794,442</u>	<u>272,166</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 11,961,286</u>	<u>\$ 12,429,294</u>	<u>\$ 892,329</u>	<u>\$ 23,498,251</u>	<u>\$ 962,166</u>

Long-term liabilities for internal service funds are included as part of the above totals based upon their activity. For internal service funds, \$19,221 of lease purchases payable are included in the amounts for the governmental activities at year-end. Annual liquidation of the capital lease liability is reported in the Internal Service Fund.

For the governmental activities, compensated absences are liquidated through the General Fund, and other governmental funds that have personal services. For the

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

business-type activities, compensated absences are liquidated by the enterprise funds.

8. Deferred Inflows - Unavailable Revenue

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

	<u>Taxes</u>	<u>Special Assessments</u>	<u>Grants and Allotments</u>	<u>Other</u>	<u>Total</u>
Major governmental funds					
General	\$ 214,204	\$ -	\$ -	\$ 45,787	\$ 259,991
Road and Bridge	36,086	-	3,212,326	540,463	3,788,875
Social Services	105,986	-	387,894	152,075	645,955
Opioid Settlement	-	-	-	2,093,241	2,093,241
Nonmajor governmental funds					
Ditch	-	1,261,942	-	-	1,261,942
County Building	862	-	-	-	862
Joint Highway Facility	1,663	-	-	-	1,663
Law Enforcement Expansion	113	-	-	-	113
County Projects	569	-	-	-	569
Courthouse Expansion	3,360	-	-	-	3,360
Total	<u>\$ 362,843</u>	<u>\$ 1,261,942</u>	<u>\$ 3,600,220</u>	<u>\$ 2,831,566</u>	<u>\$ 8,056,571</u>

D. Other Postemployment Benefits (OPEB)

Plan Description

Clay County provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical insurance benefits. The County provides benefits for retirees as required by Minn. Stat. § 471.61, subd. 2b.

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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As of the January 1, 2020, actuarial valuation, the following employees were covered by the benefit terms:

Retirees or spouses currently receiving benefit payments	15
Active plan participants	<u>459</u>
Total	<u><u>474</u></u>

Total OPEB Liability

The County's total OPEB liability of \$1,970,845 was measured as of January 1, 2021, determined by an actuarial valuation as of January 1, 2020. For governmental activities, the OPEB liability is liquidated through the General Fund and other governmental funds that have personal services. For the business-type activities, the OPEB liability is liquidated by the enterprise funds.

The total OPEB liability in the fiscal year-end December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	Service graded table
Health care cost trend	6.25 percent, grading to 5 percent over 5 years and then to 4 percent over the next 48 years

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

Mortality rates are based on Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.

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

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2021	\$ 1,784,946
Changes for the year	
Service cost	\$ 172,863
Interest	54,850
Assumption changes	91,997
Benefit payments	(133,811)
Net change	\$ 185,899
Balance at December 31, 2021	\$ 1,970,845

OPEB Liability Sensitivity

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

	Discount Rate	Total OPEB Liability
1% Decrease	1.0%	\$ 2,107,343
Current	2.0	1,970,845
1% Increase	3.0	1,842,188

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

	Health Care Trend Rate	Total OPEB Liability
1% Decrease	5.25% Decreasing to 4.00%	\$ 1,757,166
Current	6.25% Decreasing to 5.00%	1,970,845
1% Increase	7.25% Decreasing to 6.00%	2,227,800

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

For the year ended December 31, 2021, the County recognized OPEB expense of \$185,899. The County reported \$25,926 in deferred inflows of resources resulting from changes in actuarial assumptions, and \$353,674 in deferred outflows of resources resulting changes in actuarial assumptions, differences between Expected and Actual Experience and from County contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended December 31, 2021.

There are subsidized payments of \$143,487 made subsequent to the measurement date included in deferred outflows of resources that will be recognized as a reduction of the OPEB liability for the year ended December 31, 2022.

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

<u>Year Ended December 31</u>	<u>OPEB Expense Amount</u>
2022	\$ 26,634
2023	26,634
2024	26,634
2025	26,636
2026	33,116
Thereafter	44,607

Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2021:

- The discount rate used changed from 2.90 percent to 2.00 percent.

E. Defined Benefit Pension Plans

1. Plan Description

All full-time and certain part-time employees of Clay County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (the General Employees Plan), the Public Employees Police and

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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Fire Plan (the Police and Fire Plan), and the Public Employees Local Government Correctional Service Retirement Plan (the Correctional Plan), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

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

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

Local government employees of a county-administered facility who are responsible for the direct security, custody, and control of the county correctional facility and its inmates are covered by the Correctional Plan (accounted for in the Correctional Fund). For members hired after June 30, 2010, benefits vest on a prorated basis starting with 50 percent after five years and increasing ten percent for each year of service until fully vested after ten years.

2. Benefits Provided

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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General Employees Plan benefit recipients will receive a post-retirement increase equal to 50 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Plan benefit recipients will receive a 1.00 percent post-retirement increase. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Correctional Plan benefit recipients will receive a post-retirement increase equal to 100 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 2.50 percent. If the Correctional Plan's funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.50 percent to 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. 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.

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

Benefits are based on a member's highest average salary for any 60 consecutive months of allowable service, age, and years of credit at termination of service. In the General Employees Plan, two methods are used to compute benefits for Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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(Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.20 percent of average salary for each of the first ten years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Police and Fire Plan members, the annuity accrual rate is 3.00 percent of average salary for each year of service. For Correctional Plan members, the annuity accrual rate is 1.90 percent of average salary for each year of service.

For General Employees Plan members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. For Police and Fire Plan and Correctional Plan members, normal retirement age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits are available for vested members and are based on years of service and average high-five salary.

3. Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. Rates did not change from 2020.

In 2021, the County was required to contribute the following percentages of annual covered salary:

	Member Required Contribution	Employer Required Contribution
General Employees Plan – Coordinated Plan members	6.50%	7.50%
Police and Fire Plan	11.80	17.70
Correctional Plan	5.83	8.75

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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The County's contributions for the year ended December 31, 2021, to the pension plans were:

General Employees Plan	\$	1,731,380
Police and Fire Plan		533,836
Correctional Plan		408,052

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

4. Pension Costs

General Employees Plan

At December 31, 2021, the County reported a liability of \$13,426,289 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2021, the County's proportion was 0.3144 percent. It was 0.289 percent measured as of June 30, 2020. The County recognized pension expense of \$770,644 for its proportionate share of the General Employees Plan's pension expense.

The County also recognized \$33,081 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's expense related to its contribution to the General Employees Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$16 million to the General Employees Plan annually until September 15, 2031.

County's proportionate share of the net pension liability	\$	13,426,289
State of Minnesota's proportionate share of the net pension liability associated with the County		410,010
Total	\$	13,836,299

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 69,209	\$ 407,039
Changes in actuarial assumptions	8,197,813	265,432
Difference between projected and actual investment earnings	-	11,700,348
Changes in proportion	1,838,761	141,463
Contributions paid to PERA subsequent to the measurement date	937,462	-
Total	\$ 11,043,245	\$ 12,514,282

The \$937,462 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	\$ 27,453
2023	496,208
2024	239,334
2025	(3,171,494)

Police and Fire Plan

At December 31, 2021, the County reported a liability of \$1,891,912 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2021, the County's proportion was 0.2451 percent. It was

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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0.2400 percent measured as of June 30, 2020. The County recognized pension expense of \$(137,432) for its proportionate share of the Police and Fire Plan's pension expense.

The State of Minnesota also contributed \$18 million to the Police and Fire Plan in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation.

Legislation required the State of Minnesota to pay direct state aid of \$4.5 million on October 1, 2019, and to pay \$9 million by October 1 of each subsequent year until full funding is reached, or July 1, 2048, whichever is earlier. The County recognized an additional \$22,059 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's pension expense related to the special funding situation.

County's proportionate share of the net pension liability	\$ 1,891,912
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>85,049</u>
Total	<u>\$ 1,976,961</u>

Legislation also requires the State of Minnesota to contribute \$9 million to the Police and Fire Plan each year, starting in fiscal year 2014, until the plan is 90 percent funded, or until the State Patrol Plan is 90 percent funded, whichever occurs later. The County also recognized \$22,059 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Police and Fire Plan.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 361,983	\$ -
Changes in actuarial assumptions	2,780,615	1,033,970
Difference between projected and actual investment earnings	-	3,623,125
Changes in proportion	56,020	79,392
Contributions paid to PERA subsequent to the measurement date	292,324	-
Total	\$ 3,490,942	\$ 4,736,487

The \$292,324 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	\$ (1,320,692)
2023	(235,281)
2024	(234,123)
2025	(367,680)
2026	619,907

Correctional Plan

At December 31, 2021, the County reported an asset of \$342,754 for its proportionate share of the Correctional Plan's net pension asset. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

employers. At June 30, 2021, the County's proportion was 2.0864 percent. It was 1.9325 percent measured as of June 30, 2020. The County recognized pension expense of \$(292,368) for its proportionate share of the Correctional Plan's pension expense.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ (13)	\$ 185,007
Changes in actuarial assumptions	2,145,549	29,243
Difference between projected and actual investment earnings	-	2,754,602
Changes in proportion	52,108	-
Contributions paid to PERA subsequent to the measurement date	215,615	-
	\$ 2,413,259	\$ 2,968,852
Total		

The \$215,615 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	\$ (65,685)
2023	(9,842)
2024	52,297
2025	(747,978)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2021, was \$340,844.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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5. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

	General Employees Fund	Police and Fire Fund	Correctional Fund
Inflation	2.25% per year	2.25% per year	2.25% per year
Active Member Payroll Growth	3.00% per year	3.00% per year	3.00% per year
Investment Rate of Return	6.50%	6.50%	6.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on the Pub-2010 General Employee Mortality table for the General Employees Plan and the Pub-2010 Public Safety Employee Mortality tables for the Police and Fire and the Correctional Plans, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.25 percent for the General Employees Plan and 2.00 percent for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.00 percent as set by state statute.

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 27, 2019. The experience study for the Police and Fire Plan was dated July 14, 2020. The experience study for the Correctional Plan was dated July 10, 2020. For all plans, a review of inflation and investment assumptions dated June 24, 2021, was utilized.

The long-term expected rate of return on pension plan investments is 6.50 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

6. Discount Rate

The discount rate used to measure the total pension liability was 6.50 percent in 2021, which remained consistent with 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net positions of the General Employees Plan, the Police and Fire Plan, and the Correctional Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2021:

General Employees Plan

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

Police and Fire Plan

- The investment return and single discount rates were changed from 7.50 percent to 6.5 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

Correctional Plan

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from Scale MP-2019 to Scale 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 were lowered.
- Assumed percent married for active members was lowered from 85 percent to 75 percent.
- Minor changes to form of payment assumptions were applied.

8. Pension Liability Sensitivity

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

	Proportionate Share of the					
	General Employees Retirement Plan		Public Employees Police and Fire Plan		Public Employees Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	5.50%	\$ 27,382,775	5.50%	\$ 6,006,501	5.50%	\$ 3,567,139
Current	6.50	13,426,289	6.50	1,891,912	6.50	(342,754)
1% Increase	7.50	1,974,140	7.50	(1,481,031)	7.50	(3,445,669)

9. Pension Plan Fiduciary Net Position

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

F. Defined Contribution Plan

Five County Commissioners of Clay County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. ch. 353D, which may be amended by the state legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes five percent of salary, which is matched by the employer. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by Clay County during the year ended December 31, 2021, were:

	<u>Employee</u>	<u>Employer</u>
Contribution amount	\$ 11,341	\$ 11,341
Percentage of covered payroll	5%	5%

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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4. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$4,567,476 landfill closure and postclosure care liability at December 31, 2021, represents the cumulative amount reported to date based on the use of 52 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,534,817 as the remaining estimated capacity is filled and the date the landfill is expected to be filled to capacity (2096) due to a change in accounting estimates. The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, maintain, and adopt a contingency action plan at the landfill were acquired as of December 31, 2021. Actual cost may be higher due to inflation, changes in technology, or changes in state or federal laws and regulations affecting landfills.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements and, at December 31, 2021, investments of \$4,192,740 are held for these purposes. These are reported as restricted assets on the statement of net position. Clay County expects that future inflation costs will be paid from investment earnings on these annual contributions. However, if investment earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters 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 Intergovernmental Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. For other risk, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2021 and 2022. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

6. Conduit Debt

The County has issued revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of educational facilities deemed to be in the public interest. The bonds are secured by the property financed through a series of loan agreements and are payable solely from the revenue of the entity. The County is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as a liability in the accompanying financial statements. Bonds issued and outstanding as of December 31, 2021, are as follows:

<u>Entity</u>	<u>Series</u>	<u>Principal Issued</u>	<u>Outstanding</u>
Minnesota State University Moorhead	2001	\$ 3,940,000	\$ 1,964,944
Eventide	2017	1,214,900	682,798
Eventide	2019	8,000,000	7,897,661

7. 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.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

**B. Joint Ventures**

**Prairie Lakes Municipal Solid Waste Authority**

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

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

In the event of dissolution of the Prairie Lakes Municipal Solid Waste Authority Joint Powers Board, all assets and liabilities of the Board shall be distributed and/or retired based on the contracted debt obligation of each of the parties of the agreement providing such entity is a party to the agreement at the time of the discharge of assets and liabilities. In 2021, the County contributed \$282,624 to the Perham Resource Recovery Facility. Financial information can be obtained from its fiscal agent at 115 Tower Road North, Fergus Falls, Minnesota 56537.

**Fargo-Moorhead Metropolitan Council of Governments**

The Fargo-Moorhead Metropolitan Council of Governments was established in 1967 by a joint powers agreement between the Cities of Fargo, Horace, and West Fargo, North Dakota; Moorhead and Dilworth, Minnesota; Cass County, North Dakota; and Clay County. The primary purpose of the Council is metropolitan area planning for the two-county area. The Council also serves as a coordinating agency for investigations and studies for improvement of government and services in the area.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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The primary source of revenues is federal grants administered by the North Dakota and Minnesota Departments of Transportation, the Federal Transit Administration, and member support on a per capita basis. During 2021, Clay County contributed \$20,881 to the Fargo-Moorhead Metropolitan Council of Governments.

Control of the Council is vested in a 13-member Board of Directors, of which one member is an elected County Commissioner. The Council representatives to the Board are appointed by their respective governing bodies for a term determined by their governing bodies.

As of December 31, 2021, the total net position of the Fargo-Moorhead Metropolitan Council of Governments are \$268,337. Complete financial statements for the Council may be obtained from its administrative office at Case Plaza, One 2nd Street North, Suite 232, Fargo, North Dakota 58102.

Clay County Joint Powers Collaborative

The Clay County Joint Powers Collaborative was established March 4, 1997, under the authority of the Joint Powers Act, pursuant to Minn. Stat. §§ 471.59 and 124D.23. The Collaborative includes Clay County; Independent School Districts 152 (Moorhead), 146 (Barnesville), 2164 (Dilworth-Glyndon-Felton), 150 (Hawley), and 914 (Ulen-Hitterdal); the Clay-Wilkin Opportunity Council; Lakeland Mental Health; and Clay County Court Services. The purpose of the Collaborative is to provide services designed to enhance opportunities for children or youth to improve child health and development, reduce barriers to adequate school performance, improve family functioning, provide community service, enhance self-esteem, and develop general employment skills.

Control of the Clay County Joint Powers Collaborative is vested in a 20-member Board of Directors appointed by the member parties.

In the event of a withdrawal from the Clay County Joint Powers Collaborative, the withdrawing party shall give a 90-day notice. The Board shall continue to exist if the Collaborative is terminated for the limited purpose of discharging the Collaborative's debts and liabilities, settling its affairs, and disposing of its property.

Financing is provided by state and federal grants and contributions from its member parties. Clay County, in an agent capacity, reports the cash transactions of the Clay County Joint Powers Collaborative as a custodial fund on its financial statements. During 2021, the County did not contribute any funds to the Collaborative.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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Clay County/MnDOT/City of Moorhead Jointly-Operated Public Works Facility

In 2002, Clay County entered into a Partnership Agreement with the City of Moorhead and the Minnesota Department of Transportation for the construction, ownership, and operation of a Public Works Facility. Ownership of the facility is in the following proportions: State - 38 percent, County - 46 percent, City - 16 percent. Ownership of the land is in equal shares. A Management Committee, comprised of one member from each entity, is responsible for the operation and resolution of issues pertaining to the complex.

Northwest Minnesota Regional Emergency Communication Board

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

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

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

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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The Northwest Minnesota Regional Emergency Communications Board has no long-term debt. Financing is provided by appropriations from member parties and by state and federal grants. Clay County's contribution for 2021 was \$2,500.

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

Partnership4Health Community Health Board

Partnership4Health Community Health Board was originally established July 1, 2014, by a joint powers agreement among Becker, Clay, Ottertail, and Wilkin Counties, pursuant to Minn. Stat. ch. 145A, and pursuant to Minn. Stat. § 471.59, for the purpose of transitioning grant contracts. The Community Health Board became operational as of January 1, 2016. The joint powers agreement remains in force until any single county provides a resolution of withdrawal, duly passed by its governing board, to the County Boards and the auditor of the other counties participating in the agreement, and the Commissioner of Health for the State of Minnesota, at least one year before the beginning of the calendar year in which it takes effect.

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

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

The financial activities of Partnership4Health are accounted for in a custodial fund by Clay County. The individuals who administer the activities of Partnership4Health are considered to be employees of Clay County Public Health and Wilkin County Public Health.

During 2021, Clay County did not contribute to Partnership4Health Community Health Board.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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Moorhead-Clay County Joint Powers Authority

The Moorhead-Clay County Joint Powers Authority (MCCJPA) was established July 1, 2019, under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59 and includes the City of Moorhead and Clay County. The purpose of this agreement is to authorize the Member Entities to work collaboratively to maximize efficiencies with respect to the acquisition of Project Property in Minnesota and to foster cooperation between the Member Entities' employees, engineers, attorneys, and professional consultants. The Moorhead-Clay County Joint Powers Board consists of two members of the Clay County Commission, three members appointed by the City and one member of the Buffalo Red River Watershed District.

This agreement may only be terminated by the mutual consent of the Parties, evidenced by identical resolutions adopted by the Governing Bodies of each Party.

Financing is provided by budgeted funds from the Metro Flood Diversion Authority (DA) and the State of Minnesota. In the event that the County and City approved expenditures outside of budgeted funds and the Diversion Authority has not approved the increased budget the City and County will each pay fifty percent of the additional cost.

The County shall maintain the accounts and manage the disbursements on behalf of the MCCJPA.

In the event of dissolution of the MCCJPA distribution of assets in the following manner: (a) Project Property acquired during the term of the MCCJPA shall be transferred to and titled in the name of the City if the City remains a DA Party or transferred to and title in the name of the Diversion Authority if the City is no longer a DA Party; (b) any remaining Project Property which is deemed by the Diversion Authority to be unnecessary for the Project may be sold or liquidated prior to distribution; (c) remaining Budgeted Funds shall be returned to the Diversion Authority; and (d) any remaining assets shall be divided equally between the County and City.

During 2021, Clay County did not make contributions to the Moorhead-Clay County Joint Powers Authority. Contributions were from 2020 and County did not make contributions in 2021.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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C. Jointly-Governed Organizations

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

Western Area City/County Co-op

Clay County and 24 other cities and counties entered into a joint powers agreement to establish the Western Area City/County Co-op (WACCO) Joint Powers Board, effective September 5, 1995, and empowered under Minn. Stat. § 471.59. The purpose of the Board is to establish a resource network that identifies common needs of the individual governmental units and reduces the financial burden on each of its members through the cooperative sharing of existing resources.

The management and control of WACCO is vested in a Board of Directors composed of a representative appointed by each member city and county.

Agassiz Regional Library

The Agassiz Regional Library was formed pursuant to Minn. Stat. §§ 134.20 and 471.59, effective January 1, 1981, and includes Becker, Clay, Clearwater, Mahnomen, Norman, Polk, and Wilkin Counties.

Control of the Library is vested in the Agassiz Regional Library Board, which is composed of 23 members with staggered terms made up of the following: one member appointed by each Board of County Commissioners who may be a member of the Board of Commissioners; one member appointed by each participating city; and one additional member appointed by each county and city for each 6,000 of population or major percentage (85 percent) thereof. Clay County contributed \$301,615 to the Agassiz Regional Library during 2021.

Red River Regional Dispatch Center

In 2001, a Joint Powers Agreement was entered into by the cities of Moorhead, Minnesota; Fargo, North Dakota; and the Counties of Cass, North Dakota; and Clay, Minnesota, for the joint operation of 911/Dispatch functions to reduce and/or eliminate duplication of equipment and staff time. The agreement was amended in 2008 to include the City of West Fargo, North Dakota. The agreement was amended in 2016 to reflect changes wherein Cass County, North Dakota, now receives all of the 911 funds from phones for the county. The cities of Fargo and West Fargo, North Dakota no longer collect 911 fees and thus no longer will be responsible for costs associated with

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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the RRRDC. A joint board, comprised of members appointed by the governing bodies, is responsible for administering the joint dispatch center.

Minnesota Counties Computer Cooperative (MCCC)

Under Minnesota Joint Powers Law, Minn. Stat. § 471.59, Minnesota counties have created MCCC to jointly provide for the establishment, operation, and maintenance of data processing systems, facilities, and management information systems. Clay County is a member of this organization.

Sentence to Service

Clay County, in conjunction with other local governments, participates in the State of Minnesota's Sentence to Serve (STS) program. STS is a project of the State Department of Administration's Strive Toward Excellence in Performance (STEP) program. STEP's goal is a statewide effort to make positive improvements in public services. It gives the courts an alternative to jail or fines for the nonviolent offenders who can work on a variety of community or state projects. Private funding, funds from various foundations and initiative funds, as well as the Departments of Corrections and Natural Resources, provide the funds needed to operate the STS program.

D. Related Organizations

Clay County Housing and Redevelopment Authority

The Clay County Housing and Redevelopment Authority (HRA) has its own governing board which is appointed by the Clay County Board of Commissioners. Clay County has no other financial, operational, or managerial control over this organization.

Buffalo-Red River Watershed District

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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Wild Rice Watershed District

The Wild Rice Watershed District was established in 1969, pursuant to Minn. Stat. ch. 103D, and includes Becker, Clay, Clearwater, Mahnomen, Norman, and Polk Counties. The purpose of the Wild Rice Watershed District is to oversee watershed projects, conduct studies for future project planning, administration of legal drainage systems, issuance of applications and permits, public education on conservation issues, and dispute resolution.

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

Lakeland Mental Health Center

Lakeland Mental Health Center was formed pursuant to Minn. Stat. ch. 317A as a 501-C3 nonprofit corporation on February 10, 1961, and includes Becker, Clay, Grant, Otter Tail, and Pope Counties. The purpose of Lakeland Mental Health Center is to promote healthy individuals, families, and communities by providing high quality accessible mental health services.

The management of Lakeland Mental Health Center is vested in a Board of Directors consisting of one Commissioner and one community-at-large representative from each member county, plus one human service director, or equivalent position, rotated between the member counties.

Services are provided to the member counties through purchase of service agreements. A member county may lose its membership, by action of the Board of Directors, if it fails to have a signed contract with Lakeland Mental Health Center. Clay County paid \$1,648,584 in 2021 for services purchased through Lakeland Mental Health Center.

8. Subsequent Events

COVID Pandemic

On March 11, 2021, the President of the United States signed an amended version of the COVID Relief Package, the American Rescue Plan, which includes \$65.1 billion in direct, flexible aid for counties in America. The U.S. Department of Treasury will oversee and administer payments of the State and Local Coronavirus Recovery Funds

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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to state and local governments, for which every County is eligible to receive a direct allocation from the Treasury. Counties will receive funds in two tranches – 50 percent in 2021 and the remaining 50 percent no earlier than 12 months from the first payment. The U.S. Treasury is required to pay the first tranche to Counties no later than 60 – days after enactment. Clay County’s projected allocation of the State and Local Coronavirus Recovery Funds is \$12,455,461. The first tranche of \$6,237,185.50 was received on May 28, 2021.

Opioid Settlement

During 2022, final settlement agreements were reached with pharmaceutical companies and distributors as part of the National Prescription Opiate Litigation. For Clay County, the amount to be received as a result of this litigation is \$2,093,240.98, to be received over 18 years, which has been recorded as a receivable in the current year. The Minnesota Opioids State-Subdivision Memorandum of Agreement was signed January 24, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT A-1*

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 19,447,575	\$ 19,447,575	\$ 19,896,512	\$ 448,937
Licenses and permits	95,360	95,360	162,704	67,344
Intergovernmental	6,309,702	6,309,702	6,831,858	522,156
Charges for services	1,426,679	1,426,679	1,395,418	(31,261)
Fines and forfeits	5,000	5,000	85,133	80,133
Investment earnings	300,000	300,000	(193,341)	(493,341)
Miscellaneous	862,422	862,422	981,220	118,798
<b>Total Revenues</b>	<b>\$ 28,446,738</b>	<b>\$ 28,446,738</b>	<b>\$ 29,159,504</b>	<b>\$ 712,766</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Commissioners	\$ 388,213	\$ 388,213	\$ 360,533	\$ 27,680
Courts	190,000	190,000	184,282	5,718
Public defender	90,000	90,000	95,412	(5,412)
Law library	106,395	106,395	57,703	48,692
County administration	312,342	312,342	308,272	4,070
County auditor	911,505	911,505	833,331	78,174
License bureau	861,870	861,870	904,225	(42,355)
County treasurer	228,667	228,667	215,933	12,734
County assessor	534,234	534,234	445,681	88,553
Elections	165,075	165,075	62,529	102,546
Internal audit	75,000	75,000	34,368	40,632
Technology services	1,783,446	1,783,446	1,721,672	61,774
Personnel	382,682	382,682	367,268	15,414
Information services	490,127	490,127	490,027	100
Attorney	1,870,785	1,870,785	1,721,242	149,543
Victim witness	323,002	323,002	255,187	67,815
Unanticipated trial costs	30,000	30,000	30,000	-
Recorder	461,596	461,596	471,959	(10,363)
Surveyor	42,000	42,000	42,000	-
Planning and zoning	396,673	396,673	289,608	107,065
Government center	-	-	79,478	(79,478)
Maintenance	1,123,749	1,123,749	1,117,133	6,616
Veterans service officer	251,019	251,019	260,129	(9,110)
Unallocated	680,163	680,163	2,924,540	(2,244,377)
<b>Total general government</b>	<b>\$ 11,698,543</b>	<b>\$ 11,698,543</b>	<b>\$ 13,272,512</b>	<b>\$ (1,573,969)</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT A-1  
(Continued)**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
<b>Current (Continued)</b>				
<b>Public safety</b>				
Sheriff	\$ 5,345,218	\$ 5,345,218	\$ 5,593,562	\$ (248,344)
Safe and sober	12,473	12,473	8,729	3,744
US Marshals task force	-	-	8,971	(8,971)
Snowmobile	5,265	5,265	1,664	3,601
Law enforcement grant	42,087	42,087	8,443	33,644
ATV	-	-	2,281	(2,281)
Coroner	102,165	102,165	143,055	(40,890)
E-911 system	72,158	72,158	109,155	(36,997)
Community corrections	6,194,442	6,194,442	5,938,017	256,425
Dispatchers	550,355	550,355	386,740	163,615
Probation and parole	822,789	822,789	795,552	27,237
Juvenile detention	840,630	840,630	808,379	32,251
Civil defense	110,984	110,984	129,421	(18,437)
<b>Total public safety</b>	<b>\$ 14,098,566</b>	<b>\$ 14,098,566</b>	<b>\$ 13,933,969</b>	<b>\$ 164,597</b>
<b>Culture and recreation</b>				
Historical society	<b>\$ 200,554</b>	<b>\$ 200,554</b>	<b>\$ 200,554</b>	<b>\$ -</b>
<b>Conservation of natural resources</b>				
County extension	\$ 322,709	\$ 322,709	\$ 305,441	\$ 17,268
Soil and water conservation	355,674	355,674	269,079	86,595
International coalition	1,281	1,281	8,371	(7,090)
Agricultural society/County fair	26,609	26,609	26,609	-
<b>Total conservation of natural resources</b>	<b>\$ 706,273</b>	<b>\$ 706,273</b>	<b>\$ 609,500</b>	<b>\$ 96,773</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT A-1  
(Continued)*

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
<b>Current (Continued)</b>				
<b>Economic development</b>				
Metropolitan Council	\$ 20,832	\$ 20,832	\$ 20,881	\$ (49)
Red River winter shows	900	900	900	-
West Central Council on Aging	7,955	7,955	7,955	-
Chamber of Commerce	1,565	1,565	-	1,565
County-wide incentive program	510,000	510,000	522,586	(12,586)
West Central MN Initiative	10,000	10,000	10,000	-
Pew Partnership	5,952	5,952	5,952	-
Riverkeepers	1,000	1,000	1,000	-
Rural Minnesota Counties Caucus	2,100	2,100	-	2,100
Senior coordination program	48,925	48,925	48,952	(27)
Group workcamp	7,955	7,955	-	7,955
<b>Total economic development</b>	<b>\$ 617,184</b>	<b>\$ 617,184</b>	<b>\$ 618,226</b>	<b>\$ (1,042)</b>
<b>Intergovernmental</b>				
Culture and recreation	\$ 308,075	\$ 308,075	\$ 301,615	\$ 6,460
<b>Capital outlay</b>				
General government	\$ -	\$ -	\$ 1,136,761	\$ (1,136,761)
Highways and streets	-	-	7,500	(7,500)
<b>Total Capital Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,144,261</b>	<b>\$ (1,144,261)</b>
<b>Total Expenditures</b>	<b>\$ 27,629,195</b>	<b>\$ 27,629,195</b>	<b>\$ 30,080,637</b>	<b>\$ (2,451,442)</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>\$ 817,543</b>	<b>\$ 817,543</b>	<b>\$ (921,133)</b>	<b>\$ (1,738,676)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 120,000	\$ 120,000	\$ 310,242	\$ 190,242
Transfers out	(2,302,484)	(2,302,484)	(2,352,484)	(50,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (2,182,484)</b>	<b>\$ (2,182,484)</b>	<b>\$ (2,042,242)</b>	<b>\$ 140,242</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,364,941)</b>	<b>\$ (1,364,941)</b>	<b>\$ (2,963,375)</b>	<b>\$ (1,598,434)</b>
<b>Fund Balance - January 1,</b>	<b>13,713,794</b>	<b>13,713,794</b>	<b>13,713,794</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 12,348,853</b>	<b>\$ 12,348,853</b>	<b>\$ 10,750,419</b>	<b>\$ (1,598,434)</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT A-2*

**BUDGETARY COMPARISON SCHEDULE  
ROAD AND BRIDGE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 4,099,908	\$ 4,099,908	\$ 4,189,248	\$ 89,340
Licenses and permits	86,400	86,400	120,020	33,620
Intergovernmental	8,977,135	8,977,135	10,226,925	1,249,790
Charges for services	598,538	598,538	612,336	13,798
Investment earnings	-	-	293	293
Miscellaneous	188,000	188,000	42,275	(145,725)
<b>Total Revenues</b>	<b>\$ 13,949,981</b>	<b>\$ 13,949,981</b>	<b>\$ 15,191,097</b>	<b>\$ 1,241,116</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Highways and streets</b>				
Administration	\$ 760,903	\$ 760,903	\$ 731,925	\$ 28,978
Maintenance	3,761,307	3,761,307	3,671,601	89,706
Construction	6,695,475	6,695,475	6,237,225	458,250
Equipment, maintenance, and shop	2,151,566	2,151,566	1,998,981	152,585
<b>Total highways and streets</b>	<b>\$ 13,369,251</b>	<b>\$ 13,369,251</b>	<b>\$ 12,639,732</b>	<b>\$ 729,519</b>
<b>Intergovernmental</b>	<b>\$ 580,730</b>	<b>\$ 580,730</b>	<b>\$ 586,771</b>	<b>\$ (6,041)</b>
<b>Total Expenditures</b>	<b>\$ 13,949,981</b>	<b>\$ 13,949,981</b>	<b>\$ 13,226,503</b>	<b>\$ 723,478</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,964,594</b>	<b>\$ 1,964,594</b>
<b>Fund Balance - January 1</b>	<b>4,383,451</b>	<b>4,383,451</b>	<b>4,383,451</b>	<b>-</b>
<b>Increase (decrease) in inventories</b>	<b>-</b>	<b>-</b>	<b>102,640</b>	<b>102,640</b>
<b>Fund Balance - December 31</b>	<b>\$ 4,383,451</b>	<b>\$ 4,383,451</b>	<b>\$ 6,450,685</b>	<b>\$ 2,067,234</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT A-3*

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 9,626,373	\$ 9,626,373	\$ 9,635,179	\$ 8,806
Intergovernmental	14,018,735	14,018,735	14,665,149	646,414
Fines and forfeits	-	-	15,935	15,935
Miscellaneous	782,834	782,834	867,836	85,002
<b>Total Revenues</b>	<b>\$ 24,427,942</b>	<b>\$ 24,427,942</b>	<b>\$ 25,184,099</b>	<b>\$ 756,157</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Human services</b>				
Income maintenance	\$ 6,776,664	\$ 6,776,664	\$ 6,263,092	\$ 513,572
Social services	17,851,278	17,851,278	17,782,160	69,118
<b>Total Expenditures</b>	<b>\$ 24,627,942</b>	<b>\$ 24,627,942</b>	<b>\$ 24,045,252</b>	<b>\$ 582,690</b>
<b>Net Change in Fund Balance</b>	<b>\$ (200,000)</b>	<b>\$ (200,000)</b>	<b>\$ 1,138,847</b>	<b>\$ 1,338,847</b>
<b>Fund Balance - January 1</b>	<b>8,353,507</b>	<b>8,353,507</b>	<b>8,353,507</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 8,153,507</b>	<b>\$ 8,153,507</b>	<b>\$ 9,492,354</b>	<b>\$ 1,338,847</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT A-4**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFITS  
DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 172,862	\$ 145,031	\$ 90,281	\$ 95,379
Interest	54,850	61,381	52,179	51,657
Differences between expected and actual experience	-	120,016	-	-
Changes of assumption or other inputs	91,997	52,906	(45,372)	-
Benefit payments	<u>(133,811)</u>	<u>(128,103)</u>	<u>(107,662)</u>	<u>(144,263)</u>
<b>Net change in total OPEB liability</b>	<b>\$ 185,898</b>	<b>\$ 251,231</b>	<b>\$ (10,574)</b>	<b>\$ 2,773</b>
<b>Total OPEB Liability – Beginning</b>	<b><u>1,784,946</u></b>	<b><u>1,533,715</u></b>	<b><u>1,544,289</u></b>	<b><u>1,541,516</u></b>
<b>Total OPEB Liability – Ending</b>	<b><u>\$ 1,970,844</u></b>	<b><u>\$ 1,784,946</u></b>	<b><u>\$ 1,533,715</u></b>	<b><u>\$ 1,544,289</u></b>
Covered-employee payroll	\$ 28,565,919	\$ 27,666,750	\$ 23,338,878	\$ 22,659,105
Total OPEB liability (asset) as a percentage of covered-employee payroll	6.90%	6.45%	6.57%	6.82%

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT A-5**

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

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>State's Proportionate Share of the Net Pension Liability Associated with Clay County (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)</b>	<b>Covered Payroll (c)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2021	0.3144%	\$ 13,426,289	\$ 410,010	\$ 13,836,299	\$ 22,632,600	59.32%	87.00%
2020	0.2890	17,326,871	534,278	17,861,149	20,606,120	84.09	79.06
2019	0.2638	14,584,911	453,314	15,038,225	18,664,733	78.14	80.23
2018	0.2740	15,200,397	498,622	15,699,019	18,565,693	81.87	75.53
2017	0.2767	17,664,345	222,111	17,886,456	17,825,413	99.10	75.90
2016	0.2697	21,898,302	285,977	22,184,279	16,715,453	131.01	68.91
2015	0.2710	14,044,626	N/A	14,044,626	15,926,030	88.19	78.19

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

The measurement date for each year is June 30.

N/A - Not Applicable

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT A-6*

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

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b - a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
2021	\$ 1,731,380	\$ 1,731,380	\$ -	\$ 23,085,067	7.50%
2020	1,721,560	1,721,560	-	22,954,133	7.50
2019	1,436,905	1,436,905	-	19,158,733	7.50
2018	1,397,139	1,397,139	-	18,628,520	7.50
2017	1,368,808	1,368,808	-	18,250,773	7.50
2016	1,292,983	1,292,983	-	17,239,773	7.50
2015	1,222,172	1,222,172	-	16,295,627	7.50

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT A-7*

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

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>State's Proportionate Share of the Net Pension Liability Associated with Clay County (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)</b>	<b>Covered Payroll (c)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2021	0.245%	\$ 1,891,912	\$ 85,049	\$ 1,976,961	\$ 2,896,870	65.31%	93.66%
2020	0.240	3,163,457	74,539	3,237,996	2,706,176	116.90	87.19
2019	0.243	2,584,851	N/A	2,584,851	2,560,461	100.95	89.26
2018	0.244	2,595,459	N/A	2,595,459	2,566,006	101.15	88.84
2017	0.244	3,294,290	N/A	3,294,290	2,509,475	131.27	85.43
2016	0.252	10,113,198	N/A	10,113,198	2,423,586	417.28	63.88
2015	0.249	2,829,223	N/A	2,829,223	2,280,322	124.07	86.61

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT A-8*

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

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b - a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
2021	\$ 533,836	\$ 533,836	\$ -	\$ 3,016,023	17.70%
2020	520,240	520,240	-	2,939,209	17.70
2019	440,870	440,870	-	2,601,003	16.95
2018	413,513	413,513	-	2,552,549	16.20
2017	411,828	411,828	-	2,542,148	16.20
2016	400,796	400,796	-	2,474,049	16.20
2015	380,304	380,304	-	2,347,556	16.20

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT A-9**

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

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>Covered Payroll (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2021	2.086%	\$ (342,754)	\$ 4,613,246	-7.43%	101.61%
2020	1.933	524,365	4,205,109	12.47	96.67
2019	1.837	254,263	3,917,223	6.49	98.17
2018	1.492	245,455	2,898,926	8.47	97.64
2017	1.220	3,477,012	2,443,886	142.27	67.89
2016	1.210	4,420,299	2,279,749	193.89	58.16
2015	1.190	183,974	2,139,223	8.60	96.95

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT A-10*

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

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b - a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
2021	\$ 408,052	\$ 408,052	\$ -	\$ 4,663,451	8.75%
2020	403,302	403,302	-	4,609,166	8.75
2019	349,289	349,289	-	3,991,874	8.75
2018	306,205	306,205	-	3,499,486	8.75
2017	228,722	228,722	-	2,613,966	8.75
2016	202,653	202,653	-	2,316,034	8.75
2015	196,852	196,852	-	2,249,737	8.75

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

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1. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Gravel Removal Tax Special Revenue Fund, Opioid Settlement Special Revenue Fund, County Improvement Capital Projects Fund, Government Center Construction Capital Projects Fund, Jail/Law Enforcement Construction Capital Projects Fund, Americana Estates Debt Service Fund, County Projects Debt Service Fund and Ditch Debt Service Fund. All annual appropriations lapse at fiscal year-end.

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

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

2. Stewardship, Compliance, and Accountability

Excess of Expenditures Over Budget

The following major fund had expenditures in excess of budget for the year ended December 31, 2021.

	<u>Expenditures</u>	<u>Final Budget</u>	<u>Excess</u>
General Fund	\$ 30,080,637	\$ 27,629,195	\$ 2,451,442

3. Other Postemployment Benefits Funding Status

Assets have not been accumulated in a trust that meets the criteria in paragraph four of GASB Statement 75 to pay related benefits. See Note 3.D in the notes to the financial

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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statements for additional information regarding the County's other postemployment benefits.

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

2021

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

2020

- The health care trend rates, mortality tables, and salary scale assumptions were updated.
- The discount rate was changed from 3.80% to 2.90%.

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 fiscal year June 30:

General Employees Retirement Plan

2021

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

2020

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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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 two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The changes result in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality table to the Pub-2010 General/Teacher Disabled Retiree Mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023 and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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2018

- The mortality projection scale was changed from Scale MP-2015 to Scale MP-2017.
- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost of living adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.00 percent for active member liability, 15 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21 million in calendar years 2017 and 2018 and returns to \$31 million through calendar year 2031. The state's required contribution is \$16 million in PERA's fiscal years 2018 and 2019 and returns to \$6 million annually through calendar year 2031.

2016

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

Public Employees Police and Fire Plan

2021

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from Scale MP-2019 to Scale MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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Healthy Annuitant Mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety Disabled Annuitant Mortality table (with future mortality improvement according to Scale MP-2020).

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

2020

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

2019

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

2018

- The mortality projection scale was changed from Scale MP-2016 to Scale MP-2017.
- Post-retirement benefit increases changed to 1.00 percent for all years, with no trigger.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed effective January 1, 2019, and January 1, 2020, from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019, and January 1, 2020, from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- The assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA load has been changed to 33 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality table assumed for healthy retirees.
- The assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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- The assumed percentage of married female members was decreased from 65 percent to 60 percent.
- The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016

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

Public Employees Local Government Correctional Service Retirement Plan

2021

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from Scale MP-2019 to Scale 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 were lowered.
- Assumed percent married for active members was lowered from 85 percent to 75 percent.
- Minor changes to form of payment assumptions were applied.

2020

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

2019

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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2018

- The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum.
- The mortality projection scale was changed from Scale MP-2016 to Scale MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Post-retirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level, to 100 percent of the Social Security cost of living adjustment, not less than 1.00 percent and not more than 2.50 percent, beginning January 1, 2019. If the funding status declines to 85 percent for two consecutive years, or 80 percent for one year, the maximum increase will be lowered to 1.50 percent.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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2017

- 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 Scale MP-2016).
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA load has been changed to 35 percent for vested members and 1.00 percent for non-vested members.
- The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

2016

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.31 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

**SUPPLEMENTARY INFORMATION**

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**CLAY COUNTY  
MOORHEAD, MINNESOTA**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

County Building - to account for the acquisition or repair of buildings used in County administration.

Gravel Removal Tax Reserve - to account for ten percent of gravel removal tax collections used for the rehabilitation of exhausted gravel pits.

DEBT SERVICE FUNDS

Americana Estates - to account for the financial transactions of the Americana Estates project for the City of Moorhead sewer and water hook-up. Financing is provided by issuing bonds and will be paid back through special assessments levied against the Americana Estates' residents.

County Projects - to account for the retirement of bonds issued for the capital projects.

Courthouse Expansion - to account for the retirement of bonds issued for the courthouse expansion.

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

Joint Highway Facility - to account for the retirement of bonds issued for the Joint Highway Facility and the State-Aid Road bonds.

Law Enforcement Expansion - to account for the retirement of bonds issued for the Law Enforcement expansion.

CAPITAL PROJECTS FUNDS

County Improvement – is used to account for financial resources to be used for the renovation and expansion of various county facilities.

Government Center Construction – is used to account for financial resources to be used for the construction of the government center facility.

Jail/Law Enforcement Construction – is used to account for financial resources to be used for the construction of the jail and law enforcement facilities.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT B-1*

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

	<b>Special Revenue (Exhibit B-3)</b>	<b>Debt Service (Exhibit B-5)</b>	<b>Capital Projects (Exhibit B-7)</b>	<b>Total (Exhibit 3)</b>
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 801,304	\$ 5,200,363	\$ 4,940,060	\$ 10,941,727
Taxes receivable delinquent	1,066	7,700	-	8,766
Special assessments receivable			-	
Delinquent	-	513	-	513
Liens	-	486,220	-	486,220
Due from other funds	62,068	-	-	62,068
Due from other governments	-	775,722	87,930	863,652
	<b>\$ 864,438</b>	<b>\$ 6,470,518</b>	<b>\$ 5,027,990</b>	<b>\$ 12,362,946</b>
<b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 15,000	\$ 15,000
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	\$ 822	\$ 1,267,294	\$ -	\$ 1,268,116
Prepaid property taxes	40	353	-	393
	<b>\$ 862</b>	<b>\$ 1,267,647</b>	<b>\$ 15,000</b>	<b>\$ 1,268,509</b>
<b>Fund Balances</b>				
Restricted for				
Debt service	\$ -	\$ 5,202,871	\$ -	\$ 5,202,871
Capital projects	-	-	5,012,990	5,012,990
Gravel pit restoration	860,481	-	-	860,481
Assigned to				
County building projects	3,095	-	-	3,095
	<b>\$ 863,576</b>	<b>\$ 5,202,871</b>	<b>\$ 5,012,990</b>	<b>\$ 11,079,437</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 864,438</b>	<b>\$ 6,470,518</b>	<b>\$ 5,027,990</b>	<b>\$ 12,362,946</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT B-2**

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

	<b>Special Revenue (Exhibit B-4)</b>	<b>Debt Service (Exhibit B-6)</b>	<b>Capital Projects (Exhibit B-8)</b>	<b>Total (Exhibit 5)</b>
<b>Revenues</b>				
Taxes	\$ 102,848	\$ 4,294,922	\$ -	\$ 4,397,770
Special assessments	-	542,356	-	542,356
Intergovernmental	10,290	60,718	-	71,008
Miscellaneous	-	31	87,930	87,961
<b>Total Revenues</b>	<b>\$ 113,138</b>	<b>\$ 4,898,027</b>	<b>\$ 87,930</b>	<b>\$ 5,099,095</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	\$ 16,905	\$ -	\$ -	\$ 16,905
Public Safety	-	1,450	-	1,450
Conservation of natural resources	-	5,319	-	5,319
<b>Capital outlay</b>				
General government	200,000	-	874,070	1,074,070
Public Safety	-	-	82,632	82,632
<b>Debt service</b>				
Principal	-	2,645,000	-	2,645,000
Interest	-	1,693,555	-	1,693,555
Administrative (fiscal) charges	-	2,400	-	2,400
Bond issuance costs	-	-	52,910	52,910
<b>Total Expenditures</b>	<b>\$ 216,905</b>	<b>\$ 4,347,724</b>	<b>\$ 1,009,612</b>	<b>\$ 5,574,241</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (103,767)</b>	<b>\$ 550,303</b>	<b>\$ (921,682)</b>	<b>\$ (475,146)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ 702,488	\$ -	\$ 702,488
Transfers out	-	(189,446)	(796)	(190,242)
Bonds issued	-	-	3,185,000	3,185,000
Premium on bonds issued	-	-	248,888	248,888
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 513,042</b>	<b>\$ 3,433,092</b>	<b>\$ 3,946,134</b>
<b>Net Change in Fund Balance</b>	<b>\$ (103,767)</b>	<b>\$ 1,063,345</b>	<b>\$ 2,511,410</b>	<b>\$ 3,470,988</b>
<b>Fund Balance - January 1</b>	<b>967,343</b>	<b>4,139,526</b>	<b>2,501,580</b>	<b>7,608,449</b>
<b>Fund Balance - December 31</b>	<b>\$ 863,576</b>	<b>\$ 5,202,871</b>	<b>\$ 5,012,990</b>	<b>\$ 11,079,437</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT B-3**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2021**

	<b>County Building</b>	<b>Gravel Removal Tax Reserve</b>	<b>Total (Exhibit B-1)</b>
<b><u>Assets</u></b>			
Cash and pooled investments	\$ 2,891	\$ 798,413	\$ 801,304
Taxes receivable delinquent	1,066	-	1,066
Due from other funds	-	62,068	62,068
<b>Total Assets</b>	<b>\$ 3,957</b>	<b>\$ 860,481</b>	<b>\$ 864,438</b>
<b><u>Deferred Inflows of Resources, and Fund Balances</u></b>			
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	\$ 822	\$ -	\$ 822
Prepaid property taxes	40	-	40
<b>Total Deferred Inflows of Resources</b>	<b>\$ 862</b>	<b>\$ -</b>	<b>\$ 862</b>
<b>Fund Balances</b>			
Restricted for			
Gravel pit restoration	\$ -	\$ 860,481	\$ 860,481
Assigned to			
County building projects	3,095	-	3,095
<b>Total Fund Balances</b>	<b>\$ 3,095</b>	<b>\$ 860,481</b>	<b>\$ 863,576</b>
<b>Total Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,957</b>	<b>\$ 860,481</b>	<b>\$ 864,438</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT B-4*

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

	<b>County Building</b>	<b>Gravel Removal Tax Reserve</b>	<b>Total (Exhibit B-2)</b>
<b>Revenues</b>			
Taxes	\$ 40,780	\$ 62,068	\$ 102,848
Intergovernmental	10,290	-	10,290
<b>Total Revenues</b>	<b>\$ 51,070</b>	<b>\$ 62,068</b>	<b>\$ 113,138</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	\$ 16,905	\$ -	\$ 16,905
<b>Capital outlay</b>			
General government	200,000	-	200,000
<b>Total Expenditures</b>	<b>\$ 216,905</b>	<b>\$ -</b>	<b>\$ 216,905</b>
<b>Net Change in Fund Balance</b>	<b>\$ (165,835)</b>	<b>\$ 62,068</b>	<b>\$ (103,767)</b>
<b>Fund Balance - January 1</b>	<b>168,930</b>	<b>798,413</b>	<b>967,343</b>
<b>Fund Balance - December 31</b>	<b>\$ 3,095</b>	<b>\$ 860,481</b>	<b>\$ 863,576</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
DECEMBER 31, 2021**

	<b>Americana Estates</b>	<b>County Projects</b>
<b><u>Assets</u></b>		
Cash and pooled investments	\$ 41,907	\$ 125,000
Taxes receivable delinquent	-	609
Special assessments		
Delinquent	-	-
Liens	-	-
Due from other governments	-	-
	<b>\$ 41,907</b>	<b>\$ 125,609</b>
<b><u>Deferred Inflows of Resources, and Fund Balances</u></b>		
<b>Deferred Inflows of Resources</b>		
Unavailable revenue	\$ -	\$ 503
Prepaid property taxes	-	66
	<b>\$ -</b>	<b>\$ 569</b>
<b>Fund Balances</b>		
Restricted		
Restricted for debt service	\$ 41,907	\$ 125,040
	<b>\$ 41,907</b>	<b>\$ 125,609</b>

**EXHIBIT B-5**  
**(Continued)**

<u>Courthouse Expansion</u>	<u>Ditch</u>	<u>Joint Highway Facility</u>	<u>Law Enforcement Expansion</u>	<u>Total (Exhibit B-1)</u>
\$ 339,301	\$ 515,996	\$ 209,178	\$ 3,968,981	\$ 5,200,363
4,492	-	2,428	171	7,700
-	513	-	-	513
-	486,220	-	-	486,220
-	775,722	-	-	775,722
<u><b>\$ 343,793</b></u>	<u><b>\$ 1,778,451</b></u>	<u><b>\$ 211,606</b></u>	<u><b>\$ 3,969,152</b></u>	<u><b>\$ 6,470,518</b></u>
\$ 3,073	\$ 1,261,942	\$ 1,663	\$ 113	\$ 1,267,294
287	-	-	-	353
<u><b>\$ 3,360</b></u>	<u><b>\$ 1,261,942</b></u>	<u><b>\$ 1,663</b></u>	<u><b>\$ 113</b></u>	<u><b>\$ 1,267,647</b></u>
\$ 340,433	\$ 516,509	\$ 209,943	\$ 3,969,039	\$ 5,202,871
<u><b>\$ 343,793</b></u>	<u><b>\$ 1,778,451</b></u>	<u><b>\$ 211,606</b></u>	<u><b>\$ 3,969,152</b></u>	<u><b>\$ 6,470,518</b></u>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	Americana Estates	County Projects
<b>Revenues</b>		
Taxes	\$ -	\$ 827
Special assessments	-	-
Intergovernmental	-	-
Miscellaneous	31	-
	<b>\$ 31</b>	<b>\$ 827</b>
<b>Total Revenues</b>	<b>\$ 31</b>	<b>\$ 827</b>
<b>Expenditures</b>		
<b>Current</b>		
Public safety	\$ -	\$ -
Conservation of natural resources	-	-
<b>Debt service</b>		
Principal	-	-
Interest	-	-
Administrative (fiscal) charges	-	-
	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 31</b>	<b>\$ 827</b>
<b>Other Financing Sources (Uses)</b>		
Transfers in	\$ -	\$ -
Transfers out	-	-
	<b>\$ -</b>	<b>\$ -</b>
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Change in Fund Balance</b>	<b>\$ 31</b>	<b>\$ 827</b>
<b>Fund Balance - January 1</b>	<b>41,876</b>	<b>124,213</b>
<b>Fund Balance - December 31</b>	<b>\$ 41,907</b>	<b>\$ 125,040</b>

**EXHIBIT B-6**  
**(Continued)**

<u>Courthouse Expansion</u>	<u>Ditch</u>	<u>Joint Highway Facility</u>	<u>Law Enforcement Expansion</u>	<u>Total (Exhibit B-2)</u>
\$ 290,524	\$ -	\$ 156,539	\$ 3,847,032	\$ 4,294,922
-	542,356	-	-	542,356
39,443	-	21,275	-	60,718
-	-	-	-	31
<u>\$ 329,967</u>	<u>\$ 542,356</u>	<u>\$ 177,814</u>	<u>\$ 3,847,032</u>	<u>\$ 4,898,027</u>
\$ -	\$ -	\$ -	\$ 1,450	\$ 1,450
-	5,319	-	-	5,319
295,000	410,000	165,000	1,775,000	2,645,000
16,969	42,792	3,094	1,630,700	1,693,555
135	-	365	1,900	2,400
<u>\$ 312,104</u>	<u>\$ 458,111</u>	<u>\$ 168,459</u>	<u>\$ 3,409,050</u>	<u>\$ 4,347,724</u>
<u>\$ 17,863</u>	<u>\$ 84,245</u>	<u>\$ 9,355</u>	<u>\$ 437,982</u>	<u>\$ 550,303</u>
\$ -	\$ -	\$ -	\$ 702,488	\$ 702,488
-	(189,446)	-	-	(189,446)
<u>\$ -</u>	<u>\$ (189,446)</u>	<u>\$ -</u>	<u>\$ 702,488</u>	<u>\$ 513,042</u>
\$ 17,863	\$ (105,201)	\$ 9,355	\$ 1,140,470	\$ 1,063,345
<u>322,570</u>	<u>621,710</u>	<u>200,588</u>	<u>2,828,569</u>	<u>4,139,526</u>
<u>\$ 340,433</u>	<u>\$ 516,509</u>	<u>\$ 209,943</u>	<u>\$ 3,969,039</u>	<u>\$ 5,202,871</u>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT B-7*

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2021**

	<b>County Improvement</b>	<b>Government Center Construction</b>	<b>Jail/Law Enforcement Construction</b>	<b>Total (Exhibit B-1)</b>
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 2,521,908	\$ -	\$ 2,418,152	\$ 4,940,060
Due from other governments	-	-	87,930	87,930
<b>Total Assets</b>	<b>\$ 2,521,908</b>	<b>\$ -</b>	<b>\$ 2,506,082</b>	<b>\$ 5,027,990</b>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities</b>				
Accounts payable	\$ 15,000	\$ -	\$ -	\$ 15,000
<b>Fund Balances</b>				
Restricted				
Restricted for capital projects	2,506,908	-	2,506,082	5,012,990
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,521,908</b>	<b>\$ -</b>	<b>\$ 2,506,082</b>	<b>\$ 5,027,990</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT B-8*

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

	<u>County Improvement</u>	<u>Government Center Construction</u>	<u>Jail/Law Enforcement Construction</u>	<u>Total (Exhibit B-2)</u>
<b>Revenues</b>				
Miscellaneous	\$ -	\$ -	\$ 87,930	\$ 87,930
<b>Expenditures</b>				
<b>Capital outlay</b>				
General government	\$ 874,070	\$ -	\$ -	\$ 874,070
Public Safety	-	-	82,632	82,632
<b>Debt service</b>	-	-	-	-
Bond issuance costs	52,910	-	-	52,910
<b>Total Expenditures</b>	<u>\$ 926,980</u>	<u>\$ -</u>	<u>\$ 82,632</u>	<u>\$ 1,009,612</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (926,980)</u>	<u>\$ -</u>	<u>\$ 5,298</u>	<u>\$ (921,682)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$ -	\$ (796)	\$ -	\$ (796)
Bonds issued	3,185,000	-	-	3,185,000
Premium on bonds issued	248,888	-	-	248,888
<b>Total Other Financing Sources (Uses)</b>	<u>\$ 3,433,888</u>	<u>\$ (796)</u>	<u>\$ -</u>	<u>\$ 3,433,092</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,506,908</u>	<u>\$ (796)</u>	<u>\$ 5,298</u>	<u>\$ 2,511,410</u>
<b>Fund Balance - January 1</b>	<u>-</u>	<u>796</u>	<u>2,500,784</u>	<u>2,501,580</u>
<b>Fund Balance - December 31</b>	<u>\$ 2,506,908</u>	<u>\$ -</u>	<u>\$ 2,506,082</u>	<u>\$ 5,012,990</u>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT B-9*

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 39,765	\$ 39,765	\$ 40,780	\$ 1,015
Intergovernmental	10,235	10,235	10,290	55
<b>Total Revenues</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 51,070</b>	<b>\$ 1,070</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Other general government	\$ 50,000	\$ 50,000	\$ 16,905	\$ 33,095
<b>Capital outlay</b>				
General government	-	-	200,000	(200,000)
<b>Total Expenditures</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 216,905</b>	<b>\$ (166,905)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (165,835)</b>	<b>\$ (165,835)</b>
<b>Fund Balance - January 1</b>	<b>168,930</b>	<b>168,930</b>	<b>168,930</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 168,930</b>	<b>\$ 168,930</b>	<b>\$ 3,095</b>	<b>\$ (165,835)</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT B-10*

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 288,537	\$ 288,537	\$ 290,524	\$ 1,987
Intergovernmental	39,030	39,030	39,443	413
<b>Total Revenues</b>	<b>\$ 327,567</b>	<b>\$ 327,567</b>	<b>\$ 329,967</b>	<b>\$ 2,400</b>
<b>Expenditures</b>				
<b>Debt service</b>				
Principal	\$ 295,000	\$ 295,000	\$ 295,000	\$ -
Interest	16,969	16,969	16,969	-
Administrative (fiscal) charges	360	360	135	225
<b>Total Expenditures</b>	<b>\$ 312,329</b>	<b>\$ 312,329</b>	<b>\$ 312,104</b>	<b>\$ 225</b>
<b>Net Change in Fund Balance</b>	<b>\$ 15,238</b>	<b>\$ 15,238</b>	<b>\$ 17,863</b>	<b>\$ 2,625</b>
<b>Fund Balance - January 1</b>	<b>322,570</b>	<b>322,570</b>	<b>322,570</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 337,808</b>	<b>\$ 337,808</b>	<b>\$ 340,433</b>	<b>\$ 2,625</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT B-11**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 155,451	\$ 155,451	\$ 156,539	\$ 1,088
Intergovernmental	21,050	21,050	21,275	225
<b>Total Revenues</b>	<b>\$ 176,501</b>	<b>\$ 176,501</b>	<b>\$ 177,814</b>	<b>\$ 1,313</b>
<b>Expenditures</b>				
<b>Debt service</b>				
Principal	\$ 165,000	\$ 165,000	\$ 165,000	\$ -
Interest	3,096	3,096	3,094	2
Administrative (fiscal) charges	150	150	365	(215)
<b>Total Expenditures</b>	<b>\$ 168,246</b>	<b>\$ 168,246</b>	<b>\$ 168,459</b>	<b>\$ (213)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 8,255</b>	<b>\$ 8,255</b>	<b>\$ 9,355</b>	<b>\$ 1,100</b>
<b>Fund Balance - January 1</b>	<b>200,588</b>	<b>200,588</b>	<b>200,588</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 208,843</b>	<b>\$ 208,843</b>	<b>\$ 209,943</b>	<b>\$ 1,100</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT B-12**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 2,323,497	\$ 2,323,497	\$ 3,847,032	\$ 1,523,535
<b>Expenditures</b>				
<b>Current</b>				
<b>Public safety</b>				
Sheriff	\$ -	\$ -	\$ 1,450	\$ (1,450)
<b>Debt service</b>				
Principal	1,775,000	1,775,000	1,775,000	-
Interest	1,630,700	1,630,700	1,630,700	-
Administrative (fiscal) charges	1,500	1,500	1,900	(400)
<b>Total Expenditures</b>	<b>\$ 3,407,200</b>	<b>\$ 3,407,200</b>	<b>\$ 3,409,050</b>	<b>\$ (1,850)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (1,083,703)</b>	<b>\$ (1,083,703)</b>	<b>\$ 437,982</b>	<b>\$ 1,521,685</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,252,488	1,252,488	702,488	(550,000)
<b>Net Change in Fund Balance</b>	<b>\$ 168,785</b>	<b>\$ 168,785</b>	<b>\$ 1,140,470</b>	<b>\$ 971,685</b>
<b>Fund Balance - January 1</b>	<b>2,828,569</b>	<b>2,828,569</b>	<b>2,828,569</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 2,997,354</b>	<b>\$ 2,997,354</b>	<b>\$ 3,969,039</b>	<b>\$ 971,685</b>

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**CLAY COUNTY  
MOORHEAD, MINNESOTA**

CUSTODIAL FUNDS

Recoveries – to account for the State’s portion of funds that are recovered from estates or collections payments that are on Medical Assistance and other programs.

Joint Powers Collaborative - to account for the collection and disbursement of funds for the local collaborative.

State Revenue - to account for the collection and disbursement of the state’s share of fees, fines, and mortgage registry and state deed taxes collected by the County.

FM Diversion Joint Powers – Moorhead-Clay County Joint Powers Authority (MCCJPA) – to account for the collection and disbursement of the MCCJPA.

Partnership4Health – to account for the collection and disbursement of funds for the Community Health Board which consists of Becker, Clay, Ottertail and Wilkin Counties.

Watershed Districts - to account for the collection and disbursement of funds for the maintenance of ditches.

Taxes and Penalties - to account for the collection of taxes and penalties and their distribution to the various funds and governmental units.

Jail Inmate – to account for the receipts and disbursements of the County’s inmates.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<b>Recoveries</b>	<b>Joint Powers Collaborative</b>	<b>State Revenue</b>
<b><u>Assets</u></b>			
Cash and pooled investments	\$ 247,872	\$ 686,948	\$ 25,164
Taxes receivable for other governments	-	-	-
Accounts receivable, net	231,610	-	-
Due from other funds	-	59,874	-
Due from other governments	21,894	-	-
<b>Total Assets</b>	<b>\$ 501,376</b>	<b>\$ 746,822</b>	<b>\$ 25,164</b>
<b><u>Liabilities</u></b>			
Accounts payable	\$ -	\$ 37,487	\$ -
Due to other funds	-	2,092	-
Due to other governments	501,376	-	25,164
<b>Total Liabilities</b>	<b>\$ 501,376</b>	<b>\$ 39,579</b>	<b>\$ 25,164</b>
<b><u>Deferred Inflows of Resources</u></b>			
Prepaid taxes	\$ -	\$ -	\$ -
<b><u>Net Position</u></b>			
Restricted for Individuals, organizations, other governments	\$ -	\$ 707,243	\$ -

**EXHIBIT C-1**

<b>FM Diversion Joint Powers - MCCJPA</b>	<b>Partnership-4Health</b>	<b>Watershed Districts</b>	<b>Taxes and Penalties</b>	<b>Jail Inmate Fund</b>	<b>Total Custodial Funds</b>
\$ 39,097	\$ 303,913	\$ -	\$ 2,859,628	\$ 9,383	\$ 4,172,005
-	-	-	1,434,965	-	1,434,965
-	181	-	-	620	232,411
-	135,748	-	25,731	-	221,353
<u>377,295</u>	<u>1,111,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,511,073</u>
<b>\$ 416,392</b>	<b>\$ 1,551,726</b>	<b>\$ -</b>	<b>\$ 4,320,324</b>	<b>\$ 10,003</b>	<b>\$ 7,571,807</b>
\$ 75,114	\$ -	\$ -	\$ -	\$ 414	\$ 113,015
-	609,516	-	-	-	611,608
<u>1,227</u>	<u>758,337</u>	<u>-</u>	<u>2,840,944</u>	<u>700</u>	<u>4,127,748</u>
<b>\$ 76,341</b>	<b>\$ 1,367,853</b>	<b>\$ -</b>	<b>\$ 2,840,944</b>	<b>\$ 1,114</b>	<b>\$ 4,852,371</b>
\$ -	\$ -	\$ -	\$ 44,415	\$ -	\$ 44,415
<b>\$ 340,051</b>	<b>\$ 183,873</b>	<b>\$ -</b>	<b>\$ 1,434,965</b>	<b>\$ 8,889</b>	<b>\$ 2,675,021</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

	<u>Recoveries</u>	<u>Joint Powers Collaborative</u>	<u>State Revenue</u>
<b>Additions</b>			
Contributions:			
Individuals	\$ 817,282	\$ -	\$ -
Investment earnings:			
Interest, dividends, other	-	2,612	-
Property tax collections for other governments	-	-	-
License and fees collected for State	-	-	228,398
Miscellaneous	-	289,065	-
	<u>817,282</u>	<u>291,677</u>	<u>228,398</u>
<b>Total Additions</b>	<b>\$ 817,282</b>	<b>\$ 291,677</b>	<b>\$ 228,398</b>
<b>Deductions</b>			
Payments of property tax to other governments	\$ -	\$ -	\$ 228,398
Payments to state	817,282	-	-
Distributions to participants	-	207,810	-
Administrative expense	-	28,160	-
Payments to other entities	-	-	-
	<u>817,282</u>	<u>235,970</u>	<u>228,398</u>
<b>Total Deductions</b>	<b>\$ 817,282</b>	<b>\$ 235,970</b>	<b>\$ 228,398</b>
<b>Change in net position</b>	<b>\$ -</b>	<b>\$ 55,707</b>	<b>\$ -</b>
<b>Net Position – January 1</b>	<b>-</b>	<b>651,536</b>	<b>-</b>
<b>Net Position – December 31</b>	<b>\$ -</b>	<b>\$ 707,243</b>	<b>\$ -</b>

*EXHIBIT C-2*

<b>Custodial Funds</b>					<b>Total</b>
<b>FM Diversion Joint Powers - MCCJPA</b>	<b>Partnership-4Health</b>	<b>Watershed Districts</b>	<b>Taxes and Penalties</b>	<b>Jail Inmate Fund</b>	<b>Custodial Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 817,282
-	-	-	-	-	2,612
-	-	-	66,158,566	-	66,158,566
-	-	-	-	-	228,398
4,338,632	5,143,311	1,131,512	-	325,075	11,227,595
<b>\$ 4,338,632</b>	<b>\$ 5,143,311</b>	<b>\$ 1,131,512</b>	<b>\$ 66,158,566</b>	<b>\$ 325,075</b>	<b>\$ 78,434,453</b>
\$ -	\$ -	\$ -	\$ 66,621,455	\$ -	\$ 66,849,853
-	-	-	-	-	817,282
-	-	-	-	-	207,810
-	-	-	-	-	28,160
4,063,635	5,114,695	1,131,512	-	321,922	10,631,764
<b>\$ 4,063,635</b>	<b>\$ 5,114,695</b>	<b>\$ 1,131,512</b>	<b>\$ 66,621,455</b>	<b>\$ 321,922</b>	<b>\$ 78,534,869</b>
\$ 274,997	\$ 28,616	\$ -	\$ (462,889)	\$ 3,153	\$ (100,416)
65,054	155,257	-	1,897,854	5,736	2,775,437
<b>\$ 340,051</b>	<b>\$ 183,873</b>	<b>\$ -</b>	<b>\$ 1,434,965</b>	<b>\$ 8,889</b>	<b>\$ 2,675,021</b>

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## **OTHER SCHEDULES**

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

*EXHIBIT D-1*

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

	<b>Governmental Funds</b>	<b>Enterprise Funds</b>	<b>Total All Funds</b>
<b>Appropriations and Shared Revenue</b>			
<b>State</b>			
Highway users tax	\$ 7,174,414	\$ -	\$ 7,174,414
County program aid	3,878,961	-	3,878,961
Disparity reduction credit	4,071,717	-	4,071,717
Police aid	312,547	-	312,547
Aquatic invasive species aid	17,014	-	17,014
Riparian protection aid	160,000	-	160,000
Out-of-home placement aid	81,282	-	81,282
Local government aid	9,145	-	9,145
Market value credit	228,449	-	228,449
Disparity reduction aid	13,158	-	13,158
Pension contribution	60,389	8,856	69,245
SCORE	-	187,728	187,728
	<b>\$ 16,007,076</b>	<b>\$ 196,584</b>	<b>\$ 16,203,660</b>
<b>Total appropriations and shared revenue</b>			
<b>Reimbursement for Services</b>			
<b>State</b>			
Minnesota Department of Human Services	<b>\$ 2,230,302</b>	<b>\$ 873,915</b>	<b>\$ 3,104,217</b>
<b>Payments</b>			
<b>Local</b>			
Local	\$ -	\$ 9,641	\$ 9,641
Payments in lieu of taxes	93,490	-	93,490
	<b>\$ 93,490</b>	<b>\$ 9,641</b>	<b>\$ 103,131</b>
<b>Total payments</b>			
<b>Grants</b>			
<b>State</b>			
Minnesota Department/Board of			
Agriculture	\$ -	\$ 1,317	\$ 1,317
Corrections	152,797	-	152,797
Trial Courts	1,537	-	1,537
Public Safety	267,480	-	267,480
Transportation	1,064,148	1,850	1,065,998
Education	-	2,472	2,472

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT D-1  
(Continued)**

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

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total All Funds</u>
<b>Grants</b>			
<b>State (Continued)</b>			
Minnesota Department/Board of Health	-	1,015,771	1,015,771
Natural Resources	51,177	-	51,177
Human Services	3,870,427	132,837	4,003,264
Veterans Services	12,500	-	12,500
Water and Soil Resources	32,064	199,698	231,762
Pollution Control Agency	36,922	-	36,922
Peace Officer Standards and Training Board	38,124	-	38,124
<b>Total state</b>	<b>\$ 5,527,176</b>	<b>\$ 1,353,945</b>	<b>\$ 6,881,121</b>
<b>Grants</b>			
<b>Federal</b>			
Department of Agriculture	\$ 610,890	\$ 503,278	\$ 1,114,168
Justice	44,536	117,547	162,083
Transportation	1,149,896	-	1,149,896
Treasury	404,754	15,977	420,731
Education	-	2,100	2,100
Health and Human Services	5,726,790	921,433	6,648,223
Homeland Security	30	113,048	113,078
<b>Total federal</b>	<b>\$ 7,936,896</b>	<b>\$ 1,673,383</b>	<b>\$ 9,610,279</b>
<b>Total state and federal grants</b>	<b>\$ 13,464,072</b>	<b>\$ 3,027,328</b>	<b>\$ 16,491,400</b>
<b>Total Intergovernmental Revenue</b>	<b>\$ 31,794,940</b>	<b>\$ 4,107,468</b>	<b>\$ 35,902,408</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT D-2**

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

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>			
Passed Through Minnesota Department of Education Child Nutrition Cluster			
School Breakfast Program	10.553	Not Provided	\$ 46,213
National School Lunch Program	10.555	Not Provided	88,659
Passed Through Partnership4Health Community Health Board Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not Provided	368,406
Passed Through Minnesota Department of Human Services SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	212MN101S2514	610,890
<b>Total U.S. Department of Agriculture</b>			<b>\$ 1,114,168</b>
<b>U.S. Department of Justice</b>			
Direct			
Bulletproof Vest Partnership Program	16.607		\$ 5,544
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	A-CVS-2020-CLAYAO- 157	38,992
Edward Byrne Memorial Justice Assistance Grant Program	16.738	A-JAG-2020- WCENTJUV-062	117,547
<b>Total U.S. Department of Justice</b>			<b>\$ 162,083</b>
<b>U.S. Department of Transportation</b>			
Passed Through Minnesota Department of Transportation Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	1030014	\$ 6,260
COVID-19 Highway Planning and Construction (Total Highway Planning and Construction 20.205 \$245,247)	20.205	8821224	238,987
Passed Through City of Moorhead, Minnesota Highway Safety Cluster			
State and Community Highway Safety	20.600	A-ENFRC21-2021- MOORHDPD-00058 A-ENFRC21-2021- MOORHDPD-00058	5,638
National Priority Safety Programs	20.616	A-ENFRC21-2021- MOORHDPD-00058	4,908
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MOORHDPD-00058	1,466
<b>Total U.S. Department of Transportation</b>			<b>\$ 257,259</b>
<b>U.S. Department of Treasury</b>			
Direct			
Joint Law Enforcement Operation Task Force Project	21.U01		\$ 6,965
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		397,789
Passed Through Partnership4Health Community Health Board COVID-19-Coronavirus Relief Fund	21.019	Not Provided	15,977
<b>Total U.S. Department of Treasury</b>			<b>\$ 420,731</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT D-2  
(Continued)**

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

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>
<b>U.S. Department of Education</b>			
Passed Through Partnership4Health Community Health Board Special Education - Grants for Infants and Families	84.181	Not Provided	<b>\$ 2,100</b>
<b>U.S. Department of Health and Human Services</b>			
Passed Through Partnership4Health Community Health Board Public Health Emergency Preparedness	93.069	Not Provided	\$ 86,041
Early Hearing Detection and Intervention	93.251	Not Provided	450
COVID-19 Immunization Cooperative Agreements	93.268	Not Provided	184,395
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Not Provided	170,758
State Physical Activity and Nutrition (SPAN)	93.439	Not Provided	22,913
Temporary Assistance for Needy Families	93.558	Not Provided	119,320
(Total Temporary Assistance for Needy Families 93.558 \$976,707)			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Not Provided	43,240
Maternal and Child Health Services Block Grant to the States	93.994	Not Provided	80,029
Passed Through Polk-Norman-Mahnomen Community Health Board			
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	Not Provided	78,606
Passed Through Minnesota Department of Human Services			
Promoting Safe and Stable Families	93.556	2101MNFPS	13,504
Temporary Assistance for Needy Families	93.558	2101MNTANF	857,387
(Total Temporary Assistance for Needy Families 93.558 \$976,707)			
Child Support Enforcement	93.563	2101MNCSES	220,625
Child Support Enforcement	93.563	2001MNCES	1,120,655
(Total Child Support Enforcement 93.563 \$1,341,280)			
Refugee and Entrant Assistance - State Administered Programs	93.566	2101MNRCA	1,205
CCDF Cluster			
Child Care and Development Block Grant	93.575	2101MNCDF	21,068
Community-Based Child Abuse Prevention Grants	93.590	1901MNBCAP	5,735
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWSS	7,487
COVID-19 Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWC3	8,099
(Total Stephanie Tubbs Jones Child Welfare Services Program 93.645 \$15,586)			
Foster Care - Title IV-E	93.658	2101MNFOST	1,030,746
Social Services Block Grant	93.667	2101MNSOSR	363,451
Child Abuse and Neglect State Grants	93.669	2101MNNCAN	3,037
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2101MNCILP	42,690
COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2101MNCILC	9,810
(Total John H. Chafee Foster Care Program for Successful Transition to Adulthood 93.674 \$52,500)			
Children's Health Insurance Program	93.767	2105MN5021	2,558
Medicaid Cluster			
Medical Assistance Program	93.778	2105MN5ADM	2,115,439
Medical Assistance Program	93.778	2105MN5MAP	26,168
(Total Medical Assistance Program 93.778 \$2,141,607)			
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 6,635,416</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT D-2  
(Continued)**

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

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>
<b>U.S. Department of Homeland Security</b>			
Passed Through Minnesota Department of Public Safety			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not provided	<b>\$ 120,094</b>
<b>Total Federal Awards</b>			<b>\$ 8,711,851</b>

The County did not pass on any federal awards through to subrecipients during the year ended December 31, 2021.

Totals by Cluster	
Total expenditures for Child Nutrition Cluster	\$ 134,872
Total expenditures for SNAP Cluster	610,890
Total expenditures for Highway Planning and Construction Cluster	245,247
Total expenditures for Highway Safety Cluster	10,546
Total expenditures for CCDF Cluster	21,068
Total expenditures for Medicaid Cluster	2,141,607

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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

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1. Reporting Entity

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

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Clay County under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Clay County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Clay County.

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

3. De Minimis Cost Rate

Clay County has elected to not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 9,610,279
Grants received more than 60 days after year-end, deferred in 2021	
Highway Planning and Construction (AL No. 20.205)	42,178
Temporary Assistance for Needy Families (AL No. 93.558)	248,359
Community-Based Child Abuse Prevention Grants (AL No. 93.590)	954
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (AL No. 97.036)	36,260
Children’s Health Insurance Program (AL No. 93.767)	1,739
Deferred in 2020, recognized as revenue in 2021	
Highway Planning and Construction (AL No. 20.205)	(934,815)
Temporary Assistance for Needy Families (AL No. 93.558)	(263,859)
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (AL No. 97.036)	<u>(29,244)</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 8,711,851</u>