

Kanabec County Board of Commissioners

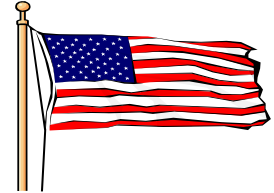
Regular Meeting Agenda October 20, 2020

- The Meeting will be held both in-person and via WebEx (video / phone conference)
- The public is welcome to join the meeting via WebEx or in person at the meeting room.
- If joining the meeting in person, the total number of persons (including commissioners) will be limited and social distancing/safety protocol will be in effect.

To be held via WebEx telephone call or video meeting:

Telephone call-in number for public access: 1-408-418-9388

Access Code: 146 019 6585



Video Meeting link:

<https://kanabecounty.webex.com/kanabecounty/j.php?MTID=m4e37464a741870550282a2fc725cb743>

Meeting number: 146 019 6585

Password: 44XtzGkshi6

To be held at: Kanabec County Courthouse
Basement Meeting Rooms #3 & 4
18 North Vine St, Mora, MN 55051

Please use the Maple Ave Entrance. Stairs and an elevator to the basement level are accessible through the entrance lobby.

The audience is invited to join the board in pledging allegiance:

I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands: one nation under God, indivisible, with Liberty and Justice for all

Scheduled Appointments: Times are approximate and time allotted to each subject will vary. Appointment times may be changed at the discretion of the board.

9:00am a. Call the Meeting to Order

b. Pledge of Allegiance

c. Agenda approval

9:05am Recess county board to a time immediately following the FSB.

Family Services Board

9:30am Doug Host & Danny Loch, Clifton Larson Allen- 2019 Financial Audit Presentation

9:55am Kathy Burski, Public Health Director- Transit Expansion

10:10am Barb McFadden, County Attorney - Policy #P-110 Update Guide for Members of the Public and Data Subjects for Requesting information

10:15am Barb McFadden, County Attorney- Request to fill vacancy in the position of a Legal Secretary/Paralegal

10:20am Jeff Anderson, PSAP Administrator/Emergency Management Director- DPS- Division of Emergency Communications Grant Award

10:30am Public Comment Call-in number for Public Comment 1-408-418-9388 Access Code: 146 019 6585

10:45am Marvin Rostberg, Kroschel Township- Request to use tire shreds on a road

11:00am Lisa Blowers, I.S. Director- Resolution to spend budgeted funds over \$1000

11:150am Robbie Anderson, Deputy Auditor, Property & Tax – Repurchase Applications

a. VanVickle

b. Stachowski

Other business to be conducted as time is available:

1. Minutes
2. Paid Bills
3. Regular Bills
 - a. Revenue Fund
 - b. Road & Bridge
 - c. COVID/CARES Act Claims
4. Gambling Request- Knife Lake Sportsmens' Club
5. County Fee-Owned Land Sale Resolution – Knife Lake Parcels
6. Cares Act Request
7. Commissioner Reports
8. CLOSED SESSION: ATTORNEY CLIENT PRIVILEGE (This portion of the meeting may be closed pursuant to Minnesota Statute §13D.05 Subd. 3.(b))
9. Future Agenda Items
10. Discuss any other matters that may come before the County Board

ADJOURN

Kanabec County Family Services

905 East Forest Avenue, Suite 150

Mora, MN 55051

Phone: 320-679-6350

Fax: 320-679-6351

Kanabec County Family Services Board

Agenda

October 20, 2020

9:05 a.m.

- 1. Agenda Approval** **Pg. 1**
- 2. Stephanie Klemz –Fraud Prevention, Collections and Recoveries**
-See attached presentation **Pg. 2-16**
- 3. Director’s Report** **Pg. 17**
 - Staffing
 - Mental Health Social Worker position filled
 - Multi-factor Authentication and Technology
 - Child Protection/Children’s Mental Health Technology Grant
 - Psychologists
 - Operation Community Connect Update
 - Ongoing Number of Children in Placement
- 4. Central MN Jobs & Training Annual MFIP/DWP Contract**
-Action requested
-See attached Contract, MFIP/DWP Budget and resolution **Pg. 18-29**
- 5. Welfare Fund Report**
- See attached report **Pg. 30**
- 6. September Financial Report**
- See attached report **Pg. 31-33**
- 7. Abstract Approval**
- See attached abstract and board vendor paid list **Pg. 34-38**
- 8. Other Business**
- 9. Adjourn**

FRAUD & COLLECTIONS UPDATE

OCTOBER 2020



KANABEC
COUNTY

Minnesota



**Stephanie Klemz, Collections Officer
& Fraud Prevention Specialist**

KANABEC COUNTY COLLECTIONS POLICY WENT INTO EFFECT 1/1/2018

- **100% COOPERATION WITH IV-E APPLICATIONS**
- **PARENTAL FEES ARE ASSESSED/BILLED/COLLECTED**
- **DETOX FEES ARE ASSESSED/BILLED/COLLECTED**
- **\$85 COLLECTION FEE ADDED TO ALL ACCOUNTS 90 DAYS PAST DUE**
- **ACCOUNTS 90 DAYS PAST DUE ARE SUBJECT TO REVENUE RECAPTURE IF CRITERIA IS MET**

MA ESTATE RECOVERIES 2018 - PRESENT

- **\$397,609.27 COLLECTED**
- **\$85,553.78 COUNTY INCENTIVES**

MA OVERPAYMENT RECOVERIES 2018 - PRESENT

- **\$40,373.65 COLLECTED**
- **COUNTY INCENTIVES - 50% OF NON-FEDERAL
SHARE**

GA RECOVERIES 2018 - PRESENT

- **\$2,411.43 COLLECTED**
- **\$1,205.72 COUNTY INCENTIVES**

SNAP RECOVERIES 2018 - PRESENT

- **\$13,539.25 COLLECTED**
- **COUNTY INCENTIVES – 35% FOR FRAUD RECOVERIES; 20% FOR HOUSEHOLD ERRORS**

MFIP / AFDC RECOVERIES 2018 - PRESENT

- **\$7,408.60 COLLECTED**
- **COUNTY INCENTIVE – 50% OF NON-FEDERAL SHARE**

RECOUPMENTS

- **PUBLIC ASSISTANCE OVERPAYMENTS ARE COLLECTED VIA RECOUPMENT WHILE THE APPLICANT IS RECEIVING BENEFITS**
- **RECOUPMENTS ARE 3% - 20% OF MONTHLY BENEFIT AMOUNT DEPENDING ON PROGRAM AND CLAIM TYPE (E.G. HOUSEHOLD ERROR V. FRAUD)**
- **RECOUPMENTS ARE NOT INCLUDED IN THE COUNTY COLLECTION TOTALS AND THERE ARE NO COUNTY INCENTIVES.**

2020 COLLECTION CHALLENGES

- **COVID-19 HAS IMPACTED COLLECTIONS & DELAYED ESTATE RECOVERIES**
- **DHS COVID-19 WAIVERS & GUIDANCE IMPACT THE ABILITY TO CITE PUBLIC ASSISTANCE OVERPAYMENTS DURING THE PEACETIME EMERGENCY**

LOOKING AHEAD

- **COUNTY INITIATED PROBATE TO MAXIMIZE MA ESTATE RECOVERIES & COUNTY INCENTIVES**
- **PAST DUE DETOX CLAIMS ADDED TO REVENUE RECAPTURE**
- **JUDGMENTS BY OPERATION OF LAW**

FRAUD PREVENTION INVESTIGATIONS

- **76 COMPLETED INVESTIGATIONS 1/1/18 – PRESENT**
- **\$22,612 CASE SAVINGS**
- **\$58,869 OVERPAYMENTS CITED**
- **9 DAY AVERAGE CASE COMPLETION**

FRAUD CONTROL INVESTIGATIONS

- **4 COMPLETED INVESTIGATIONS 1/1/18 – PRESENT**
- **2 PENDING CASES**
- **\$227,841.61 OVERPAYMENTS CITED**

2020 FRAUD CHALLENGES

- **DHS COVID-19 WAIVERS & REPORTING REQUIREMENT CHANGES**
- **INABILITY TO CITE OVERPAYMENTS**
- **INABILITY TO CLOSE CASES DURING PEACETIME EMERGENCY**

LOOKING AHEAD

- **CLOSING CASES WHEN ABLE IN ORDER TO “STOP THE BLEED”**
- **CONTINUING TO CONDUCT FRAUD INVESTIGATIONS AS “NORMAL”**
- **ONGOING PRESENCE IN THE COMMUNITY TO PREVENT FRAUD**

QUESTIONS OR CONCERNS?

CONTACT ME!



**KANABEC
COUNTY**

Minnesota

679-6382
stephanie.Klemz@co.kanabec.mn.us

Family Service Director's Report

October, 2020

Staffing

Adult Mental Health Social Worker – 9 interviews were performed and Denise Danielus was chosen. She began employment on 10/12/2020.

Multi-factor Authentication and Technology

Grant funds were received for these items. The work has been completed and systems have been implemented to allow for more staff to work remotely during the pandemic.

Child Protection/Children's Mental Health Technology Grant

I would like to inform the Board that we have applied for a technology grant for laptops for the Children's Mental Health and Child Protection staff. We are hoping to upgrade the computers for this unit with these funds to avoid having the County cost for scheduled upgrades in the next year.

Contracted Psychologists

Dr. Susan Blom and Linda Walinski both desire to retire at the end of this year. At this point in time, given the COVID-19 pandemic and restrictions on meeting with clients in a safe manner, I would like approval to delay recruiting another psychologist until a more appropriate time. We will use budgeted funds to provide statutory required access until this situation resolves.

Operation Community Connect Update

While the traditional event was cancelled this year, staff and community members who volunteer for this project have scheduled safe delivery of coats to adults and children in need.

Ongoing Update on Number of Children in Placement

Last month we had 14 children in our care in out of home placements. We still have 12 children in care this month compared to 13 last year for the same month.

AGREEMENT TO PROVIDE MFIP/DWP SERVICES BETWEEN
KANABEC COUNTY AND
CENTRAL MINNESOTA JOBS & TRAINING SERVICES, INC.
JANUARY 1, 2021 TO DECEMBER 31, 2021

CFDA # 93.558 - MFIP

AGREEMENT

This Agreement is made and entered into by and between **Kanabec County**, hereinafter referred to as the "COUNTY", and

Central Minnesota Jobs & Training Services, Inc.

406 7th Street East, PO Box 720

Monticello, Minnesota 55362

Social Security or Federal Identification Number: 41-1484048

Minnesota State Tax Identification Number: 2073311,

hereinafter referred to as the "PROVIDER."

WITNESSETH:

WHEREAS, Funds have been made available to the COUNTY through the Minnesota Department of Human Services for the purpose of providing services authorized under Minnesota Family Investment Program (MFIP), The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, and Minnesota Statutes 256J.49-256J.73, and Diversionary Work Program (DWP)2003 Minnesota State Statutes 256J.95 Diversionary Work Program; DHS Bulletin 04-11-01 dated January 9, 2004 and Bulletin 04-69-05 dated April 12, 2004; and

WHEREAS, The PROVIDER represents itself to the COUNTY as qualified to perform the services herein agreed to, and

WHEREAS, The COUNTY is desirous of entering into an agreement with the PROVIDER for the provision of said services;

NOW, THEREFORE, In consideration of the premises, and the mutual covenants and obligations herein contained, and subject to the terms and conditions hereinafter stated, the parties hereto understand and agree as follows:

1. PROGRAM: The foregoing recitals are made part of this service agreement by reference. The PROVIDER shall implement the MFIP/DWP Plan, attached as Exhibit A, which is incorporated herein by reference as a part of this service agreement.

2. DUTIES AND PAYMENT: The PROVIDER is hereby authorized to expend funds for MFIP/DWP in accordance with the following:

a. Available Funds: The available funds listed herein coincide with the MFIP/DWP contract executed for Program Year 2021 (January 1, 2021 to December 31, 2021). The total amount for the MFIP/DWP program for this service agreement is the total allocated for the time period of January 1, 2021 to December 31, 2021 see Budget, Exhibit B.

b. Payment: The COUNTY shall make reimbursement to the PROVIDER for program expenditures upon receipt of a monthly itemized invoice specifying the costs incurred by the PROVIDER during the previous month. Such monthly invoices shall be due and payable at intervals specified on the invoice, except that the COUNTY shall not reimburse for any costs incurred which are not in accordance with the Budget attached hereto as Exhibit B and applicable federal, State and COUNTY regulations and policies.

c. Settlement: Payment of the actual cost of performing services under this service agreement will be determined as part of an annual settlement at completion of the service period set forth in section 3, below. Payments above (or below) actual costs will be settled to zero in accordance with applicable uniform grant guidance, federal and state laws and policies, and generally accepted accounting principles.

3. TERM OF AGREEMENT: This service agreement shall be effective on January 1, 2021 and shall remain in effect until December 31, 2021, or until all obligations set forth in this service agreement have been satisfactorily fulfilled, whichever occurs first. This agreement may, at the option of the parties hereto, be extended for an additional one-year term after the final termination date.

4. TERMINATION: If, at any time, funds in support of this service agreement become unavailable, this service agreement shall be terminated immediately upon a 30 calendar day written notice of such fact by the COUNTY to the PROVIDER. In the event of such termination, the PROVIDER shall be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

a. Termination for Convenience: Either party to this service agreement may request a termination for convenience. The party will give a 30-calendar day advance notice, in writing, of the effective date of the termination. The PROVIDER shall be entitled to receive just and equitable compensation for any services satisfactorily performed hereunder through the date of the termination.

b. Termination for Cause: The COUNTY shall terminate the service agreement when it is determined the PROVIDER has failed to provide any of the services specified or has failed to comply with any of the provisions contained in this service agreement. If the PROVIDER fails to perform in whole or in part under this service agreement, or fails to make sufficient progress so

as to endanger performance, the COUNTY will notify the PROVIDER of such unsatisfactory performance in writing. The PROVIDER will have ten-(10) working days in which to respond with a plan to correct the deficiencies agreeable to the COUNTY. If the PROVIDER does not respond to the COUNTY with an appropriate corrective action plan, the COUNTY will notify the PROVIDER of immediate termination of the service agreement. In the event of such termination, the COUNTY shall be liable for payment only for services rendered prior to the effective date of the termination, provided that such services performed are in accordance with the provisions of the service agreement.

5. DISPUTES:

a. The PROVIDER agrees to attempt to resolve disputes arising from the service agreement by administrative process and negotiation in lieu of litigation. Continued performance during disputes is assured.

b. Any dispute concerning a question of fact arising under this service agreement which is not settled by informal means shall be decided by the COUNTY'S Health and Human Services Director or designee, who shall furnish the PROVIDER with a written decision.

c. The PROVIDER will be allowed the opportunity to offer evidence and be heard in appeal of the COUNTY'S decision. Pending final decision, the PROVIDER shall proceed in performance of this service agreement in accordance with the COUNTY'S initial decision.

d. This DISPUTES clause does not preclude consideration of law questions in connection with decisions provided above provided that nothing in this service agreement shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

6. GRIEVANCE PROCEDURE: The PROVIDER will follow the grievance procedure established by the County and the Department of Human Services to resolve issues between the PROVIDER and the program participants.

7. RECORDS AND REPORTS: The PROVIDER will maintain records, books, documents and other evidence and accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs and activities of any nature supported by funds under this service agreement. Such records, including participant information, shall be maintained for six years after the submission of the final report by the PROVIDER, or the COUNTY makes the final payment, whichever is later, for audit purposes. Such records will be considered the property of the COUNTY.

The PROVIDER agrees that authorized representatives of the COUNTY, state and federal agencies will, during regular business hours and as often as such authorized representatives deem necessary, have access to and the right to examine, audit, excerpt and transcribe any books, documents, papers, records, which are pertinent and involve transactions relating to this service agreement.

The PROVIDER further agrees to submit in a timely fashion all program reports and corrective

actions as may be required by program regulations and COUNTY policies or as a result of monitoring activities.

If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the six-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular six-year period, whichever is later.

8. LIABILITY:

a. Bonding: The PROVIDER shall obtain and maintain, at all times during the term of this service agreement, a fidelity bond in an amount not less than \$ 250,000, covering the activities of all persons authorized to receive or distribute monies. Written verification of such bond shall be furnished to the COUNTY prior to the execution of this service agreement.

b. Indemnity: The PROVIDER agrees to defend, indemnify and hold the COUNTY, its officers and employees harmless from any liability, claims, damages, costs, judgments or expenses, including attorney's fees, resulting directly or indirectly from an act or omission of the PROVIDER, its agents, employees or contractors in the performance of the services provided by this service agreement and against all loss by reason of the failure of the PROVIDER to perform, in any respect, all obligations under this service agreement.

c. Insurance: The PROVIDER further agrees that it will at all times during the term of this service agreement have and keep in force:

1. A single limit or combined limit or excess umbrella general liability insurance policy of an amount not less than \$2,000,000 General Liability Insurance minimum limits are \$500,000 per claimant, \$1,500,000 per occurrence, \$1,500,000 annual aggregate.
2. A single limit or combined limit or excess umbrella automobile liability insurance policy, if applicable, in an amount not less than \$200,000 per accident for property damage, \$200,000 for bodily injury and/or damages to any one person, and \$200,000 for total bodily injuries and/or damages arising from any one accident. –OR- a Combined Single Limit \$200,000 per occurrence. The PROVIDER does not transport customers at any time for any reason.
3. Any policy obtained and maintained under this clause shall provide that it shall not be canceled, materially changed, or not renewed without thirty (30) days' prior notice thereof to the COUNTY.
4. Workers' Compensation Insurance, if applicable as required by state statute.

The PROVIDER will furnish the COUNTY certificates of bonding and insurance prior to the effective date of this service agreement.

The COUNTY may withhold payment for failure of the PROVIDER to furnish certificates of bonding and insurance as required above.

In the event that claims or lawsuits shall arise jointly against the PROVIDER and the COUNTY, and the COUNTY elects to present its own defense using its own counsel, in addition to or as opposed to legal representation available by the insurance carrier providing general liability coverage in c.1. and/or automobile liability in c.2. above, then such legal expense shall be borne by the COUNTY.

Each party agrees that it will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof. The PROVIDER'S liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes Section 3.732, et seq., and other applicable law.

The COUNTY'S liability shall be governed by the provisions of the Municipal Tort Claims Act, Minnesota Statutes Chapter 466, and other applicable law. This clause shall not be construed to bar legal remedies one party may have for the other party's failure to fulfill its obligations under this service agreement.

9. INDEPENDENT CONTRACTOR That at all times and for all purposes hereunder, Provider shall be an independent Contractor and is not an employee of the COUNTY for any purpose. No statement contained in this Agreement shall be construed so as to find PROVIDER to be an employee of the COUNTY, and PROVIDER shall not be entitled to any of the rights, privileges, or benefits of employees of the COUNTY, including but not limited to, workers' compensation, health/death benefits, and indemnification for third-party personal injury/property damage claims;

PROVIDER acknowledges and agrees that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due PROVIDER and that it is PROVIDER'S sole obligation to comply with the applicable provisions of all federal and state tax laws;

PROVIDER shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services identified herein;

PROVIDER is responsible for hiring sufficient workers to perform the services/duties required by this contract, withholding their taxes, and paying all other employment tax obligations on their behalf;

10. SPECIAL ADMINISTRATIVE PROVISIONS: The PROVIDER agrees to administer the program in accordance with authorizing legislation, as amended, and the regulations and guidelines promulgated thereunder. The PROVIDER also agrees to comply with other applicable federal and state laws. In the event that these laws, regulations or policies are amended at any time during the term of this service agreement, the PROVIDER shall comply with such amended laws, regulations or guidelines.

a. Audits: The PROVIDER agrees to have an annual audit in accordance with uniform grant guidance "Audits of Institutions of Higher Education and Other Non-Profit Organizations", as these circulars apply to the PROVIDER. The COUNTY agrees to submit to the PROVIDER,

prior to the audit activity, a report which specifies the amount of federal and state funds which comprise the total payments made to the PROVIDER. A copy of the audit shall be provided to the COUNTY upon its completion, but in no event later than 12 months after the end of the PROVIDER'S fiscal year.

b. Program Standards: The PROVIDER agrees to comply with uniform grant guidance, as those circulars relate to its particular agency in the utilization of funds, the operation of programs and the maintenance of records, books, accounts and other documents under the authorizing legislation, as amended.

The PROVIDER also agrees to comply with the sections of the Code of Federal Regulations relevant to the program(s) covered under this service agreement, as well as all State Instructional Bulletins and policies, as amended. The COUNTY agrees to provide access to the PROVIDER copies of the applicable circulars, laws and regulations under which these funds are granted.

c. Non-Discrimination Statement: The PROVIDER will comply with:

1. Title VI of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, which generally prohibits discrimination on grounds of race, color or national origin, and applies to any program or activity receiving federal financial aid.
2. Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, which generally prohibits discrimination because of race, color, religion, sex or national origin and applies to all employers, including state and local governments, public and private employment agencies and labor organizations. Any employment and training program sponsor or contractor which falls within one of these definitions would, of course, be covered by Title VII.
3. The Rehabilitation Act of 1973, as amended, which generally prohibits discrimination on the basis of handicap in all federally-funded programs.
4. The Age Discrimination in Employment Act of 1967, as amended, which generally prohibits discrimination on the basis of age against persons 40 years of age and over.
5. The Equal Pay Act of 1963 amends the Fair Labor Standards Act and which generally provides that an employer may not discriminate on the basis of sex by paying employees of different sexes differently for doing the same work.
6. Title IX of the Education Amendments of 1972, as amended, generally provides that no person shall, on the basis of sex, be excluded from participation, be denied the benefits of, be treated differently from another person or otherwise be discriminated against in any interscholastic, intercollegiate, club or intramural athletics offered and no recipient shall provide any such athletics separately on such basis.
7. The Age Discrimination Act of 1975, as amended, prohibits unreasonable discrimination on the basis of age in programs or activities receiving federal financial

assistance.

8. The Americans with Disabilities Act of 1990 (P.L. 101-336), as amended, which prohibits discrimination based on disabilities in the areas of employment, public services, transportation, public accommodations and telecommunications.
- d. Affirmative Action: (If applicable) The PROVIDER certifies that it has received a Certificate of Compliance from the Commissioner of Human Rights pursuant to Minnesota Statutes, Section 363A.36.
- e. The PROVIDER agrees to comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (Public Law 91-646) which provides for fair and equitable treatment of persons displaced as a result of federal or federally assisted programs.
- f. The PROVIDER agrees that program participants shall not be employed in the construction, operation or maintenance of that direct part of any facility, which is used for religious instructions or worship.
- g. The PROVIDER agrees to comply with the provisions of Chapter 15, Title 5 of the United States Code with regard to political activity.
- h. The PROVIDER further understands and agrees that it shall be bound by the Minnesota Government Data Practices Act (Minnesota Statutes 13.03-13.04) with respect to "data on individuals", (as defined in 13.02, subd. 5 of that statute) which it collects, receives, stores, uses, creates or disseminates pursuant to this service agreement.
- i. The PROVIDER agrees to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C.7401), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and any applicable Environmental Protection Agency regulations.
- j. The PROVIDER agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163).
11. VOTER REGISTRATION: The PROVIDER shall provide non-partisan voter registration services and assistance; using forms provided by the Secretary of State, to employees of the PROVIDER, program participants and the public as required by Minnesota Statutes, Section 201.162 (1990).
12. ASSIGNMENT: The PROVIDER shall neither assign nor transfer any rights or obligations under this service agreement without prior written consent of the COUNTY. The provisions of this service agreement applicable to the PROVIDER shall also be applicable to subgrants made by the PROVIDER from funds obtained under this service agreement.
13. PREGRANT COSTS: Costs incurred from 30 days prior to the effective date of this

service agreement, which were in anticipation of this award and specifically authorized and approved in writing by the COUNTY, are allowable costs to the extent that they would have been allowable had they been incurred after the effective date of this service agreement.

14. MODIFICATIONS: Any modifications to this service agreement shall be in writing and shall be executed by the same parties who executed the original service agreement, or their successors in office.

15. DEBARMENT AND SUSPENSION CERTIFICATION: (If applicable) The PROVIDER agrees to follow the President's Executive Order 12549 and the implementing regulation "Nonprocurement Debarment and Suspension; Notice and Final Rule and Interim Final Rule," found in Federal Register Vol. 53, No. 102, May 26, 1988, including Appendix B, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions"; unless excluded by law or regulation.

16. LOBBYING CERTIFICATION AND DISCLOSURE: (If applicable) The PROVIDER shall comply with Interim Final Rule, New Restrictions on Lobbying, found in Federal Register Vol. 55, No. 38, February 26, 1990, and any permanent Rules that are adopted in place of the Interim Rule. The Interim Rule requires the PROVIDER to certify as to their lobbying activity. The Interim Final Rule implements section 319 of Public Law 101-121. Section 319 generally prohibits recipients of Federal contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant or loan.

17. MAINTENANCE OF EFFORT: The PROVIDER agrees that the level of services, activities and expenditures it has devoted to similar services prior to the initiation of this service agreement will be continued and not reduced in any way as a result of this service agreement except for reductions unrelated to the provisions or purposes herein stated.

18. CONFLICT OF INTEREST: The PROVIDER assures that no person under its employ, who presently exercises any administrative responsibilities under this program, has any personal, financial interest, direct or indirect, in this service agreement. Further, no person having such a conflicting interest shall be employed under this service agreement. Any such conflict of interest must be disclosed in writing to the COUNTY.

19. CODE OF CONDUCT: The PROVIDER assures proper conduct on the part of its employees and understands the effects of U.S. Code, Title 18, Sec. 665, which states, in effect:

a. Whoever being an officer, director, agent, or employee of, or connected in any capacity with any agency receiving financial assistance under federal grants knowingly hires or enrolls an ineligible individual or individuals, embezzles, willfully misapplies, steals, or obtains by fraud any of the monies, funds, assets, or property which are the subject of a grant or contract of assistance shall be fined not more than \$10,000 or imprisoned for not more than two years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed \$100, such person shall be fined not more than \$1000 or imprisoned not more than 1 year, or both.

b. Whoever, by threat or by procuring dismissal of any person from employment or

refusal to employ or refusal to renew a contract of employment in connection with a grant or contract of assistance under federal grants, induces any persons to give up any money or thing of value to any person (including such COUNTY agency) shall be fined not more than \$1000 or imprisoned not more than 1 year, or both.

c. Any person who willfully obstructs or impedes or endeavors to obstruct or impede, an investigation or inquiry under the authorizing legislation of this service agreement or, the regulations thereunder, shall be punished by a fine of not more than \$5000, or by imprisonment for not more than 1 year, or both.

20. GRANT CLOSE-OUT: No costs are to be incurred under this grant after (December 31, 2021) for MFIP/DWP. Within 90 days of the completion of the grant, the PROVIDER shall comply with all close-out or auditing procedures established by the COUNTY.

21. PROPERTY: All purchases of consumable supplies or materials, capital equipment and or services made pursuant to this service agreement shall be made by purchase order or by written contract.

All items of nonexpendable property acquired by the PROVIDER with funds awarded under this service agreement shall be considered capital equipment and shall be inventoried as property of the State. An item of property shall be considered capital equipment if it meets any or all of the following: (a) has a unit cost of not less than \$5,000.00 or has a service life in excess of one year, regardless of cost; (b) is either complete within itself or is a major component of another item of property; (c) by definition cannot be described either as supplies or materials; (d) will not be consumed or lose its identity.

IN WITNESS WHEREOF, COUNTY and PROVIDER have signed this service agreement to be executed based on the County Board action:

FOR THE PROVIDER

SIGNATURE: 
TITLE: Central Minnesota Jobs & Training Services, Inc. CHIEF EXECUTIVE OFFICER

DATE: October 6, 2020

SIGNATURE: 
TITLE: Central Minnesota Jobs & Training Services, Inc. WDB CHAIRPERSON

DATE: October 6, 2020

FOR THE COUNTY

SIGNATURE: _____
TITLE: KANABEC COUNTY ATTORNEY

DATE: _____

SIGNATURE: _____
TITLE: CHAIR, KANABEC COUNTY BOARD

DATE: _____

ATTEST

SIGNATURE: _____
TITLE: KANABEC COUNTY FAMILY SERVICES DIRECTOR

DATE: _____

County-11/17

Exhibit B

Central Minnesota Jobs & Training Services, Inc.

Budgeted Expenses - January 1, 2021 to December 31, 2021

MFIP - Kanabec

	Proposed Budget	% of Budget
Administration	\$ 13,990	9.5%
Client Support Services	\$ 7,226	4.9%
Direct Program	\$ 125,960	85.6%
TOTAL	\$ 147,176	100.0%

DWP - Kanabec

	Proposed Budget	% of Budget
Administration	\$ 4,606	8.9%
Client Support Services	\$ 7,226	14.0%
Direct Program	\$ 39,771	77.1%
TOTAL	\$ 51,603	100.0%

Grand Total	\$ 198,779
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Resolution # FS 10/20/20
Central MN Jobs and Training
Agreement and Budget Resolution

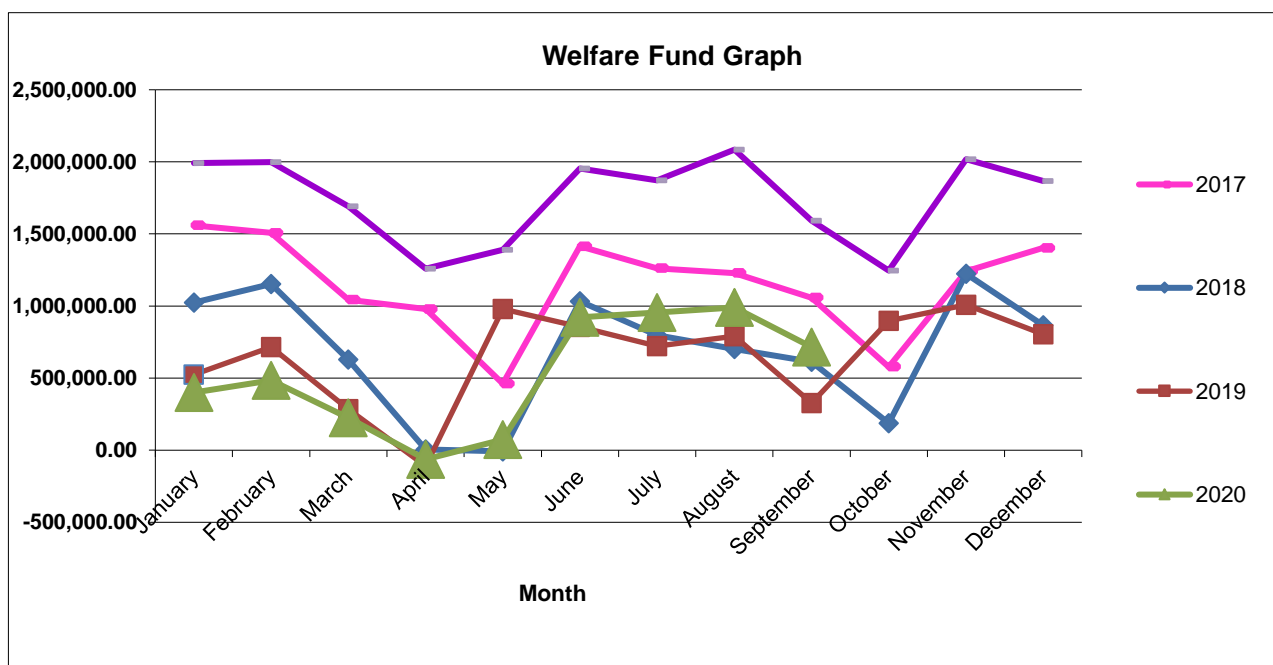
WHEREAS, Kanabec County Family Services has contracted with Central Minnesota Jobs and Training (CMJTS) for employment and training services for cash and assistance clientele, and

WHEREAS, Central Minnesota Jobs and Training has submitted an annual budget and Agreement for 2021; and

WHEREAS, the Kanabec County Family Services Director is recommending approving contracting with Central Minnesota Jobs and Training in 2021 for employment and training services and approving the budget and Agreement they have submitted;

THEREFORE BE IT RESOLVED the Kanabec County Family Services Board approves contracting with Central Minnesota Jobs and Training for employment and training services and approves the 2021 budget and Agreement submitted.

	2016	2017	2018	2019	2020
January	1,992,235.26	1,559,203.05	1,024,705.97	523,556.70	401,131.39
February	1,999,233.38	1,507,019.98	1,151,821.98	715,738.74	483,781.08
March	1,691,401.17	1,044,116.93	629,190.77	285,341.21	225,078.17
April	1,258,562.89	979,174.37	5,607.36	-109,902.43	-63,141.11
May	1,389,995.78	461,452.14	-7,853.46	979,247.26	73,382.15
June	1,954,116.59	1,413,892.29	1,032,778.15	855,820.47	920,867.09
July	1,872,392.93	1,262,151.35	796,820.09	721,467.48	955,700.06
August	2,084,847.14	1,228,621.03	703,093.77	791,435.79	990,235.56
September	1,592,681.58	1,058,187.52	613,301.63	326,963.03	716,408.79
October	1,245,922.17	577,905.27	187,807.92	897,606.65	
November	2,017,277.21	1,241,274.27	1,222,983.64	1,008,939.34	
December	1,867,489.75	1,402,699.93	867,114.62	804,618.63	
Totals	20,966,155.85	13,735,698.13	8,227,372.44	7,800,832.87	4,703,443.18
Averages	1,747,179.65	1,144,641.51	685,614.37	650,069.41	522,604.80
6 month Avg.	1,780,101.80	1,128,473.23	731,853.61	758,505.15	598,908.76
Rolling 12 month Avg	1,747,179.65	1,144,641.51	685,614.37	650,069.41	617,883.98



Kanabec County Family Services - Board Financial Report				Through September 2020								
	Total year to date/			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%
Department	Budget	% of budget	Total	January	February	March	April	May	June	July	August	September
Income Main. Service												
Exp	678,361.00	75.04%	509,028.00	89,896.92	49,122.48	48,665.01	52,559.30	49,299.20	49,151.98	68,988.71	51,128.87	50,215.53
Rev	385,517.00	61.17%	235,836.72	9,718.42	53,347.24	9,474.18	9,801.42	62,709.27	11,148.22	18,362.62	51,223.73	10,051.62
Tax	286,164.00	50.18%	143,590.55	4,066.08					139,524.47			
State Shared Rev			12,539.37							12,539.37		
Recoveries												
Exp	19,100.00	85.18%	16,268.51	5,464.15	968.70	0.00	1,551.27	0.00	0.00	5,518.16	2,766.23	0.00
Rev	19,100.00	108.59%	20,740.26	1,865.65	2,550.79	4,568.04	2,062.74	1,608.38	1,560.20	2,842.82	1,143.39	2,538.25
Tax	24,470.00	50.18%	12,278.52	347.69					11,930.83			
State Shared Rev			1,072.25							1,072.25		
Burials												
Exp	25,000.00	65.28%	16,319.00	1,749.82	0.00	0.00	0.00	1,838.50	8,983.18	1,860.00	0.00	1,887.50
Rev			0.00									
Tax			0.00									
Child Support												
Exp	365,059.00	72.36%	264,160.01	49,635.68	26,931.66	24,619.05	26,343.26	26,101.63	25,633.84	34,634.65	24,041.46	26,218.78
Rev	412,000.00	63.92%	263,365.04	32,039.05	35,019.41	17,860.35	18,015.79	58,202.02	16,596.84	29,851.06	31,396.20	24,384.32
Tax												
MA Services												
Exp	481,900.00	51.34%	247,407.31	36,097.18	23,224.65	23,885.59	36,589.54	33,119.81	19,414.02	30,291.65	24,381.22	20,403.65
Rev	418,000.00	65.14%	272,278.41	19,714.22	26,547.78	52,099.81	27,349.24	32,875.87	22,268.67	7,652.67	50,475.85	33,294.30
Tax	62,534.00	50.18%	31,378.46	888.55					30,489.91			
State Shared Rev			2,740.20							2,740.20		
Child Care												
Exp	245,206.00	36.11%	88,552.46	99.00	6,091.86	99.00	13,445.86	10,386.89	19,785.28	8,650.34	14,423.84	15,570.39
Rev	244,025.00	64.46%	157,304.96		103,623.00	1,028.00	610.00	682.96	26,259.00	613.00	24,005.00	484.00
Tax	1,133.00	50.17%	568.45	16.10					552.35			
State Shared Rev			49.64							49.64		
Fraud												
Exp	72,850.00	75.61%	55,084.76	7,755.07	5,485.23	5,977.98	5,905.60	5,410.17	5,267.42	7,894.67	5,657.93	5,730.69
Rev			0.00									
Tax	71,144.00	50.18%	35,698.68	1,010.89					34,687.79			
State Shared Rev			3,117.47							3,117.47		
Adult Services												
Exp	2,500.00	33.97%	849.15	127.65	183.15	49.95	77.70	38.85	99.90	66.60	122.10	83.25
Rev	3,280.00	232.25%	7,617.82	0.00	23.84	0.00	34.59	11.53	11.53	7,513.27	11.53	11.53
Tax												

Dev. Disability												
Exp	91,389.00	50.43%	46,091.22	5,924.95	6,981.37	6,403.47	4,515.08	4,133.61	4,148.38	5,240.02	4,317.27	4,427.07
Rev	68,790.00	57.86%	39,804.00	0.00	15,564.00	0.00	0.00	13,915.00	0.00	0.00	10,325.00	0.00
Tax	21,978.00	50.18%	11,027.93	312.28					10,715.65			
State Shared Rev			963.04							963.04		
Mental Health												
Exp	1,205,626.00	71.09%	857,105.52	110,948.23	88,805.55	103,823.55	94,434.79	84,620.21	84,431.75	109,951.21	82,437.35	97,652.88
Rev	665,494.00	84.76%	564,085.36	50,439.44	50,052.56	17,693.78	36,244.19	178,959.39	37,065.49	60,569.96	79,999.63	53,060.92
Tax	527,693.00	50.18%	264,784.15	7,497.94					257,286.21			
State Shared Rev			23,122.88							23,122.88		
Health Innovation Grant												
Exp	78,272.00	40.09%	31,382.07	8,261.46	5,826.28	5,826.51	6,883.99	4,583.83	0.00	0.00	0.00	0.00
Rev	78,272.00	46.19%	36,150.85	5,825.19	8,261.46	5,825.55	0.00	12,711.23	3,527.42	0.00	0.00	0.00
Tax												
Chemical Dependency												
Exp	52,000.00	164.69%	85,639.25	25,500.40	558.60	0.00	2,940.00	33,966.84	11,840.85	2,450.00	7,447.03	935.53
Rev	58,000.00	50.59%	29,342.01	2,257.33	9,341.95	947.78	0.00	8,376.49	0.00	2,557.46	5,861.00	0.00
Tax												
Child Services												
Exp	573,675.00	56.35%	323,271.36	21,241.76	34,256.76	45,386.20	25,513.15	26,508.10	50,562.50	25,199.79	44,189.15	50,413.95
Rev	268,212.00	82.19%	220,454.82	8,398.69	35,367.73	11,118.18	23,763.36	23,624.56	10,095.55	65,280.89	39,847.22	2,958.64
Tax	298,399.00	50.18%	149,729.80	4,239.92					145,489.88			
State Shared Rev			13,075.50							13,075.50		
Social Services												
Exp	1,236,792.00	75.68%	935,945.71	128,849.78	95,332.51	98,281.34	107,342.25	93,042.62	90,583.72	133,380.07	90,405.05	98,728.37
Rev	1,035,569.00	87.63%	907,471.41	34,832.74	120,203.42	55,113.41	45,608.06	146,575.94	66,543.12	270,560.36	123,179.96	44,854.40
Tax	196,214.00	50.18%	98,455.59	2,787.98					95,667.61			
State Shared Rev			8,597.86							8,597.86		
Income Main. Admin												
Exp	83,880.00	73.49%	61,641.48	9,343.86	6,229.40	6,118.30	6,409.91	6,104.05	6,045.91	8,915.00	6,237.52	6,237.53
Rev	52,372.00	62.44%	32,700.70	1,185.90	8,020.85	1,115.82	1,279.14	9,551.52	1,138.98	1,234.26	7,939.97	1,234.26
Tax	30,814.00	50.18%	15,461.85	437.84					15,024.01			
State Shared Rev			1,350.24							1,350.24		
ocial Services Admin.												
Exp	299,604.00	72.36%	216,797.52	31,020.27	22,961.43	21,348.69	22,242.62	23,182.71	21,449.03	30,305.06	20,018.95	24,268.76
Rev	65,000.00	64.82%	42,132.00	0.00	12,721.00	0.00	0.00	15,305.00	0.00	0.00	14,106.00	0.00
Tax	229,294.00	50.18%	115,054.34	3,258.01					111,796.33			
State Shared Rev			10,047.38							10,047.38		
FS Admin												
Exp	676,653.00	70.68%	478,244.87	73,657.18	44,903.62	48,573.17	49,882.93	49,539.09	59,487.18	63,033.63	41,528.82	47,639.25
Rev	148,488.00	57.15%	84,855.37	3,615.68	19,867.91	3,510.00	3,649.44	23,290.21	3,448.08	3,714.12	20,045.81	3,714.12
Tax	515,911.00	50.18%	258,872.27	7,330.53					251,541.74			

State Shared Rev			22,606.61							22,606.61		
Agency Totals												
Exp	6,187,867.00	68.42%	4,233,788.20	605,573.36	417,863.25	439,057.81	456,637.25	451,876.11	456,884.94	536,379.56	419,102.79	450,413.13
Rev	3,922,119.00	74.30%	2,914,139.73	169,892.31	500,512.94	180,354.90	168,417.97	588,399.37	199,663.1	470,752.49	459,560.29	176,586.36
Tax	2,265,748.00	50.18%	1,136,900.59	32,193.81	0.00	0.00	0.00	0.00	1,104,706.78	0.00	0.00	0.00
State Shared Rev			99,282.44							99,282.44		
Total Revenue	6,187,867.00	67.07%	4,051,040.32	202,086.12	500,512.94	180,354.90	168,417.97	588,399.37	1,304,369.88	570,034.93	459,560.29	176,586.36

Board Approval Report

SSIS pymt. batch #: 109901248

Paid Cnty Vendor				Total Payments	Total Amount
Bartel/Phyllis, 000010615				3	175.00
Svc Description	Svc Code	Payments	Amount		
Child Respite Care	489	3	175.00		
Bliss/Jenny, 000010784				1	8,075.00
Svc Description	Svc Code	Payments	Amount		
Adult Outpatient Psychotherapy	452	1	8,075.00		
Blom/Susan, 000010800				2	1,569.28
Svc Description	Svc Code	Payments	Amount		
Adult Outpatient Psychotherapy	452	2	1,569.28		
Catholic Charities, 000011697				2	1,562.50
Svc Description	Svc Code	Payments	Amount		
Family-Based Counseling Services	162	2	1,562.50		
CENTRAL MINNESOTA JOBS & TRAINING, 000015800				1	9,797.36
Svc Description	Svc Code	Payments	Amount		
Statewide MFIP Employment Services	237	1	9,797.36		
Central Mn Mental Health Center, 000011298				2	1,470.00
Svc Description	Svc Code	Payments	Amount		
Detoxification	371	2	1,470.00		
Community Living Options, 000011478				3	1,520.12
Svc Description	Svc Code	Payments	Amount		
Semi-Independent Living Services (SILS)	534	3	1,520.12		
Family Pathways, 000012298				7	920.00
Svc Description	Svc Code	Payments	Amount		
Family-Based Counseling Services	162	7	920.00		
Ignaszewski/Karissa, 000012959				1	10,080.00
Svc Description	Svc Code	Payments	Amount		
Adult Outpatient Psychotherapy	452	1	10,080.00		
Little Sand Group Homes, 000013715				1	7,497.00
Svc Description	Svc Code	Payments	Amount		
Children's Group Residential Care	183	1	7,497.00		
Lukasavitz/Roxi, 000013777				2	180.00
Svc Description	Svc Code	Payments	Amount		
Child Respite Care	489	2	180.00		
Lutheran Social Services of Minnesota, 000013783				1	94.35
Svc Description	Svc Code	Payments	Amount		
Guardianship/Conservatorship	695	1	94.35		
MN DHS-SOS, 000011816				8	15,571.41
Svc Description	Svc Code	Payments	Amount		
State-Operated Inpatient	472	8	15,571.41		
North Homes Inc., 000015171				1	4,211.19
Svc Description	Svc Code	Payments	Amount		
Children's Group Residential Care	183	1	4,211.19		
Options Residential, 000015334				1	1,273.20
Svc Description	Svc Code	Payments	Amount		
Child Family Foster Care	181	1	1,273.20		
PHASE, Inc., 000015579				2	1,044.94

Board Approval Report

Paid Cnty Vendor				Total Payments	Total Amount
Svc Description	Svc Code	Payments	Amount		
Day Training and Habilitation	566	1	628.94		
Transportation	516	1	416.00		
Pinehaven Youth & Fam SVCS Inc, 000015643				14	14,614.17
Svc Description	Svc Code	Payments	Amount		
Child Family Foster Care	181	14	14,614.17		
Richardson MD/Paul T, 000016136				1	2,000.00
Svc Description	Svc Code	Payments	Amount		
Adult Outpatient Psychotherapy	452	1	2,000.00		
RSI, 000016246				2	537.24
Svc Description	Svc Code	Payments	Amount		
Semi-Independent Living Services (SILS)	534	2	537.24		
Steps of Success, 000016736				1	4,769.10
Svc Description	Svc Code	Payments	Amount		
Children's Group Residential Care	183	1	4,769.10		
Vanderpoel Disposal, 000017359				1	82.32
Svc Description	Svc Code	Payments	Amount		
Family Assessment Response Services	164	1	82.32		
Volunteers Of America, 000017460				4	2,405.98
Svc Description	Svc Code	Payments	Amount		
Semi-Independent Living Services (SILS)	534	4	2,405.98		
Walinski/Linda R.N. M.A. L.P., 000017529				2	756.62
Svc Description	Svc Code	Payments	Amount		
Adult Outpatient Psychotherapy	452	2	756.62		
Zumbro Valley Health Center, 000017883				1	1,595.40
Svc Description	Svc Code	Payments	Amount		
Detoxification	371	1	1,595.40		
Report Totals:				64	91,802.18

I hereby certify that the above amounts have been approved and allowed by the county Welfare Board for payment to the claimant as in each instance stated that said county Welfare Board authorizes and instructs the county Auditor and county Treasurer of said county to pay the same.

Signature

Title

Date

Vendor Name	Amount
Kaanbec County Court Services (Lcts Family Functioning)	\$ 18,800.00
Ogilvie Public Schools (Lcts Child Dev & School)	\$ 28,450.00
Ace Hardware	\$ 23.98
Health Insurance Reimbursement	\$ 144.60
Jen Anderson	\$ 104.65
Health Insurance Reimbursement	\$ 360.92
Health Insurance Reimbursement	\$ 113.46
Health Insurance Reimbursement	\$ 578.28
Luann Beachem	\$ 131.89
Health Insurance Reimbursement	\$ 144.60
BHSI LLC (Mental Health Services)	\$ 550.00
Medical Mileage	\$ 19.80
Health Insurance Reimbursement	\$ 597.16
Health Insurance Reimbursement	\$ 144.60
Medical Mileage	\$ 27.33
Health Insurance Reimbursement	\$ 144.60
Health Insurance Reimbursement	\$ 144.60
Crescent Tide (GA Burial)	\$ 800.00
Health Insurance Reimbursement	\$ 144.60
DHS	\$ 38,694.83
Krista Eye	\$ 58.65
Health Insurance Reimbursement	\$ 144.60
Health Insurance Reimbursement	\$ 144.60
Medical Mileage	\$ 41.58
Health Insurance Reimbursement	\$ 144.60
Medical Mileage	\$ 263.34
Health Insurance Reimbursement	\$ 144.60
Health Insurance Reimbursement	\$ 234.88
Health Insurance Reimbursement	\$ 156.80
Health Insurance Reimbursement	\$ 144.60
Refund Licensing Fee (Childrens Fees)	\$ 40.00
Medical Mileage	\$ 42.29
Health Insurance Reimbursement	\$ 345.52
Health Insurance Reimbursement	\$ 144.60
Leah Hjort	\$ 179.98
Health Insurance Reimbursement	\$ 444.00

Linda Hosley	\$	124.78
Innovative Office Solutions	\$	571.72
Itsavvy	\$	41.53
Health Insurance Reimbursement	\$	180.96
Health Insurance Reimbursement	\$	144.60
Kanabec County Attorney	\$	11,543.40
Kanabec County Aud Treasurer	\$	5,323.51
Kanabec County Comm Health	\$	13,510.08
Kanabec County Sheriff	\$	138.16
Tamara Kelash	\$	423.24
Health Insurance Reimbursement	\$	144.60
Health Insurance Reimbursement	\$	144.60
Kari Lindstrom	\$	172.50
Ashlee Lovaas	\$	140.00
Alissa McDermeit	\$	245.33
Metro Sales	\$	300.83
Health Insurance Reimbursement	\$	144.60
Kelly Mitchell	\$	67.85
MNCCC	\$	73.39
Health Insurance Reimbursement	\$	361.92
Health Insurance Reimbursement	\$	144.60
Health Insurance Reimbursement	\$	394.76
Health Insurance Reimbursement	\$	144.60
Health Insurance Reimbursement	\$	144.60
Health Insurance Reimbursement	\$	144.60
Health Insurance Reimbursement	\$	144.60
Health Insurance Reimbursement	\$	144.60
Medical Mileage	\$	28.24
Pine County Sheriffs Office (Child Support Paperwork)	\$	75.00
Medical Mileage	\$	24.20
Health Insurance Reimbursement	\$	976.04
Health Insurance Reimbursement	\$	144.60
Health Insurance Reimbursement	\$	144.60
Health Insurance Reimbursement	\$	301.16
Medical Mileage	\$	32.03
Health Insurance Reimbursement	\$	872.32
Health Insurance Reimbursement	\$	144.60

Health Insurance Reimbursement	\$	120.56	
Health Insurance Reimbursement	\$	144.60	
Health Insurance Reimbursement	\$	93.60	
Medical Mileage	\$	9,945.00	
Health Insurance Reimbursement	\$	144.60	
Teen Focus Recovery Center (Rule 25 Assessments)	\$	935.53	
Health Insurance Reimbursement	\$	306.28	
Timber Trails Public Transit	\$	15,545.63	
Health Insurance Reimbursement	\$	144.60	
Medical Mileage	\$	29.70	
Pamela Vojvodich	\$	14.95	
Health Insurance Reimbursement	\$	778.88	
Health Insurance Reimbursement	\$	144.60	
Health Insurance Reimbursement	\$	462.22	
Health Insurance Reimbursement	\$	292.42	
Health Insurance Reimbursement	\$	292.42	
Sharon Wright	\$	212.18	
Akkerman Ingebrand (GA Burial)	\$	1,886.25	
Card Services (CSSP Supplies)	\$	90.19	
Medical Mileage	\$	66.88	
Health Insurance Reimbursement	\$	410.52	
Medical Mileage	\$	53.68	
Medical Mileage	\$	24.20	
Premier Biotech Labs (Drug Testing)	\$	106.70	
Kurt Seidel	\$	76.48	
TOTAL IFS DOLLARS	\$	162,919.96	98 Total IFS Vendors
TOTAL SSIS DOLLARS	\$	91,802.18	24 Total SSIS Vendors
GRAND TOTAL	\$	254,722.14	122 Total Vendors

9:30am Appointment

October 20, 2020

REQUEST FOR BOARD ACTION

a. Subject: 2019 Financial Audit	b. Origination: Clifton Larson Allen
c. Estimated time: 25 minutes	d. Presenter(s): Doug Host & Danny Loch

e. Board action requested:

f. Background:

Supporting Documents: None Attached: ☒

Date received in County Coordinators Office:

Coordinators Comments:

**KANABEC COUNTY
MORA, MINNESOTA**

**BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019

**KANABEC COUNTY
MORA, MINNESOTA
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MORA, MINNESOTA
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INTRODUCTORY SECTION

**KANABEC COUNTY
MORA, MINNESOTA
ORGANIZATION
DECEMBER 31, 2019**

Office	Name	Term	
		From	To
County Board of Commissioners			
1st District	Dennis McNally	January 2019	January 2023
2nd District	Gene Anderson	January 2017	January 2021
3rd District	Les Nielsen	January 2019	January 2023
4th District	* Kathi Ellis	January 2017	January 2021
5th District	Kim Smith	January 2019	January 2023
Officers			
Elected			
Attorney	Barbara McFadden	January 2019	January 2023
Auditor-Treasurer	Denise Snyder	January 2019	January 2023
County Recorder	Rhonda Olson	January 2019	January 2023
Sheriff	Brian Smith	January 2019	January 2023
Appointed			
Assessor	Tina Diedrich Von-Eschen	August 2016	January 2021
Coordinator	Kris McNally	Indefinite	
Court Administrator	Sharon Schubert	Indefinite	
Examiner of Titles	Norman J. Loren	Indefinite	
Public Works Director	Chad Gramentz	May 2019	May 2023
Court Services Director	Todd Eustice	Indefinite	
Surveyor	Tyler Kroschel	January 2019	January 2023

* Denotes Board Chair

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Kanabec County
Mora, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Kanabec County, Minnesota (the County), as of and for the year ended December 31, 2019, and the related notes of the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. The South Country Health Alliance (SCHA) is a joint venture discussed in Note 7.C. to the financial statements. The county's investment in SCHA, \$2,662,034, represents 2.7 and 3.4%, respectively, of the assets and net position of the governmental activities. The financial statements of SCHA, were prepared in accordance with financial reporting provisions permitted by the Minnesota Department of Health. We have applied procedures on the conversion adjustment to the financial statements of SCHA, which conform the financial reporting of the investment in joint venture to accounting principles accepted in the United State of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Kanabec County, Minnesota as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

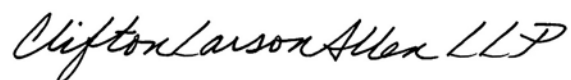
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kanabec County's basic financial statements. The combining statement of changes in assets and liabilities – all agency funds and the schedule of intergovernmental revenue are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining statement of changes in assets and liabilities – all agency funds, the schedule of intergovernmental revenue and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining statement of changes in assets and liabilities – all agency funds, the schedule of intergovernmental revenue, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2020, on our consideration of Kanabec 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 the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kanabec County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Brainerd, Minnesota
September 16, 2020

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REQUIRED SUPPLEMENTARY INFORMATION

**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

This section of Kanabec County's (County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended on December 31, 2019. The management's discussion and analysis (MD&A) is required supplementary information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year, 2019, and the prior year, 2018, is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2019 include the following:

- County-wide net position (excluding the Welia Health component unit) increased \$843,584 during 2019. This is primarily due to the County's continued investment into capital assets, financed by intergovernmental revenues.
- Overall fund-level revenues totaled \$29,823,088 and were \$1,754,043 less than expenditures. Primarily due to road and bridge and community health funds having expenditures in excess of budget.
- The General Fund's fund balance decreased \$899,806 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

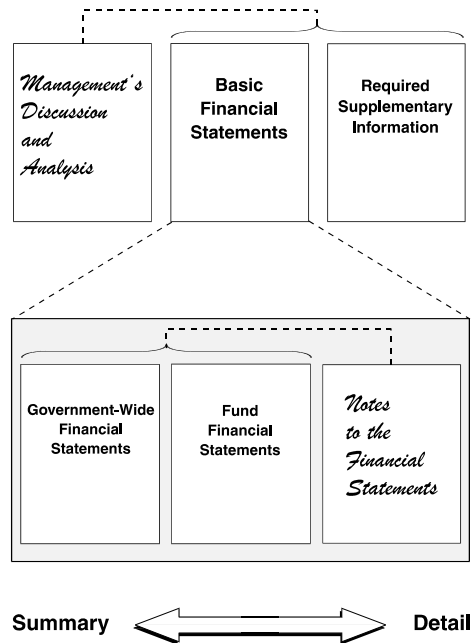
**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

**Figure A-1
Annual Report Format**



**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Figure A-2. Major Features of the County's Government-Wide and Fund Financial Statements			
Type of Statements	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire County's government (except fiduciary funds).	The activities of the County that are not proprietary or fiduciary.	Instances in which the County is the trustee or agent for someone else's resources.
Required financial statements	Statement of net position.	Balance sheet.	Statement of fiduciary net position.
	Statement of activities.	Statement of revenues, expenditures and changes in fund balances.	
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and deferred outflows of resources, and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term.	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter, no capital assets included.	All assets and liabilities, both short-term and long-term, Agency's funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

GOVERNMENT-WIDE STATEMENTS

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

**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

GOVERNMENT-WIDE STATEMENTS (CONTINUED)

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

- Over time, increases or decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the overall health of the County, you need to consider additional nonfinancial factors such as changes in the County's property tax base and the condition of County buildings and other facilities.
- In the Government-wide financial statements, the County's activities are shown in one category, Governmental activities, which include the County's basic services. Property taxes and state aids finance most of these activities.

FUND FINANCIAL STATEMENTS

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

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

THE COUNTY HAS TWO KINDS OF FUNDS:

- Governmental funds – The County's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, we provide additional information that explains the relationship (or differences) between them.
- Fiduciary funds – The County is the fiscal agent, or fiduciary, for assets that belong to others. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the Government-wide financial statements because the County cannot use these assets to finance its operations.

**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

NET POSITION

The County's net position was \$77,909,376 on December 31, 2019 (see Table A-1).

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

	<u>Governmental Activities</u>		<u>Percent</u>
	<u>2019</u>	<u>2018</u>	<u>Change</u>
Current and Other Assets	\$ 17,082,192	\$ 18,578,066	(8.1)%
Capital Assets	<u>82,982,199</u>	<u>82,018,707</u>	1.2
Total Assets	100,064,391	100,596,773	(0.5)
Deferred Outflows of Resources	2,694,396	4,566,948	(41.0)
Current Liabilities	2,106,983	2,461,436	(14.4)
Long-Term Liabilities (include current maturities)	<u>17,767,221</u>	<u>19,355,819</u>	(8.2)
Total Liabilities	<u>19,874,204</u>	<u>21,817,255</u>	(8.9)
Deferred Inflows of Resources	4,975,207	6,280,674	(20.8)
Net Position			
Net Investment In Capital Assets	74,597,333	72,994,819	2.2
Restricted	8,258,334	4,491,009	83.9
Unrestricted	<u>(4,946,291)</u>	<u>(420,036)</u>	(1077.6)
Total Net Position	<u>\$ 77,909,376</u>	<u>\$ 77,065,792</u>	1.1

**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

CHANGES IN NET POSITION

The Government-wide total revenues were \$30,329,252 for the year ended December 31, 2019. Property taxes and intergovernmental revenues accounted for 80.1 percent of total revenue for the year (see Table A-2).

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

	Governmental Activities		Total Percent Change
	2019	2018	
REVENUES			
<u>Program Revenues</u>			
Charges for Services	\$ 4,980,182	\$ 5,333,885	(6.6)%
Operating Grants and Contributions	8,608,217	8,459,854	1.8
Capital Grants and Contributions	2,206,732	2,171,108	1.6
<u>General Revenues</u>			
Property Taxes	12,015,663	11,280,804	6.5
Other Taxes	210,150	204,089	3.0
Unrestricted State Aid	1,463,543	1,458,976	0.3
Investment Earnings	137,205	147,752	(7.1)
Other	707,560	1,073,960	(34.1)
Total Revenues	30,329,252	30,130,428	0.7
EXPENSES			
General Government	7,900,645	7,905,092	(0.1)
Public Safety	5,942,803	5,407,662	9.9
Highways and Streets	5,647,784	5,232,258	7.9
Sanitation	155,147	132,471	17.1
Human Services	6,030,332	6,507,642	(7.3)
Health	3,197,512	3,059,630	4.5
Culture and Recreation	168,287	161,984	3.9
Economic Development	147,663	124,193	18.9
Conservation of Natural Resources	82,787	79,181	4.6
Interest	212,708	237,862	(10.6)
Total Expenses	29,485,668	28,847,975	2.2
CHANGES IN NET POSITION	843,584	1,282,453	(34.2)
Net Position - Beginning of Year	77,065,792	76,284,461	1.0
Change in Accounting Principle	-	(501,122)	100.0
Net Position - Beginning of Year, as Restated	77,065,792	75,783,339	1.7
NET POSITION - END OF YEAR	<u>\$ 77,909,376</u>	<u>\$ 77,065,792</u>	1.1

Total revenues surpassed expenses, increasing the net position \$843,584 over last year.

**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

CHANGES IN NET POSITION (CONTINUED)

The Government-wide cost of all governmental activities this year was \$29,485,668.

- Some of the cost was paid by the users of the County's programs (\$4,980,182).
- The federal and state governments subsidized certain programs with grants and contributions (\$10,814,949).
- The remainder of the County's governmental activities costs, (\$12,690,537), however, was paid for by County taxpayers and the taxpayers of our state. This portion of governmental activities was paid from the combination of \$12,225,813 in property, wheelage, and other taxes, \$1,463,543 of state aid, and \$844,765 of investment earnings and other general revenues.

Figure A-3 Sources of County's Revenues for 2019

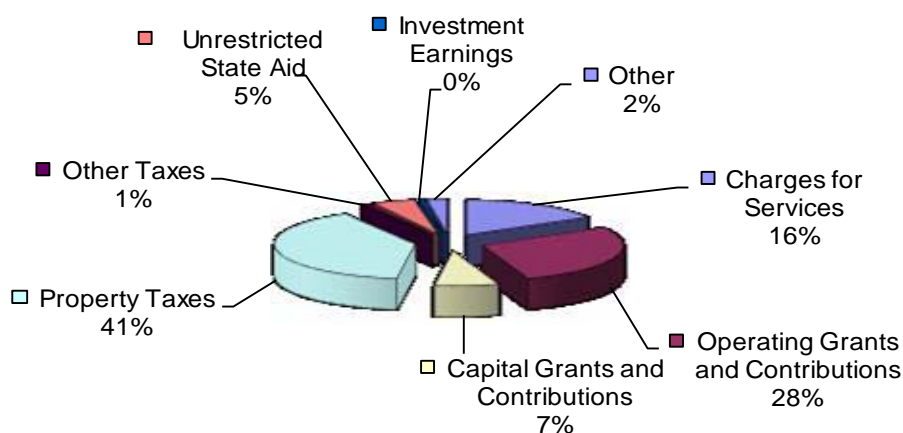
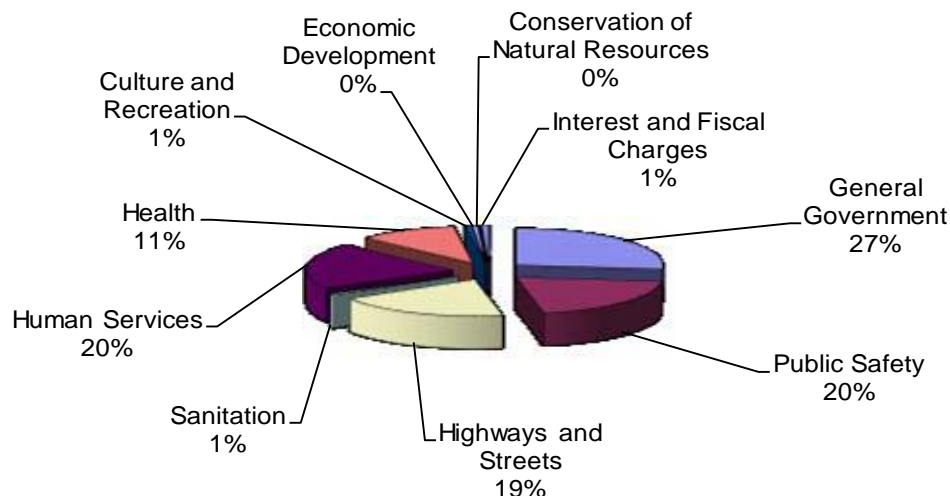


Figure A-4 County's Expenses for 2019



**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

CHANGES IN NET POSITION (CONTINUED)

**Table A-3
Expenses and Net Revenue (Cost) of Services**

	Total Cost of Services		Percentage Change	Net Revenue (Cost) of Services		Percentage Change
	2019	2018		2019	2018	
GOVERNMENTAL ACTIVITIES						
General Government	\$ 7,900,645	\$ 7,905,092	(0.1)%	\$ (4,788,394)	\$ (4,335,838)	(10.4)%
Public Safety	5,942,803	5,407,662	9.9	(4,230,759)	(3,626,396)	(16.7)
Highways and Streets	5,647,784	5,232,258	7.9	(1,031,953)	(1,437,983)	28.2
Sanitation	155,147	132,471	17.1	(86,437)	(64,742)	(33.5)
Human Services	6,030,332	6,507,642	(7.3)	(2,421,130)	(2,726,474)	11.2
Health	3,197,512	3,059,630	4.5	(548,766)	(104,160)	(426.8)
Culture and Recreation	168,287	161,984	3.9	(168,287)	(161,984)	(3.9)
Economic Development	147,663	124,193	18.9	(119,998)	(108,508)	(10.6)
Conservation of Natural Resources	82,787	79,181	4.6	(82,787)	(79,181)	(4.6)
Interest	212,708	237,862	(10.6)	(212,026)	(237,862)	10.9
Total	<u>\$ 29,485,668</u>	<u>\$ 28,847,975</u>	2.2	<u>\$ (13,690,537)</u>	<u>\$ (12,883,128)</u>	(6.3)

FINANCIAL ANALYSIS OF THE COUNTY AT THE FUND LEVEL

The financial performance of the County as a whole is reflected in its governmental funds as well. As the County completed the year, its governmental funds reported a combined fund balance of \$10,476,614.

Revenues for the County's governmental funds were \$29,823,088 while total expenditures were \$31,577,131.

GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues:

**Table A-4
General Fund Revenues**

Revenue Source	Year Ended		Change	
	December 31, 2019	December 31, 2018	Increase (Decrease)	Percent
Taxes	\$ 6,373,066	\$ 6,101,689	\$ 271,377	4.4 %
Intergovernmental	2,500,127	2,904,739	(404,612)	(13.9)
Charges for Services	2,306,899	2,235,618	71,281	3.2
Interest	130,154	141,584	(11,430)	(8.1)
Miscellaneous and Other	1,102,963	1,222,213	(119,250)	(9.8)
Total General Fund Revenues	<u>\$ 12,413,209</u>	<u>\$ 12,605,843</u>	<u>\$ (192,634)</u>	(1.5)

Total General Fund revenue decreased by \$192,634 or 1.5 percent, from the previous year. The decrease is primarily due to the decrease in intergovernmental revenues in 2019 compared to 2018.

**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

GENERAL FUND (CONTINUED)

The following schedule presents a summary of General Fund expenditures:

**Table A-5
General Fund Expenditures**

	Year Ended		Change	
	December 31, 2019	December 31, 2018	Increase (Decrease)	Percent
General Government	\$ 6,079,581	\$ 6,179,751	\$ (100,170)	(1.6)%
Public Safety	6,508,244	6,262,296	245,948	3.9
Sanitation	155,147	132,471	22,676	17.1
Health	-	-	-	-
Conservation of Natural Resources	82,787	79,181	3,606	4.6
Intergovernmental	167,994	161,595	6,399	4.0
Capital Outlay	154,401	732,247	(577,846)	(78.9)
Debt Service	173,908	196,092	(22,184)	(11.3)
Total Expenditures	<u>\$ 13,322,062</u>	<u>\$ 13,743,633</u>	<u>\$ (421,571)</u>	(3.1)

The General Fund had total fund balance of \$3,616,777 at the end of the current fiscal year. The fund balance of the General Fund decreased \$899,806 during the current fiscal year primarily due to less intergovernmental revenues and more expenditures in 2019.

GENERAL FUND BUDGETARY HIGHLIGHTS

- Actual revenues were \$137,399 less than budget due to less grants received than was estimated.
- The actual expenditures were \$464,176 more than budget due primarily to more than anticipated expenditures for general government.
- The County made no budget amendments in 2019 related to the General fund.

OTHER MAJOR FUNDS ANALYSIS

The Road and Bridge Fund had total fund balance of \$4,067,446 at the end of the current fiscal year. The total change in fund balance of the Road and Bridge Fund was a decrease of \$225,360 (before adjustments for inventory), during the current fiscal year primarily due to additional projects in 2019.

The Family Services Fund had total fund balance of \$911,986 at the end of the current fiscal year. The fund balance of the Family Services Fund decreased a minimal \$28,107 during the current fiscal year.

The Economic Development Fund had total fund balance of \$39,019 at the end of the current fiscal year. This was primarily due to intergovernmental revenue increasing over the prior more than expenditures increased over the prior year.

**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

OTHER MAJOR FUNDS ANALYSIS (CONTINUED)

The Community Health Fund had total fund balance of \$717,360 at the end of the current fiscal year. The fund balance of the Community Health Fund decreased \$264,810 during the current fiscal year due to timing of reimbursements from the federal and state governments.

The Forfeited Tax Fund had total fund balance of \$(70,745) at the end of the current fiscal year. The fund balance of the Forfeited Tax Fund decreased \$288,400 during the current fiscal year due to large decrease in forfeited land sales in 2019.

The Debt Service Fund had total fund balance of \$1,195,130 at the end of the current fiscal year. The fund balance of the Debt Service Fund increased \$46,658 during the current fiscal year, which is primarily due to levying 105% of the current principal and interest due in accordance with state statutes.

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

CAPITAL ASSETS

By the end of 2019, the County had invested approximately \$118,000,000 in a broad range of capital assets, including buildings, computers, equipment, and infrastructure (see Table A-5). (More detailed information about capital assets can be found in Note 3.A.3 to the financial statements). Total depreciation expense for the year was \$2,550,679.

**Table A-6
The County's Capital Assets**

	Governmental Activities		Percent Change
	2019	2018	
Land	\$ 3,423,981	\$ 3,423,981	-
Construction-in-Progress	885,135	1,810,747	(51.1)
Infrastructure	83,561,850	79,614,827	5.0
Buildings	21,258,094	21,161,508	0.5
Machinery, Equipment, and Vehicles	8,834,288	8,646,272	2.2
Less: Accumulated Depreciation	(34,981,149)	(32,638,628)	7.2
Total	\$ 82,982,199	\$ 82,018,707	1.2

**KANABEC COUNTY
MORA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

LONG-TERM LIABILITIES

At year-end, the County had \$17,182,796 in long-term liabilities outstanding.

- The County's governmental activities total debt decreased \$1,587,593, due primarily to the changes in assumptions related to the net pension liability and scheduled debt payments which are included in Note 4.F and Note 3 C., respectively.

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

	2019	2018	Percent Change
Governmental Activities			
Compensated Absences Payable	\$ 600,946	\$ 670,989	(10.4)%
General Obligation Bonds	7,445,575	8,761,889	(15.0)
Capital Leases Payable	146,798	229,595	(36.1)
Loans Payable	564,597	537,986	4.9
Net Pension Liability	8,424,880	8,569,930	(1.7)
Total	<u>\$ 17,182,796</u>	<u>\$ 18,770,389</u>	(8.5)

FACTORS BEARING ON THE COUNTY'S FUTURE

The County is dependent on the state of Minnesota for a significant portion of its revenue. The state of the economy continues to increase the cost of services provided and general expenditures.

During 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. A large amount of uncertainty remains in regards to the impact this event will have on local governments.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Coordinator, or Denise Snyder, County Auditor-Treasurer at (320) 679-6430. The County also recognizes Welia Health as a discrete component unit that issues its own financial statements and notes. If you have any questions concerning Welia Health, contact their finance department at 301 South Hwy 65, Mora, Minnesota 55051.

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BASIC FINANCIAL STATEMENTS

**KANABEC COUNTY
MORA, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities	Discretely Presented Component Unit
ASSETS		
Cash and Pooled Investments	\$ 10,956,327	\$ 14,653,568
Petty Cash and Change Funds	675	-
Investments	-	41,983,216
Taxes Receivable		
Delinquent	511,644	-
Special Assessments Receivable		
Unavailable	358,118	-
Delinquent	533	-
Accounts Receivable - Net	205,508	13,033,264
Accrued Interest Receivable	18,658	-
Due from Other Governments	1,865,477	-
Prepaid Items	45,048	750,375
Inventories	458,170	2,115,938
Investment in Joint Ventures	2,662,034	1,560,416
Restricted Assets		
Cash and Pooled Investments	-	4,131,318
Nondepreciable Capital Assets		
Land	3,423,981	1,996,692
Construction in Progress	885,135	897,410
Depreciable Capital Assets - Net of Depreciation		
Building	16,547,506	47,098,297
Improvements Other Than Buildings	-	1,964,953
Machinery, Vehicles, Furniture, and Equipment	2,859,816	16,738,080
Infrastructure	59,265,761	-
Total Assets	100,064,391	146,923,527
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	2,636,359	2,531,978
Other Postemployment Benefit Related	33,505	-
Loss on Refunding	24,532	-
Total Deferred Outflows of Resources	2,694,396	2,531,978

See accompanying Notes to Financial Statements.

**KANABEC COUNTY
MORA, MINNESOTA
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2019**

	Governmental Activities	Discretely Presented Component Unit
LIABILITIES		
Accounts Payable	\$ 527,158	\$ 3,456,767
Salaries Payable	833,766	3,310,666
Contracts Payable	237,582	-
Due to Other Governments	165,689	-
Accrued Interest Payable	14,846	143,158
Unearned Revenue	284,946	-
Other Current Liabilities	-	1,090,462
Other Postemployment Benefits Liability - Due within One Year	42,996	-
Compensated Absences Payable - Due within One Year	542,421	-
General Obligation Bonds Payable - Due within One Year	810,000	300,000
Capital Lease Payable - Due within One Year	79,367	-
Revenue Bonds Payable - Due within One Year	-	932,717
Revenue Notes Payable - Due within One Year	-	164,257
Loans Payable - Due within One Year	89,147	-
Other Postemployment Benefits Liability - Due in More Than One Year	584,425	969,447
General Obligation Bonds Payable - Due in More Than One Year	6,635,575	615,391
Capital Lease Payable - Due in More Than One Year	67,431	-
Revenue Bonds Payable - Due in More Than One Year	-	55,590,873
Revenue Notes Payable - Due in More Than One Year	-	4,722,346
Compensated Absences Payable - Due in More Than One Year	58,525	-
Loans Payable - Due in More Than One Year	475,450	-
Net Pension Liability - Due in More Than One Year	8,424,880	20,970,647
Total Liabilities	<u>19,874,204</u>	<u>92,266,731</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related	4,956,157	4,110,244
Other Postemployment Benefit Related	19,050	-
Total Deferred Inflows of Resources	4,975,207	4,110,244
NET POSITION		
Net Investment in Capital Assets	74,597,333	5,755,815
Restricted for:		
General Government	366,484	-
Public Safety	168,309	-
Highways and Streets	4,443,895	-
Sanitation	2,028,750	-
Debt Service	1,250,896	3,976,258
Unrestricted	(4,946,291)	43,346,457
Total Net Position	<u>\$ 77,909,376</u>	<u>\$ 53,078,530</u>

See accompanying Notes to Financial Statements.

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**KANABEC COUNTY
MORA, MINNESOTA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2019**

FUNCTIONS/PROGRAMS					Net (Expense) Revenue and Changes in Net Position	
	Expenses	Program Revenues			Primary	Component
		Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Unit Welia Health
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES						
General Government	\$ 7,900,645	\$ 2,188,191	\$ 924,060	\$ -	\$ (4,788,394)	\$ -
Public Safety	5,942,803	710,088	1,001,956	-	(4,230,759)	-
Highways and Streets	5,647,784	437,921	1,971,178	2,206,732	(1,031,953)	-
Sanitation	155,147	-	68,710	-	(86,437)	-
Human Services	6,030,332	526,475	3,082,727	-	(2,421,130)	-
Health	3,197,512	1,116,217	1,532,529	-	(548,766)	-
Culture and Recreation	168,287	-	-	-	(168,287)	-
Economic Development	147,663	1,290	26,375	-	(119,998)	-
Conservation of Natural Resources	82,787	-	-	-	(82,787)	-
Interest	212,708	-	682	-	(212,026)	-
Total Governmental Activities	29,485,668	4,980,182	8,608,217	2,206,732	(13,690,537)	-
COMPONENT UNIT						
Welia Health	90,925,299	93,938,423	-	-	-	3,013,124
Total Reporting Entity	<u>\$ 120,410,967</u>	<u>\$ 98,918,605</u>	<u>\$ 8,608,217</u>	<u>\$ 2,206,732</u>	(13,690,537)	3,013,124
GENERAL REVENUES						
Property Taxes					12,015,663	-
Wheelage Tax					167,292	-
Mortgage Registry and Deed Tax					17,359	-
Gravel Tax					25,499	-
Tax Increments and Excess TIF					6,754	-
Payments in Lieu of Tax					111,599	-
Grants and Contributions not Restricted for a Particular Purpose					1,463,543	-
Investment Earnings					137,205	1,417,351
Miscellaneous					582,816	559,176
Gain on the Sale of Capital Assets					6,391	-
Total General Revenues					<u>14,534,121</u>	<u>1,976,527</u>
CHANGE IN NET POSITION					843,584	4,989,651
Net Position - Beginning of Year					<u>77,065,792</u>	<u>48,088,879</u>
NET POSITION - END OF YEAR					<u>\$ 77,909,376</u>	<u>\$ 53,078,530</u>

See accompanying Notes to Financial Statements.

**KANABEC COUNTY
MORA, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Road and Bridge	Family Services
ASSETS			
Cash and Pooled Investments	\$ 4,158,757	\$ 4,286,179	\$ 836,813
Petty Cash and Change Funds	500	175	-
Taxes Receivable - Delinquent	265,024	88,540	85,685
Special Assessments Receivable - Delinquent	533	-	-
Special Assessments Receivable - Unavailable	358,118	-	-
Accounts Receivable	40,260	128	12,869
Accrued Interest Receivable	18,051	-	-
Due from Other Funds	26,721	6,308	5,825
Due from Other Governments	214,899	845,073	460,632
Inventories	-	458,170	-
Prepaid Asset	45,048	-	-
Total Assets	<u>\$ 5,127,911</u>	<u>\$ 5,684,573</u>	<u>\$ 1,401,824</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 287,794	\$ 85,812	\$ 89,995
Salaries Payable	449,245	78,883	173,209
Contracts Payable	-	237,582	-
Due to Other Funds	6,308	-	38,192
Due to Other Governments	50,262	6,746	81,138
Unearned Revenue	-	284,946	-
Total Liabilities	793,609	693,969	382,534
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Tax Related	623,675	88,540	85,685
Unavailable Revenue - Grant Related	93,850	834,618	21,619
Total Deferred Inflows of Resources	717,525	923,158	107,304
Total Liabilities and Deferred Inflows of Resources	1,511,134	1,617,127	489,838

See accompanying Notes to Financial Statements.

**KANABEC COUNTY
MORA, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2019**

<u>Economic Development Authority</u>	<u>Community Health</u>	<u>Forfeited Tax</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
\$ 51,672	\$ 462,558	\$ (34,175)	\$ 1,194,523	\$ 10,956,327
-	-	-	-	675
5,077	11,552	-	55,766	511,644
-	-	-	-	533
-	-	-	-	358,118
-	152,251	-	-	205,508
-	-	-	607	18,658
-	13,365	-	-	52,219
-	344,873	-	-	1,865,477
-	-	-	-	458,170
-	-	-	-	45,048
<u>\$ 56,749</u>	<u>\$ 984,599</u>	<u>\$ (34,175)</u>	<u>\$ 1,250,896</u>	<u>\$ 14,472,377</u>
\$ 5,477	\$ 21,510	\$ 36,570	\$ -	\$ 527,158
6,153	126,276	-	-	833,766
-	-	-	-	237,582
600	7,119	-	-	52,219
423	27,120	-	-	165,689
-	-	-	-	284,946
12,653	182,025	36,570	-	2,101,360
5,077	11,552	-	55,766	870,295
-	73,662	-	-	1,023,749
5,077	85,214	-	55,766	1,894,044
17,730	267,239	36,570	55,766	3,995,404

See accompanying Notes to Financial Statements.

**KANABEC COUNTY
MORA, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2019**

	General	Road and Bridge	Family Services
FUND BALANCES			
Nonspendable			
Inventory	\$ -	\$ 458,169	\$ -
Prepays	45,048	-	-
Restricted			
E-911	24,561	-	-
CWP Septic Loans	284,405	-	-
Attorney Forfeited Property	25,771	-	-
Sheriff's Forfeited Property	143,748	-	-
Land Office Technology Equipment	126,140	-	-
Law Library	13,879	-	-
Recorder's Equipment	61,080	-	-
Rural Addressing	438	-	-
SCORE	136,476	-	-
Transit MNDOT Fares	134,866	-	-
Landfill Closure/Post Closure	1,437,548	-	-
Water Planning	44,181	-	-
ORD 27	166	-	-
Debt Service	-	-	-
Gravel Pit Restoration	32,406	-	-
Committed			
Road and Bridge Fund Purposes	-	3,609,277	-
Family Services Fund Purposes	-	-	911,986
Community Health Fund Purposes	-	-	-
Economic Development Authority Fund Purposes	-	-	-
Regional Rail Fund Purposes	4,028	-	-
Assigned			
Vehicle Pool	121,458	-	-
Future Capital Equipment	523,616	-	-
Elections	76,635	-	-
Sheriff's Contingency	29,908	-	-
Transit Unemployment	316,826	-	-
Veterans Programs	10,743	-	-
Sheriff Community Programs	22,850	-	-
Unassigned	-	-	-
Total Fund Balance	<u>3,616,777</u>	<u>4,067,446</u>	<u>911,986</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,127,911</u>	<u>\$ 5,684,573</u>	<u>\$ 1,401,824</u>

See accompanying Notes to Financial Statements.

**KANABEC COUNTY
MORA, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2019**

<u>Economic Development Authority</u>	<u>Community Health</u>	<u>Forfeited Tax</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 458,169
-	-	-	-	45,048
-	-	-	-	24,561
-	-	-	-	284,405
-	-	-	-	25,771
-	-	-	-	143,748
-	-	-	-	126,140
-	-	-	-	13,879
-	-	-	-	61,080
-	-	-	-	438
-	-	-	-	136,476
-	-	-	-	134,866
-	-	-	-	1,437,548
-	-	-	-	44,181
-	-	-	-	166
-	-	-	1,195,130	1,195,130
-	-	-	-	32,406
-	-	-	-	3,609,277
-	-	-	-	911,986
-	717,360	-	-	717,360
39,019	-	-	-	39,019
-	-	-	-	4,028
-	-	-	-	121,458
-	-	-	-	523,616
-	-	-	-	76,635
-	-	-	-	29,908
-	-	-	-	316,826
-	-	-	-	10,743
-	-	-	-	22,850
-	-	(70,745)	-	(70,745)
<u>39,019</u>	<u>717,360</u>	<u>(70,745)</u>	<u>1,195,130</u>	<u>10,476,973</u>
<u>\$ 56,749</u>	<u>\$ 984,599</u>	<u>\$ (34,175)</u>	<u>\$ 1,250,896</u>	<u>\$ 14,472,377</u>

See accompanying Notes to Financial Statements.

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**KANABEC COUNTY
MORA, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019**

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 10,585,665

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. 82,982,199

Investment in joint ventures are reported in governmental activities and are not financial resources. Therefore, they are not reported in the governmental funds. 2,662,034

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds. 1,894,044

The County's Other Postemployment Benefit liability and related deferred outflows are recorded only on the statement of net position. Balances at year-end are:

Other Postemployment Benefits Liability	\$ (627,421)	
Deferred Outflows of Resources - OPEB Related	33,505	
Deferred Inflows of Resources - OPEB Related	<u>(19,050)</u>	(612,966)

The County's net pension liability and related deferred inflows and outflows of resources are recorded on the statement of net position. Balances at year-end are:

Net Pension Liability	(8,424,880)	
Deferred Outflows of Resources - Pension Related	2,636,359	
Deferred Inflows of Resources - Pension Related	<u>(4,956,157)</u>	(10,744,678)

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 Payable	(7,260,000)	
Loss on Refunding	24,532	
Loans Payable	(564,597)	
Unamortized Discounts	26,762	
Unamortized Premium	(212,337)	
Compensated Absences Payable	(600,946)	
Capital Lease Payable	(146,798)	
Accrued Interest Payable	<u>(14,846)</u>	<u>(8,748,230)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 78,018,068

**KANABEC COUNTY
MORA, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019**

	General	Road and Bridge	Family Services
REVENUES			
Taxes	\$ 6,373,066	\$ 2,096,274	\$ 1,974,704
Special Assessments	81,402	-	-
Licenses and Permits	115,512	34,469	-
Intergovernmental	2,500,127	4,233,319	3,377,972
Charges for Services	2,306,899	403,452	92,052
Fines and Forfeits	616	-	-
Gifts and Contributions	25,068	-	-
Interest on Investments	130,154	-	-
Miscellaneous	880,365	10,524	495,007
Total Revenues	12,413,209	6,778,038	5,939,735
EXPENDITURES			
CURRENT			
General Government	6,079,581	-	-
Public Safety	6,508,244	-	-
Highways and Streets	-	2,846,910	-
Sanitation	155,147	-	-
Human Services	-	-	5,967,842
Health	-	-	-
Economic Development	-	-	-
Conservation	82,787	-	-
Total Current	12,825,759	2,846,910	5,967,842
INTERGOVERNMENTAL			
Culture and Recreation	167,994	-	-
CAPITAL OUTLAY			
General Government	96,447	-	-
Public Safety	57,954	-	-
Highways and Streets	-	4,256,232	-
Total Capital Outlay	154,401	4,256,232	-
DEBT SERVICE			
Principal	158,755	2,087	-
Interest	15,153	169	-
Administrative (Fiscal) Charges	-	-	-
Total Debt Service	173,908	2,256	-
Total Expenditures	13,322,062	7,105,398	5,967,842
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(908,853)	(327,360)	(28,107)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	102,000	-
Transfers Out	(102,000)	-	-
Loan Proceeds	104,656	-	-
Proceeds from the Sale of Capital Assets	6,391	-	-
Total Other Financing Sources (Uses)	9,047	102,000	-
NET CHANGE IN FUND BALANCES	(899,806)	(225,360)	(28,107)
Fund Balance - Beginning of Year	4,516,583	4,270,451	940,093
Increase (Decrease) in Inventories	-	22,355	-
FUND BALANCE - END OF YEAR	\$ 3,616,777	\$ 4,067,446	\$ 911,986

See accompanying Notes to Financial Statements.

**KANABEC COUNTY
MORA, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

Economic Development Authority	Community Health	Forfeited Tax	Debt Service	Total Governmental Funds
\$ 136,293	\$ 304,738	\$ -	\$ 1,384,239	\$ 12,269,314
-	-	-	-	81,402
-	-	-	-	149,981
14,534	1,665,491	-	147,216	11,938,659
1,290	935,363	-	-	3,739,056
-	-	-	-	616
12,375	9,054	-	-	46,497
-	-	-	7,051	137,205
-	13,456	61,006	-	1,460,358
164,492	2,928,102	61,006	1,538,506	29,823,088
-	-	349,406	-	6,428,987
-	-	-	-	6,508,244
-	-	-	-	2,846,910
-	-	-	-	155,147
-	-	-	-	5,967,842
-	3,192,912	-	-	3,192,912
147,663	-	-	-	147,663
-	-	-	-	82,787
147,663	3,192,912	349,406	-	25,330,492
-	-	-	-	167,994
-	-	-	-	96,447
-	-	-	-	57,954
-	-	-	-	4,256,232
-	-	-	-	4,410,633
-	-	-	1,290,000	1,450,842
-	-	-	201,353	216,675
-	-	-	495	495
-	-	-	1,491,848	1,668,012
147,663	3,192,912	349,406	1,491,848	31,577,131
16,829	(264,810)	(288,400)	46,658	(1,754,043)
-	-	-	-	102,000
-	-	-	-	(102,000)
-	-	-	-	104,656
-	-	-	-	6,391
-	-	-	-	111,047
16,829	(264,810)	(288,400)	46,658	(1,642,996)
22,190	982,170	217,655	1,148,472	12,097,614
-	-	-	-	22,355
\$ 39,019	\$ 717,360	\$ (70,745)	\$ 1,195,130	\$ 10,476,973

See accompanying Notes to Financial Statements.

**KANABEC COUNTY
MORA, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ (1,642,996)

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

In the fund level, under the modified accrual basis, distributions of joint venture equity interest are recorded as revenue. In the statement of net position, an asset is reported for the equity interest in joint ventures and distributions (decreases) and increases in joint venture equity are reported in the statement of activities. The change in net position differs from the change in fund balance by the increases and decreases in the investment in joint venture.

Equity Distribution	
Change in Investment in Joint Venture	257,422

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 depreciation expense.

Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	\$ 3,514,171	
Current Year Depreciation	<u>(2,550,679)</u>	963,492

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	259,154
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Pension expenditures on the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.

Change in net pension liability	145,050	
Change in deferred pension outflows	(1,883,797)	
Change in net deferred pension inflows	<u>1,324,517</u>	(414,230)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. The net proceeds for debt issuance of loan proceeds:	(104,656)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position.

Principal Repayments		
General Obligation Bonds	1,290,000	
Capital Lease	82,797	
CWP Loan	<u>78,045</u>	1,450,842

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	5,640	
Change in Loss on Refunding	(2,725)	
Change in Other Postemployment Benefits	(47,071)	
Amortization of Discounts	(2,974)	
Amortization of Premiums	29,288	
Change in Accrued Compensated Absences	70,043	
Change in Inventories	<u>22,355</u>	74,556

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 843,584</u>
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**KANABEC COUNTY
MORA, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
DECEMBER 31, 2019**

ASSETS

Cash and Pooled Investments	<u>\$ 1,349,952</u>
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LIABILITIES

Funds Held in Trust	\$ 686,455
Due to Other Governments	<u>663,497</u>
 Total Liabilities	 <u>\$ 1,349,952</u>

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**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kanabec County's (the County) financial statements are prepared in accordance with generally accepted accounting principles (GAAP) for the year ended December 31, 2019. 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

Kanabec County was established March 13, 1858, and is an organized county having the powers, duties, and privileges granted counties by Minnesota Statutes §373. As required by accounting principles generally accepted in the United States of America, these financial statements present Kanabec County (Primary Government) and its component unit for which the County is financially accountable. 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 Coordinator, appointed by the board, serves as the clerk of the board but has no vote.

For financial reporting purposes, Kanabec County has included all funds, organizations, agencies, boards, commissions, and authorities, and has considered all potential component units for which the County is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause Kanabec County's financial statements to be misleading or incomplete. The Governmental Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria included appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on the organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.

As required by generally accepted accounting principles, these financial statements present Kanabec County (the Primary Government) and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County.

Discretely Presented Component Unit

While part of the reporting entity, a discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. Welia Health (the Hospital) (the System), also known as Kanabec Hospital, meets the criteria to be included as a discrete presentation. The Hospital is governed by the Hospital's board of directors as appointed by the County Board. Complete financial statements for the Hospital may be obtained at the Hospital's business office.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

Joint Ventures

The County participates in several joint ventures which are described in Note 7.C. The County also participates in jointly-governed organizations which are described in Note 7.D.

B. Basic Financial Statements

1. Government-Wide Statements

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

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

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 and fiduciary--are presented. The emphasis of governmental fund financial statements is on major individual governmental funds, with each displayed as separate columns in the fund financial statements. The County has no funds which are classified as nonmajor.

The County reports the following major governmental funds:

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

The Road and Bridge Special Revenue Fund is used to account for revenues and expenditures of the County Highway Department which is responsible for the construction and maintenance of roads, bridges, and other projects affecting County roadways. Property taxes, committed through the Board approved levy, and restricted intergovernmental revenues are used to finance these projects.

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

The Economic Development Authority Fund is used to account for all funds collected per state statute for economic development.

The Community Health Fund is used to account for economic assistance and community social services programs. These programs are funded primarily by property taxes, committed through the Board approved levy, and restricted intergovernmental revenues.

The Forfeited Tax Special Revenue Fund is used to account for all funds collected per state statute for forfeited tax sales and rentals.

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

Additionally, the County reports the following fiduciary fund type:

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets that the County holds for others in an agency capacity.

C. Measurement Focus and Basis of Accounting

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

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

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

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

1. 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, 2019, based on market prices. Pursuant to Minnesota Statutes §385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

Kanabec 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 Minnesota Statutes §471.59. The MAGIC Fund is not registered with the Securities and Exchange Commission, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Therefore, the fair value of the County's position in the pool is the same as the value of the pool shares. Detailed information about the MAGIC Fund is available in a separately issued report that includes financial statements and required supplementary information. That report can be obtained on the Internet at www.magicfund.org.

2. Receivables and Payables

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

All other outstanding balances between funds are reported as "due to/from other funds."

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 receivables, including those of the discretely presented component unit, if applicable, 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 on May 15 and the second half payment due October 15.

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

Significant portions of special assessments receivable are not expected to be collected within one year due to the nature of the receivable.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Inventories

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

4. Restricted Assets

Certain funds of the County and its component unit 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, their use is limited by applicable laws and regulations.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental 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. Donated capital assets are recorded at acquisition value at the date of donation. In the case of the initial capitalization of general infrastructure reported in governmental activities, the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending (estimating the current replacement costs of the infrastructure to be capitalized and using an appropriate price-level index to deflate the costs to the acquisition year or estimated acquisition year).

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

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

Assets	Years
Buildings	25 to 75
Infrastructure	15 to 75
Machinery, Vehicles, Furniture, and Equipment	3 to 15

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period. The County will not recognize the related outflow until a future event occurs. More detailed information about pension and other postemployment benefits and related deferred outflows of resources can be found in Notes 4 and 6, respectively, to the financial statements. A third type of deferred outflows relates to a deferred loss on refunding.

7. Compensated Absences

The liability for compensated absences reported in financial statements consists of unpaid, accumulated annual vacation, sick leave, and paid time off (PTO) balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of known employee resignations and retirements.

8. Deferred Inflows of Resources

The County's governmental fund and government-wide financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund balance that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has three types of items which occurs relating to revenue recognition: The deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the County's year) under the modified accrual basis of accounting. The second type relates to pension liabilities as described in Note 4 to the financial statements. The third type related to other postemployment benefit liabilities as described in Note 6 to the financial statements.

9. Long-Term Obligations

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

10. Other Postemployment Benefits

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

11. Pensions

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

12. Fund Balance

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance relate to prepaids, inventories, and long-term receivables, as applicable. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Commissioners. The Board passed a resolution authorizing the County Auditor-Treasurer to assign fund balances and their intended uses. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in other classifications.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fund Balance (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the County's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the County's policy to use committed first, then assigned, and finally unassigned amounts.

13. Net Position

Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. The net investment in capital assets is the net value of capital assets reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

E. Revenues

1. Revenues

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

2. Imposed Nonexchange Transactions

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Revenues (Continued)

3. Intergovernmental

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

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

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

4. Exchange Transactions

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over Budget

The following fund had expenditures in excess of budget at the fund level for the year ended December 31, 2019:

	Actual	Budget	Excess
General Fund	\$ 13,322,062	\$ 12,857,886	\$ 464,176
Road and Bridge Special Revenue Fund	7,105,398	6,367,697	737,701
Community Health Special Revenue Fund	3,192,912	3,185,101	7,811

These over-expenditures were funded by greater than anticipated revenues and existing fund balance.

Deficit Fund Balance

The forfeited tax fund has a deficit fund balance of \$34,175; this deficit will be eliminated with future revenues.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

Minnesota Statutes §§118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. Minnesota Statutes §118A.03 requires that all County deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least 10% more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Custodial Credit Risk - Deposits

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

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

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

At December 31, 2019, the County's deposits were fully collateralized.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

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

- (a) Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota Statutes §118a.04, Subd. 6;
- (b) Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (c) General obligations of the state of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (d) Bankers' acceptances of United States banks;
- (e) Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (f) With certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

As of December 31, 2019, the County had the following investments:

Investment Type	Maturity	Fair Value	Rating	Concentration Risk
UBS Money Market	*	\$ 53,978	NR	N/A
Municipal Securities:				
American Express Bank	9/12/2022	247,935	A3/A-2	7%
Comenity Bank	3/25/2024	104,196	A3/A-2	3
MAGIC Fund	*	<u>3,061,512</u>	NR	N/A
		<u><u>\$ 3,467,621</u></u>		

NR = Not Rated

N/A = Not Subject To Concentration Risk Calculation

* = No Stated Maturity Date

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Interest Rate Risk

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

Credit Risk

Minnesota Statutes restrict the types of investments in which the County may invest. The County investment policy restricts its investment choices to only those complying with Minnesota Statutes. As of December 31, 2019, the County's investment in American Express Bank and Comenity Bank were rated A3/A-2 by Moody's and Standards and Poor's; investments in UBS Money Market and the MAGIC Fund were not rated.

Concentration Credit Risk

The County's investment policy places a limit of 15% on the amount the County may invest in any one issuer. More than 5% of the County's investments at December 31, 2019 were municipal securities with American Express Bank. These investments are more than 5% of the County's total investments.

Custodial Credit Risk – Investments

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

The County's total cash and investments are reported as follows:

Primary Government	
Cash and Pooled Investments	\$ 10,956,327
Petty Cash	675
Component Unit	
Welia Health	56,636,784
Restricted and Internally	
Designated Assets:	
Cash and Pooled Investments	4,131,318
Agency Funds Cash	<u>1,349,952</u>
Total Cash and Investments	<u>\$ 73,075,056</u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Fair Market Value

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

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

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

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Fair Market Value (Continued)

Assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Investment by Fair Value				
Municipal Securities	\$ -	\$ 352,131	\$ -	\$ 352,131
Investments Measured at Amortized Cost				
External Investment Pool				3,061,512
Total Investments				3,413,643
Deposits				7,542,684
Petty Cash				675
Agency Funds				1,349,952
Welia Health				60,768,102
Total Investments				<u>\$ 73,075,056</u>

The 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 to 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 reasonable practical.

2. Receivables

Receivables as of December 31, 2019, for the County's governmental activities are as follows:

	Total Receivables	Amounts not Scheduled for Collection During the Subsequent Year
Governmental Activities:		
Taxes	\$ 511,644	\$ -
Special Assessments	358,651	358,118
Accounts	205,508	-
Interest	18,658	-
Due From Other Governments	1,865,477	-
Total Governmental Activities	<u>\$ 2,959,938</u>	<u>\$ 358,118</u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated				
Land and Right-of-Way	\$ 3,423,981	\$ -	\$ -	\$ 3,423,981
Construction-in-Progress	1,810,747	2,973,337	(3,898,949)	885,135
Total Capital Assets, Not Being Depreciated	5,234,728	2,973,337	(3,898,949)	4,309,116
Capital Assets, Being Depreciated				
Buildings	21,161,508	96,586	-	21,258,094
Machinery, Furniture, and Equipment	8,646,272	396,174	(208,158)	8,834,288
Infrastructure	79,614,827	3,947,023	-	83,561,850
Total Capital Assets, Being Depreciated	109,422,607	4,439,783	(208,158)	113,654,232
Less Accumulated Depreciation for				
Buildings	4,335,637	374,951	-	4,710,588
Machinery, Furniture, and Equipment	5,677,704	504,926	(208,158)	5,974,472
Infrastructure	22,625,287	1,670,802	-	24,296,089
Total Accumulated Depreciation	32,638,628	2,550,679	(208,158)	34,981,149
Total Capital Assets, Being Depreciated, Net	76,783,979	1,889,104	-	78,673,083
Governmental Activities Capital Assets, Net	<u>\$ 82,018,707</u>	<u>\$ 4,862,441</u>	<u>\$ (3,898,949)</u>	<u>\$ 82,982,199</u>

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

Governmental Activities:

General Government	\$ 486,030
Public Safety	171,757
Highways and Streets, Including Depreciation of Infrastructure Assets	<u>1,892,892</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,550,679</u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2019, is as follows:

1. Due To/From Other Funds

Due to Other Funds and Due from Other Funds as of December 31, 2019, expected to be repaid within one year, consisted of the following:

Receivable Fund	Payable Fund	Amount	Reason
General Fund	Family Services Fund	\$ 24,827	Vehicle Usage, Office, and Salary Charges
	EDA Fund	600	Fees for Services Performed
	Community Health	1,294	Postage, Vehicle Use, and Telephone Service
	Total General Fund	26,721	
Road and Bridge Fund	General Fund	6,308	Fees for Services Performed
Family Services Fund	Community Health	5,825	Fees for Services Performed
Community Health	Family Services Fund	13,365	Fees for Services Performed
Total Due To/From Other Funds		<u>\$ 52,219</u>	

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2019, consisted of the following:

	Amount	Reason
Transfer from the General Fund to the Road and Bridge Fund	<u>\$ 102,000</u>	Vehicle Pool Charges

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Liabilities

1. Long-Term Debt

Governmental Activities

<u>Types of Indebtedness</u>	<u>Final Maturity</u>	<u>Installment Amounts</u>	<u>Interest Rates Percent</u>	<u>Original Issues Amount</u>	<u>Outstanding Balance December 31, 2019</u>
General Obligation Bonds					
2015A General Obligation Refunding Bonds	2027	\$220,000 - \$995,000	2.25 - 3.00	\$ 8,485,000	<u>\$ 7,260,000</u>
Subtotal					7,260,000
Add: Unamortized Premiums					212,337
Less: Unamortized Discounts					(26,762)
Total General Obligation Bonds					<u><u>\$ 7,445,575</u></u>
Capital Leases					
Motorola Lease	2021	\$47,420 - \$56,049	3.40	\$ 355,690	\$ 110,255
Vehicle Leases - 2015	2020	\$405	1.35	38,812	2,606
Vehicle Leases - 2016	2021	\$274.02 - \$441.93	1.25 - 1.35	78,958	17,857
Vehicle Leases - 2017	2022	\$274.02- \$321.21	1.25 - 1.35	44,091	16,080
Total Capital Leases					<u><u>\$ 146,798</u></u>
Loans Payable					
Clean Water Partnership Loans (CWP Loans)	2026	\$5,060 - \$11,308	2.00	\$ 665,175	<u><u>\$ 564,597</u></u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Liabilities (Continued)

2. Debt Service Requirements

Debt service requirements at December 31, 2019, were as follows:

Governmental Activities

Year Ending December 31,	General Obligation Bonds		CWP Loans	
	Principal	Interest	Principal	Interest
2020	\$ 810,000	\$ 201,353	\$ 89,147	\$ 8,263
2021	840,000	175,275	90,948	6,462
2022	865,000	150,975	46,448	4,861
2023	900,000	125,775	47,385	3,924
2024	925,000	99,825	48,337	2,971
2025-2029	2,920,000	211,863	242,332	4,052
Total	<u>\$ 7,260,000</u>	<u>\$ 965,066</u>	<u>\$ 564,597</u>	<u>\$ 30,533</u>

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019, was as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 8,550,000	\$ -	\$ 1,290,000	\$ 7,260,000	\$ 810,000
Unamortized Discounts	(29,736)	-	(2,974)	(26,762)	-
Unamortized Premiums	241,625	-	29,288	212,337	-
Total Bonds Payable	<u>8,761,889</u>	<u>-</u>	<u>1,316,314</u>	<u>7,445,575</u>	<u>810,000</u>
Loans Payable	537,986	104,656	78,045	564,597	89,147
Capital Lease Payable	229,595	-	82,797	146,798	79,367
Compensated Absences Payable	<u>670,989</u>	<u>1,208,557</u>	<u>1,278,600</u>	<u>600,946</u>	<u>542,421</u>
Governmental Activity Long-Term Liabilities	<u>\$ 10,200,459</u>	<u>\$ 1,313,213</u>	<u>\$ 2,755,756</u>	<u>\$ 8,757,916</u>	<u>\$ 1,520,935</u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Liabilities (Continued)

3. Changes in Long-Term Liabilities (Continued)

The General Obligation Bonds are liquidated by the debt service fund, and the loans payable, capital leases, and compensated absences are liquidated by the general, road and bridge, and family services funds.

The County participates in a program that resulted in entering into several loan agreements with the Minnesota Pollution Control Agency for financing septic systems. The revolving loans are secured by special assessments placed on the individual parcels requesting repair of septic systems.

4. Capital Leases

During 2017, the County entered into two capital leases to purchase vehicles. The leases totaled \$44,091 and are payable through 2022.

During 2016, the County entered into four capital leases to purchase four vehicles. The five year leases totaled \$78,958 and are payable through 2021.

During 2015, the County entered into two capital leases to purchase two vehicles. The five year leases totaled \$38,812 and are payable through September of 2020. In addition, the County began leasing radio equipment through Motorola for the squad cars under a five year term for a total of \$355,690 payable through 2021.

During 2014, the County entered into two capital leases to purchase copiers. These five year leases total \$18,182 and are payable through May of 2019. In addition, the County began leasing a phone system under a five year term for a total \$113,280 payable through 2019. The leases were paid in full in 2019 and the assets were disposed of.

At December 31, 2019, the County has total assets under capital lease of \$518,380 with the related accumulated depreciation of \$306,673. The remaining capital lease obligations are as follows:

Year Ending December 31,	Capital Lease Obligations	
	Principal	Interest
2020	\$ 79,367	\$ 10,483
2021	64,537	4,168
2022	2,894	780
Total	<u>\$ 146,798</u>	<u>\$ 15,431</u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS

A. Plan Description

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

1. General Employees Retirement Plan

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

2. Public Employees Police and Fire Plan

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

3. Local Government Correctional Plan

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

B. Benefits Provided

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

1. General Employees Plan Benefits

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Plan Benefits (Continued)

for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1 percent. 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. For 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.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

3. Correctional Fund Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. The annuity accrual rate is 1.9% of average salary for each year of service in that plan. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 100 percent of the COLA announced by SSA, with a minimum increase of at least 1 percent and a maximum of 2.5 percent. If the 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 2.5 percent to 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For 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.

C. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2019 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2019 were \$564,611. The County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.8 percent of pay to 11.3 percent and employer rates increased from 16.2 percent to 16.95 percent on January 1, 2019. The County's contributions to the Police and Fire Fund for the year ended December 31, 2019 were \$232,343. The County's contributions were equal to the required contributions as set by state statute.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

C. Contributions (Continued)

3. Correctional Fund Contributions

Plan members were required to contribute 5.83% of their annual covered salary and the County was required to contribute 8.75% of pay for plan members in fiscal year 2018. The County's contributions to the Correctional Fund for the year ended December 31, 2019 were \$123,605. The County's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2019, the County reported a liability of \$6,678,761 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million to the fund in 2019. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the County totaled \$207,582, for a total net pension liability of \$6,886,343 associated with the County. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the County's proportionate share was 0.121% which was a decrease of 0.004% from its proportionate share measured as of June 30, 2018.

County's Proportionate Share of the Net Pension Liability	\$ 6,678,761
States Proportionate Share of the Net Pension Liability	<u>207,582</u>
Total	<u><u>\$ 6,886,343</u></u>

For the year ended December 31, 2019, the County recognized pension expense of \$850,675 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$15,539 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

At December 31, 2019, the System reported a liability of \$20,970,647 for its proportionate share of the General Employees Fund's net pension liability. The System's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million to the fund in 2019. The state of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the System totaled \$651,805, for a total net pension liability of \$21,622,452 associated with the System. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The System's proportionate share of the net pension liability was based on the System's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the System's proportionate share was 0.3793% which was an increase of 0.0061% from its proportionate share measured as of June 30, 2018.

Welia Health's Proportionate Share of the Net Pension Liability	\$ 20,970,647
States Proportionate Share of the Net Pension Liability	651,805
Total	<u>\$ 21,622,452</u>

For the year ended December 31, 2019, the System recognized pension expense of \$1,241,997 for its proportionate share of the General Employees Plan's pension expense. In addition, the System recognized an additional \$48,814 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2019, the County System reported its proportionate share of General Employees Fund's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Kanabec County		Welia Health	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 185,093	\$ -	\$ -	\$ 2,125,623
Changes in Actuarial Assumptions	-	524,955	-	1,648,309
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	676,971	581,175	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	174,239	196,019	885,542	336,312
County Contributions Subsequent to the Measurement Date	280,188	-	1,065,261	-
Total	<u>\$ 639,520</u>	<u>\$ 1,397,945</u>	<u>\$ 2,531,978</u>	<u>\$ 4,110,244</u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

\$280,188 reported as deferred outflows of resources related to pensions resulting from County contributions to General Employees Fund subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

\$1,065,261 reported as deferred outflows of resources related to pensions resulting from System contributions to General Employees Fund subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to General Employee Fund pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	Kanabec County Pension Expenses Amount	Welia Health Pension Expenses Amount
2020	\$ (302,499)	\$ (591,128)
2021	(547,833)	(1,761,272)
2022	(199,044)	(324,920)
2023	10,763	33,793

2. Police and Fire Fund Pension Costs

At December 31, 2019, the County reported a liability of \$1,639,486 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2019, the County's proportionate share was 0.154% which was an increase of 0.013% from its proportionate share measured as of June 30, 2018. The County also recognized \$20,790 for the year ended December 31, 2019, as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the state of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. **Police and Fire Fund Pension Costs** (Continued)

For the year ended December 31, 2019, the County recognized pension expense of \$408,805 for its proportionate share of the Police and Fire Fund's pension expense.

At December 31, 2019, the County reported its proportionate share of the Police and Fire Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 69,611	\$ 249,547
Changes in Actuarial Assumptions	1,360,513	1,840,639
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	341,466
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	351,170	-
County Contributions Subsequent to the Measurement Date	87,315	-
Total	<u>\$ 1,868,609</u>	<u>\$ 2,431,652</u>

\$87,315 reported as deferred outflows of resources related to pensions resulting from County contributions to the Police and Fire Fund subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to the Police and Fire Fund will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	Pension Expenses Amount
2020	\$ (20,320)
2021	(144,428)
2022	(574,224)
2023	53,791
2024	34,823

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

3. Correctional Plan Pension Costs

At December 31, 2019, the County reported a liability of \$106,633 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the County's proportionate share was 0.770% which was a decrease of 0.023% from its proportionate share measured as of June 30, 2018.

For the year ended December 31, 2019, the County recognized pension expense of \$236,352 for its proportionate share of the Correctional Plan's pension expense.

At December 31, 2019, the County reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to the Correctional Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	3,921	17,433
Changes in Actuarial Assumptions	-	946,727
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	137,213
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	76,511	25,187
County Contributions Subsequent to the Measurement Date	47,798	-
Total	<u>\$ 128,230</u>	<u>\$ 1,126,560</u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

3. Correctional Plan Pension Costs (Continued)

\$47,798 reported as deferred outflows of resources related to pensions resulting from County contributions to the Correctional Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to the Correctional Plan will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Pension Expenses Amount</u>
2020	\$ (536,579)
2021	(468,902)
2022	(41,683)
2023	1,036

E. Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2019, was \$1,511,371.

F. Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50 percent per year
Active Member Payroll Growth	3.25 percent per year
Investment Rate of Return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan, 1.0 percent per year for the Police and Fire Plan, and 2.0 percent per year for the Correctional Plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016. The five-year experience study for the Correctional Plan, prepared by a former actuary, was completed in 2012. The mortality assumption for the Correctional Plan is based on the Police and Fire Plan experience study completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

F. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions occurred in 2019:

General Employees Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

Correctional Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

F. Actuarial Assumptions (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36.0 %	5.10 %
International Equity	17.0	5.30
Bonds	20.0	0.75
Alternative Assets	25.0	5.90
Cash	2.0	-

G. Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund, the Police and Fire Fund, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Proportionate Share of the						
	General Employees			Police and Fire		Correctional	
	Fund			Fund		Fund	
	Discount	County Net	Welia Health's Net	Discount	County Net	Discount	County Net
	Rate	Pension Liability	Pension Liability	Rate	Pension Liability	Rate	Pension Liability
1% Decrease	6.50%	\$ 10,979,524	\$ 34,474,615	6.50%	\$ 3,583,611	4.96%	\$ 1,115,929
Current	7.50%	6,678,761	20,970,647	7.50%	1,639,486	5.96%	106,633
1% Increase	8.50%	3,127,627	9,820,437	8.50%	32	6.96%	(658,008)

I. Pension Plan Fiduciary Net Position

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.0025) of the assets in each member's account annually.

Total contributions made by the County during fiscal year 2019 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$ 5,739	\$ 5,739	5%	5%	5%

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. The County provides benefits for retirees as required by Minnesota Statutes §471.61 subdivision 2b. County policy determines the County's contributions to the plan. Active employees who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program. Pursuant to the provisions of the plan, retirees are required to pay 100% of the total premium cost.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Plan Participants Covered by Benefit Terms

At December, 2019, the following plan participants were covered by the benefit terms:

Active	161
Retirees receiving payments	2
Spouses receiving payments	-
Total	<u>163</u>

There were no inactive employees entitled to but not yet receiving benefits.

C. Funding Policy

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

D. Actuarial Methods and Assumptions

The County's OPEB liability was measured as of January 1, 2019, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2018.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary	3.0%
Health Care Trend Rates	6.25% Decreasing to 5.00% Over 5 Years

Mortality rates were based on the RP-2014 white collar mortality tables with MP-2017 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the General Employees Plan from 2015 and the Police and Fire Plan from 2016.

The discount rate used to measure the total OPEB liability was 3.8%. The discount rate is equal to the 20-Year Municipal Bond Yield.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

E. Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance - January 1, 2019	\$ 585,430
Changes for the Year:	
Service Cost	62,244
Interest	21,054
Assumption Changes	(21,772)
Benefit Payments	(19,535)
Net Change in Total OPEB Liability	<u>41,991</u>
Balance - December 31, 2019	<u>\$ 627,421</u>

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

		<u>Discount Rate</u>	
<u>Discount Rate Sensitivity</u>	<u>1% Decrease (2.80%)</u>	<u>(3.80%)</u>	<u>1% Increase (4.80%)</u>
Total OPEB Liability	\$ 682,599	\$ 627,421	\$ 577,202

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.25% decreasing to 5.00% over 5 years) or 1% higher (7.25% decreasing to 6.00% over 5 years) than the current healthcare cost trend rates:

		<u>Current Trend Rates</u>	
<u>Medical Trend Rate Sensitivity</u>	<u>1% Decrease (5.25% Decreasing to 4.00%)</u>	<u>(6.25% Decreasing to 5.00%)</u>	<u>1% Increase (7.25% Decreasing to 6.00%)</u>
Total OPEB Liability	\$ 549,999	\$ 627,421	\$ 721,694

For the year ended December 31, 2019, the County recognized OPEB expense of \$80,576.

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ -	\$ 19,050
Contributions subsequent to the measurement date	33,505	-
Total	<u>\$ 33,505</u>	<u>\$ 19,050</u>

At December 31, 2019, the County reported \$33,505 in deferred outflows of resources resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ending December 31, 2020.

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

E. Changes in Total OPEB Liability (Continued)

<u>Year Ended December 31,</u>	<u>OPEB Expense</u>
2020	\$ (2,722)
2021	(2,722)
2022	(2,722)
2023	(2,722)
2024	(2,722)
Thereafter	(5,440)

NOTE 7 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters for which the County carries commercial insurance. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Insurance Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. For other risks of loss, 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 four fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2019. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 7 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

B. 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.

During 2019, counties were notified by the Minnesota Department of Human Services (DHS) that DHS made errors in the calculation of Substance Use Disorder (SUD) for Institutes of Mental Disease (IMD) claims from January 2014 to June 2019. Based on these errors, DHS has requested counties repay \$8.8 million to DHS. Kanabec County's share of the \$8.8 million is \$14,847. Minnesota Counties have raised concerns over how the amount was calculated, the accuracy of the calculation and whether DHS has the legal/statutory authority to require the Counties to repay the amounts. The Association of Minnesota Counties (AMC) has recommended that the counties not repay any amounts until these concerns have been addressed, and after the conclusion of the 2020 Minnesota legislative session, in hopes that this matter is resolved by other means. Therefore, this \$86,866 has not been recorded as a liability by the county as of December 31, 2019.

The County is a defendant in various lawsuits and has received notice of other possible claims. Although the outcome of these lawsuits and other possible claims is not presently determinable, in the opinion of the county attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

C. Joint Ventures

East Central Solid Waste Commission

The East Central Solid Waste Commission was established in March 1988 by a joint powers agreement among Chisago, Isanti, Kanabec, Mille Lacs, and Pine Counties to conduct a solid waste management program on behalf of the participating counties. The Commission is an organized joint venture having powers, duties, and privileges granted joint powers by Minnesota Statutes §471.59. The commission comprises five members, one voting member from each county. At its annual meeting, the board of County commissioners of each county chooses a member and an alternate, both county commissioners, as representatives of the County. Each county has one voting member and, in the absence of the voting member, the alternate votes.

Each County's proportionate share of the total operating costs is based on the most recent census data available and is to adjust upon the admission of additional counties or the withdrawal of counties. The Commission will remain in existence so long as two or more counties remain as parties to the agreement or until July 1, 2026. Upon dissolution of the Commission, there will be an audit to determine assets and liabilities and the proceeds will be distributed to the counties based on their respective ratios set by the most recent census data.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 7 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

C. Joint Ventures (Continued)

East Central Solid Waste Commission (Continued)

Each county's share of the Commission's assets, liabilities, and equities cannot be accurately determined since it will fluctuate with census data rather than ownership interest.

During 2019, the County made no contributions to the Commission. There is no accumulation of significant financial resources or fiscal distress to the entity.

Complete financial statements of the East Central Solid Waste Commission can be obtained at 1756 – 180th Avenue, Mora, Minnesota 55051.

East Central Regional Library

The East Central Regional Library was established by a joint powers agreement among Aitkin, Chisago, Isanti, Kanabec, Mille Lacs, and Pine Counties to provide an efficient and improved regional public library service. The Library Board comprises 18 members, one County board member, and two appointees from each member county.

During 2019, the County paid \$157,724 to the East Central Regional Library. The County has no fiscal responsibility to the library beyond the annual appropriation. There is no accumulation of significant financial resources or fiscal distress to the entity.

Complete financial statements of the East Central Regional Library can be obtained at 244 South Birch, Cambridge, Minnesota 55008.

Snake River Watershed Management Board (SRWMB)

The Snake River Watershed Management Board was established in April 1993 by Aitkin, Kanabec, Mille Lacs, and Pine counties, pursuant to Minnesota Statutes §471.59, as a joint powers entity. Its purpose is to coordinate the member county water plans and to develop objectives to promote sound hydrologic management of the water and related land resources.

The four member board consists of one County Commissioner from each of the participating counties. Financial responsibility exists because once the SRWMB has established a budget and determined which projects will be undertaken, each member county is required by the agreement to provide appropriate financial support. The SRWMB establishes an annual budget and participation in the administrative costs is: Aitkin County 20.8 percent, Kanabec County 49.5 percent, Mille Lacs County 9.2 percent, and Pine County 20.5 percent. Upon dissolution, the personal property shall be returned to the member county contributing the same.

During 2019, the County paid \$24,072 for the SRWMB operations. Kanabec County is the fiscal agent and records the SRWMB's activities in an agency fund. There is no accumulation of significant financial resources or fiscal distress to the entity.

Separate financial information can be obtained from the Snake River Watershed Management Board.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 7 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

C. Joint Ventures (Continued)

Kanabec County Economic Development Commission

The Kanabec County Economic Development Commission was established in July 1996, pursuant to Minnesota Statutes §471.59 as a joint powers entity. Its purpose is to facilitate economic development within the City of Mora, Kanabec County, and the boundaries of Independent School District 332. The board consists of five members: two appointed by the City of Mora, two appointed by Kanabec County, and one appointed by Independent School District 332.

During 2019, the County made no payments to the Kanabec County Economic Development Commission. There is no accumulation of significant financial resources or fiscal distress to the entity.

The Commission is an advisory commission and the County has no fiscal responsibility (benefit or burden). Funding for the Commission is provided by donations. The City of Mora is the fiscal agent and records the Commission's activities in a special revenue fund. Separate financial information is not available.

South Country Health Alliance

South Country Health Alliance (SCHA) was created by a joint powers agreement between Brown, Dodge, Freeborn, Goodhue, Kanabec, Mower, Sibley, Steele, Wabasha, and Waseca Counties on July 24, 1998, under Minnesota Statutes §471.59. In 2007, Cass, Crow Wing, Morrison, Todd, and Wadena Counties became members. Freeborn, Cass, Crow Wing, and Mower Counties have since withdrawn. The agreement was in accordance with Section 256B.692, which allows the formation of a board of directors to operate, control, and manage all matters concerning the participating member counties' health care functions, referred to as county-based purchasing.

The purpose of SCHA is to improve the social and health outcomes of its clients and all citizens of its member counties by better coordinating social service, public health and medical services, and promoting the achievement of public health goals. The SCHA is authorized to provide prepaid comprehensive health maintenance services to persons enrolled under Medicaid and General Assistance Medical Care in each of the member counties.

Each member county has an explicit and measurable right to its share of the total capital surplus of the SCHA. Gains and losses are allocated annually to all members based on the percentage of their utilization. The County's equity interest in the SCHA at December 31, 2019 was \$2,662,034. The equity interest is reported as an investment in joint venture on the government-wide statement of net position. Changes in equity are included in the government-wide statement of activities as Human Services. The County did not receive any distributions from the SCHA during 2019 and does not anticipate any further distributions at this time. There is no accumulation of significant financial resources or fiscal distress to the entity.

Complete financial statements for the SCHA may be obtained from its fiscal agent at 630 Florence Avenue, P.O. Box 890, Owatonna, Minnesota 55060-0890.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 7 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

D. Jointly-Governed Organizations

Kanabec County Collaborative

The Kanabec County Collaborative was established pursuant to Minnesota Statutes §121.8355 (now 124D.23). The members of the Collaborative include Kanabec County Social Services; Kanabec County Corrections; Kanabec County Public Health, Community Action Agency and Head Start; Mora School District; and Ogilvie School District. The purpose of the Collaborative is to expand prevention and early intervention services for children and families.

During 2019, the County made no contributions to the Collaborative.

The Collaborative is an advisory committee and the County has no fiscal responsibility (benefit or burden). Control of the Kanabec County Collaborative is vested in the Executive Committee which consists of a collaborative coordinator and a voting representative of each member agency. Separate financial statements are not available.

NOTE 8 SUBSEQUENT EVENT

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the Agency is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES

A. Summary of Significant Accounting Policies

In addition to those identified in Note 1, the County's discretely presented component unit, Welia Health (Hospital) (System), has the following significant accounting policies:

1. Reporting Entities

The Hospital is governed by a board of directors who are appointed by the Board of County Commissioners.

2. Method of Accounting

The Hospital reports in accordance with the "Audit and Accounting Guide for Health Care Organizations" published by the American Institute of Certified Public Accountants which prescribes accounting and reporting policies, some of which are unique to providers of health care services.

3. Proprietary Fund Accounting

The Hospital's one fund is presented as a proprietary fund and is accounted for on the accrual basis. Substantially all revenue and expenses are subject to accrual.

4. Cash and Cash Equivalents

For purposes of the statements of cash flows, cash equivalents are considered to be highly liquid investments with an original maturity of ninety days or less and exclude noncurrent cash and investments. Cash and cash equivalents held by trustee for operating expenses is cash required to be held by the Hospital for operations under the arrangements of the Health Facilities Bonds.

5. Inventories

Inventories are stated at cost (principally on the first-in, first-out basis) not in excess of market value. Market value is determined by comparison with recent purchases.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES (CONTINUED)

A. Summary of Significant Accounting Policies (Continued)

6. Accounts Receivable

Patient receivables are shown at the amount expected to be collectable after determining the allowance for doubtful accounts and contractual adjustments from third-party payors.

The Hospital provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Services are sold on an unsecured basis. Payment is required 30 days after receipt of invoice. Accounts past due more than 90 days are individually analyzed for collectability. In addition, an allowance is provided for other accounts when a significant pattern of uncollectibility has occurred. At December 31, 2019, the allowance for doubtful account was \$6,541,000. When all collection efforts have been exhausted, the account is written-off against the related allowance.

7. Capital Assets

Capital Assets are stated at cost, if purchased or at fair market value on the date received, if donated, less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the property.

8. Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

9. Net Position

Net position of the Hospital is classified in three components. Net investment in capital assets, consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the System. Unrestricted net position is remaining net position that does not meet the definition of net investment in capital assets or restricted.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES (CONTINUED)

B. Detailed Notes on All Funds

1. Assets

Deposits

The Hospital deposits in banks at December 31, 2019 were covered by federal depository insurance or by collateral held by the Organization's custodial bank in the Hospital's name.

As of December 31, 2019, the Hospital had total cash and investments of \$60,768,102 of which \$4,131,318 was classified as noncurrent.

Receivables

Patient accounts receivable reported as current assets by the Hospital at December 31, 2019 consist of these amounts:

Receivable from Patients and Their Insurance Carriers	\$ 17,637,415
Other	1,936,849
Less: Allowance for Uncollectible Amounts	<u>(6,541,000)</u>
Net Patient Accounts Receivable	<u><u>\$ 13,033,264</u></u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES (CONTINUED)

B. Detailed Notes on All Funds (Continued)

2. Assets (Continued)

Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance December 31, 2018	Additions	Transfers and Retirements	Balance December 31, 2019
Capital Assets, Not Being Depreciated				
Land	\$ 1,996,692	\$ -	\$ -	\$ 1,996,692
Construction-in-Progress	2,404,158	13,169,002	(14,675,750)	897,410
Total Capital Assets Not Being Depreciated	4,400,850	13,169,002	(14,675,750)	2,894,102
Capital Assets Depreciated				
Land Improvements	2,357,395	7,350	895,527	3,260,272
Buildings	50,947,663	-	10,264,548	61,212,211
Fixed Equipment	17,286,112	32,235	725,398	18,043,745
Movable Equipment	22,119,982	2,482,847	-	24,602,829
Ambulance and Minor Equipment	744,796	-	-	744,796
Total Capital Assets Being Depreciated	93,455,948	2,522,432	11,885,473	107,863,853
Less: Accumulated Depreciation for				
Land Improvements	1,107,696	187,623	-	1,295,319
Buildings	11,521,428	2,592,486	-	14,113,914
Fixed Equipment	7,566,721	982,636	-	8,549,357
Movable Equipment	16,069,652	1,368,094	-	17,437,746
Ambulance and Minor Equipment	619,904	46,283	-	666,187
Total Accumulated Depreciation	36,885,401	5,177,122	-	42,062,523
Capital Assets, Net	<u>\$ 60,971,397</u>	<u>\$ 10,514,312</u>	<u>\$ (2,790,277)</u>	<u>\$ 68,695,432</u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES (CONTINUED)

B. Detailed Notes on All Funds (Continued)

3. Liabilities

Long-Term Debt

Long-term debt outstanding at December 31, 2019, consists of the following:

Healthcare Revenue Bond Anticipation Notes, Series 2018, refinanced to U.S. Department of Agriculture Direct Loan, due in installments of \$2,614,920, including interest of 3.0%, until November 2054. Secured by Capital Assets	\$ 56,523,590
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General Obligation Medical Facilities Bonds, Series 2001 refinanced to Series 2012B, Due in Varying Annual Installments of \$240,000 to \$310,000 including Interest Ranging from .35% to 1.6% to May 1, 2022, Secured by the Revenue and Taxing Powers of Kanabec County.	920,000
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U.S. Department of Agriculture guaranteed loan of \$4,900,000, due in installments of \$355,288, including interest of 3.91%, to November 2039. Secured by Capital Assets.	<u>4,886,603</u>
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Total	62,330,193
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Less: Current Maturities	(1,396,974)
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Unamortized Bond Discount	<u>(4,609)</u>
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Total Long-Term Portion	<u><u>\$ 60,928,610</u></u>
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**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES (CONTINUED)

B. Detailed Notes on All Funds (Continued)

3. Liabilities (Continued)

Long-Term Debt (Continued)

The following schedule summarizes the changes related to debt outstanding at December 31, 2019:

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019	Due in One Year
General Obligation Bonds	\$ 1,215,000	\$ -	\$ (295,000)	\$ 920,000	\$ 300,000
Revenue Bonds	56,600,000	56,600,000	(56,676,410)	56,523,590	932,717
Revenue Note	-	4,900,000	(13,397)	4,886,603	164,257
Bond Discount	(6,424)	-	(1,815)	(4,609)	-
Total	<u>\$ 57,808,576</u>	<u>\$ 61,500,000</u>	<u>\$ (56,986,622)</u>	<u>\$ 62,325,584</u>	<u>\$ 1,396,974</u>

Following is a maturity schedule of long-term debt as of December 31, 2019:

Year Ending December 31,	Long-Term Debt	
	Principal	Interest
2020	\$ 1,396,974	\$ 1,886,737
2021	1,439,612	1,847,726
2022	1,475,710	1,806,978
2023	1,202,974	1,767,234
2024	1,241,445	1,728,763
2025-2029	6,829,361	8,021,680
2030-2034	7,996,498	6,854,543
2035-2039	9,336,508	5,484,925
2040-2044	9,006,664	4,067,936
2045-2049	10,463,727	2,610,873
2050-2054	11,940,720	918,088
Total	<u>\$ 62,330,193</u>	<u>\$ 36,995,483</u>

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES (CONTINUED)

C. Employee Retirement Systems and Pension Plans

All full-time and certain part-time employees of the Hospital are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA) as described in Note 4. The Hospital's contributions to PERA for the year ended December 31, 2019 were \$2,063,197, and such amounts equal the required contributions for the year.

D. Other Postemployment Benefits

The Hospital administers a single-employer defined benefit healthcare plan. The plan provides healthcare insurance for eligible retirees and their spouses through the Hospital's group health insurance plan, which covers both active and retired members. The healthcare plan does not issue a publicly available financial report.

The Hospital does not contribute to the cost of premiums for eligible retired plan members and their spouses. Because the actual cost for retirees is higher than the average per-person premium for the entire group, the difference gives rise to an implicit rate subsidy. The Hospital pays the difference between the actual and apparent cost.

Qualified employees may choose to participate in the System's insurance plan after retirement, with no contribution from the System. The System provides these benefits to retirees as required by Minnesota Statute 471.61 subdivision 2b. As of December 31, 2019, there was one retiree and two spouses receiving benefits from the System's health plan. There were no inactive employees entitled to but not yet receiving benefits.

Net OPEB Liability (Asset)

The components of the net OPEB liability (asset) of the System at December 31, 2019 are as follows:

Total OPEB Liability	\$ 969,447
Plan Fiduciary Net Position	-
System's Net OPEB Liability (Asset)	<u>\$ 969,447</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	- %

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES (CONTINUED)

D. Other Postemployment Benefits

Net OPEB Liability (Asset) (Continued)

The changes in net OPEB liability (asset) are as follows:

	Increase (Decrease)		
	Total OPEB	Plan Fiduciary	Net OPEB
Balances - December 31, 2018	\$ 886,647	\$ -	\$ 886,647
Changes for the Year:			
Service Cost	82,089	-	82,089
Interest Cost	31,465	-	31,465
Differences Between Expected and Actuarial Experience	-	-	-
Changes in Assumptions or Other Inputs	-	-	-
Contributions - Employer	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(30,754)	-	(30,754)
Administrative Expense	-	-	-
Net Changes	82,800	-	82,800
Balances - December 31, 2019	\$ 969,447	\$ -	\$ 969,447

The following presents the net OPEB liability (asset) of the System, as well as what the System's net OPEB liability (asset) would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate and total OPEB liability if the medical trend rates were calculated using one percentage point lower or one percentage point higher, respectively:

	1% Decrease (2.30%)	Discount Rate (3.30%)	1% Increase (4.30%)
December 31, 2019			
Net OPEB Liability (Asset)	\$ 1,054,148	\$ 969,447	\$ 891,042

Medical Trend Rate Sensitivity	1% Decrease	Current Trend	1% Increase
Total OPEB Liability	\$ 847,561	\$ 969,447	\$ 1,116,914

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES (CONTINUED)

D. Other Postemployment Benefits (Continued)

Net OPEB Liability (Asset) (Continued)

For the year ended December 31, 2019, the System recognized OPEB expenses of \$113,554. At December 31, 2019, the System report deferred outflows of resources and deferred inflows of resources related to OPEB. The full amount of deferred outflows is related to 2019.

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Liability	\$ -	\$ -
Changes in Assumptions	-	-
Net Difference Between Projected and Actual Investment Earnings	-	-
Employer Contributions	30,778	-
Total	<u>\$ 30,778</u>	<u>\$ -</u>

Actuarial Methods and Assumptions

Based on the implementation of GASB 75, the actuarial cost method changed from using one of six different actuarial cost methods to the Entry Age Normal cost method on a level percentage of projected salary.

The total OPEB liability was determined by an actuarial valuation as of December 31 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.30 %
20-Year Municipal Bond Yield	3.30 %
Inflation Rate	2.50 %
Salary Increases	3.00 %

Mortality rates were based on RP-2014 generational table, scaled using MP-17 scaling factors, applied on a gender-specific basis.

Discount rate is used to reflect the time value of money. Discount rates are used in determining the present value as of the valuation date of future cash flows currently expected to be required to satisfy the postretirement benefit obligation.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES (CONTINUED)

D. Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions (Continued)

Experience gains and losses are amortized over a closed period starting on January 1, 2018 equal to the average remaining service of active and inactive plan members.

Funded Status and Funding Progress

As of January 1, 2018, the most recent valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$886,647 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$969,447. The covered payroll was \$22,099,271 and the ratio of the UAAL to the covered payroll was 4.39%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Investment in Joint Ventures

Central Minnesota Diagnostic, Inc. (CMDI)

The System and other organizations (all of which are unrelated parties to the System) formed a nonprofit corporation known as Central Minnesota Diagnostic, Inc. (CMDI). CMDI was organized to provide certain agreed-upon shared services to those entities who are members of this corporation.

CMDI provides the equipment for CT scans, ultrasound, MRI, and other services for the System's patients. The System billed and collected the revenue for these services to patients and paid CMDI \$1,779,344 in 2019 for the use of the equipment. Accounts payable to CMDI for these services at December 31, 2019, amounted to \$147,500. At December 31, 2019, the System owned 3.77% of CMDI. The outstanding balance in joint ventures consists primarily of CMDI. Separate financial statements of CMDI are prepared and are available from CMDI.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 COMPONENT UNIT DISCLOSURES (CONTINUED)

E. Investment in Joint Ventures (Continued)

SISU Medical Solutions, LLC

The System is one of several members of SISU Medical Solutions, a Minnesota limited liability company. Its principal business is managing health care information systems for its members and other health care organizations in Northern Minnesota. The majority of its revenue is from related parties, principally SISU Medical Systems and member organizations.

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

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS**

	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015
General Employees Retirement Fund - Kanabec County					
County's Proportion of the Net Pension Liability	0.121%	0.125%	0.121%	0.117%	0.119%
County's Proportionate Share of the Net Pension Liability	\$ 6,678,761	\$ 6,934,488	\$ 7,750,096	\$ 9,516,059	\$ 6,162,015
State's Proportionate Share of the Net Pension Liability	\$ 207,582	\$ 227,463	\$ 97,450	\$ 124,251	\$ -
County's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability	\$ 6,886,343	\$ 7,161,951	\$ 7,847,546	\$ 9,640,310	\$ 6,162,015
County's Covered Payroll	\$ 8,546,628	\$ 8,404,865	\$ 7,822,331	\$ 7,161,882	\$ 7,008,658
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	78.14%	82.51%	99.08%	132.87%	87.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.20%	75.90%	75.90%	68.90%	78.20%
General Employees Retirement Fund - Welia Health					
Welie Health's Proportion of the Net Pension Liability	0.391%	0.373%	0.375%	0.346%	0.334%
Welie Health's Proportionate Share of the Net Pension Liability	\$ 20,970,647	\$ 20,703,606	\$ 23,958,904	\$ 28,069,125	\$ 17,299,248
State's Proportionate Share of the Net Pension Liability	\$ 651,805	\$ 679,218	\$ 301,301	\$ 366,578	\$ -
County's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability	\$ 21,622,452	\$ 21,382,824	\$ 24,260,205	\$ 28,435,703	\$ 17,299,248
Welie Health's Covered Payroll	\$ 28,814,166	\$ 26,801,936	\$ 25,116,433	\$ 23,150,342	\$ 20,870,249
Welie Health's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	72.78%	77.25%	95.39%	121.25%	82.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.20%	75.90%	75.90%	68.90%	78.20%
Public Employees Police and Fire Fund					
County's Proportion of the Net Pension Liability	0.154%	0.141%	0.135%	0.127%	0.122%
County's Proportionate Share of the Net Pension Liability	\$ 1,639,486	\$ 1,505,047	\$ 1,822,661	\$ 5,096,731	\$ 1,386,205
County's Covered Payroll	\$ 2,408,017	\$ 1,488,422	\$ 1,382,226	\$ 1,223,073	\$ 1,100,671
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	68.08%	101.12%	131.86%	416.72%	125.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.30%	85.43%	85.43%	63.90%	86.60%
Public Employees Correctional Fund					
County's Proportion of the Net Pension Liability	0.770%	0.793%	0.720%	0.710%	0.710%
County's Proportionate Share of the Net Pension Liability	\$ 106,633	\$ 130,394	\$ 2,052,007	\$ 2,593,729	\$ 109,766
County's Covered Payroll	\$ 1,642,689	\$ 1,619,222	\$ 1,476,879	\$ 1,338,653	\$ 1,227,322
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	6.49%	8.05%	138.94%	193.76%	8.94%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	98.20%	67.89%	67.89%	58.20%	96.90%

NOTE: Amounts prior to the measurement date of June 30, 2015 are not available.

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**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2019	2018	2017	2016	2015	2014
General Employees Retirement Fund - Kanabec County						
Contractually Required Contribution	\$ 564,611	\$ 630,365	\$ 586,563	\$ 555,930	\$ 535,155	\$ 495,857
Contributions in Relation to the Contractually Required Contribution	(564,611)	(630,365)	(586,563)	(555,930)	(535,155)	(495,857)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 7,528,147	\$ 8,404,867	\$ 7,820,840	\$ 7,412,400	\$ 7,135,400	\$ 6,839,407
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.25%
General Employees Retirement Fund - Welia Health						
Contractually Required Contribution	\$ 2,063,197	\$ 1,952,623	\$ 1,830,855	\$ 1,713,228	\$ 1,551,539	\$ 1,333,574
Contributions in Relation to the Contractually Required Contribution	(2,063,197)	(1,952,623)	(1,830,855)	(1,713,228)	(1,551,539)	(1,333,574)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The System's Covered Payroll	\$ 27,509,293	\$ 26,034,973	\$ 24,411,400	\$ 22,843,040	\$ 20,687,187	\$ 18,394,124
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.25%
Public Employees Police and Fire Fund						
Contractually Required Contribution	\$ 232,343	\$ 241,125	\$ 223,933	\$ 206,674	\$ 192,551	\$ 166,985
Contributions in Relation to the Contractually Required Contribution	(232,343)	(241,125)	(223,933)	(206,674)	(192,551)	(166,985)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 1,370,755	\$ 1,488,426	\$ 1,382,302	\$ 1,275,765	\$ 1,188,586	\$ 1,091,405
Contributions as a Percentage of Covered Payroll	16.95%	16.20%	16.20%	16.20%	16.20%	15.30%
Public Employees Correctional Fund						
Contractually Required Contribution	\$ 123,605	\$ 141,682	\$ 126,364	\$ 118,881	\$ 114,901	\$ 108,884
Contributions in Relation to the Contractually Required Contribution	(123,605)	(141,682)	(126,364)	(118,881)	(114,901)	(108,884)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 1,412,629	\$ 1,619,223	\$ 1,444,160	\$ 1,358,640	\$ 1,313,154	\$ 1,244,389
Contributions as a Percentage of Covered Payroll	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%

NOTE: Amounts for prior to 2014 are not available.

**KANABEC COUNTY
MORA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,423,065	\$ 6,423,065	\$ 6,373,066	\$ (49,999)
Special Assessments	450	450	81,402	80,952
Licenses and Permits	81,800	81,800	115,512	33,712
Intergovernmental	2,638,155	2,638,155	2,500,127	(138,028)
Charges for Services	2,103,795	2,103,795	2,306,899	203,104
Fines and Forfeits	-	-	616	616
Gifts and Contributions	10,000	10,000	25,068	15,068
Investments Earnings	122,764	122,764	130,154	7,390
Miscellaneous	1,170,579	1,170,579	880,365	(290,214)
Total Revenues	12,550,608	12,550,608	12,413,209	(137,399)
EXPENDITURES				
CURRENT				
GENERAL GOVERNMENT				
Commissioners	190,229	190,229	151,341	38,888
Courts	35,280	35,280	40,051	(4,771)
Law Library	14,300	14,300	7,845	6,455
County Administration	426,340	426,340	461,079	(34,739)
County Auditor-Treasurer	671,770	671,770	782,575	(110,805)
County Assessor	600,051	600,051	495,823	104,228
Elections	15,350	15,350	21,958	(6,608)
Data Processing	349,679	349,679	370,813	(21,134)
Attorney	702,367	702,367	782,767	(80,400)
Recorder	146,860	146,860	213,241	(66,381)
Surveyor	12,500	12,500	3,972	8,528
Planning and Zoning	303,817	303,817	326,415	(22,598)
Buildings and Plant	675,492	675,492	720,780	(45,288)
Veterans Service Officer	98,861	98,861	97,405	1,456
Other General Government	319,750	319,750	507,747	(187,997)
Regional Rail Authority	-	-	1,606	(1,606)
Public Transit	992,126	992,126	1,094,163	(102,037)
Total General Government	5,554,772	5,554,772	6,079,581	(524,809)
PUBLIC SAFETY				
Sheriff	2,469,552	2,469,552	2,590,696	(121,144)
Boat and Water Safety	6,600	6,600	639	5,961
Coroner	50,000	50,000	41,036	8,964
E-911 System	28,426	28,426	117,935	(89,509)
County Jail	3,459,230	3,459,230	3,201,441	257,789
Probation and Parole	536,156	536,156	556,497	(20,341)
ATV Program	3,154	3,154	-	3,154
Total Public Safety	6,553,118	6,553,118	6,508,244	44,874

Notes to Required Supplementary Information are an Integral Part of this Schedule.

**KANABEC COUNTY
MORA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
EXPENDITURES (Continued)				
CURRENT (Continued)				
SANITATION				
Solid Waste	\$ 108,098	\$ 108,098	\$ 155,147	\$ (47,049)
CONSERVATION OF NATURAL RESOURCES				
County Extension	82,363	82,363	82,787	(424)
INTERGOVERNMENTAL				
Culture and Recreation	166,368	166,368	167,994	(1,626)
CAPITAL OUTLAY				
General Government	208,078	208,078	96,447	111,631
Public Safety	138,954	138,954	57,954	81,000
Total Capital Outlay	<u>347,032</u>	<u>347,032</u>	<u>154,401</u>	<u>192,631</u>
DEBT SERVICE				
Principal Retirement	40,532	40,532	158,755	(118,223)
Interest	<u>5,603</u>	<u>5,603</u>	<u>15,153</u>	<u>(9,550)</u>
Total Debt Service	<u>46,135</u>	<u>46,135</u>	<u>173,908</u>	<u>(127,773)</u>
Total Expenditures	<u>12,857,886</u>	<u>12,857,886</u>	<u>13,322,062</u>	<u>(464,176)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(307,278)	(307,278)	(908,853)	(601,575)
OTHER FINANCING SOURCES (USES)				
Transfer In	12,500	12,500	-	(12,500)
Transfer Out	(102,000)	(102,000)	(102,000)	-
Loan Proceeds	-	-	104,656	104,656
Proceeds from the Sale of Capital Assets	<u>365,000</u>	<u>365,000</u>	<u>6,391</u>	<u>(358,609)</u>
Total Other Financing Sources (Uses)	<u>275,500</u>	<u>275,500</u>	<u>9,047</u>	<u>(266,453)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (31,778)</u>	<u>\$ (31,778)</u>	(899,806)	<u>\$ (868,028)</u>
Fund Balance - Beginning of Year			<u>4,516,583</u>	
FUND BALANCE - END OF YEAR			<u>\$ 3,616,777</u>	

Notes to Required Supplementary Information are an Integral Part of this Schedule.

**KANABEC COUNTY
MORA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,300,090	\$ 2,300,090	\$ 2,096,274	\$ (203,816)
Licenses and Permits	33,000	33,000	34,469	1,469
Intergovernmental	3,111,472	3,111,472	4,233,319	1,121,847
Charges for Services	-	-	403,452	403,452
Miscellaneous	150,000	150,000	10,524	(139,476)
Total Revenues	5,594,562	5,594,562	6,778,038	1,183,476
EXPENDITURES				
CURRENT				
HIGHWAY AND STREETS				
Administration	290,022	290,022	260,753	29,269
Maintenance	1,808,617	1,808,617	842,670	965,947
Construction	543,920	543,920	216,279	327,641
Equipment and Maintenance Shops	767,315	767,315	681,101	86,214
Unallocated - Highways and Streets	861,688	861,688	846,107	15,581
Total Current	4,271,562	4,271,562	2,846,910	1,424,652
CAPITAL OUTLAY	2,050,000	2,050,000	4,256,232	(2,206,232)
DEBT SERVICE				
Principal Retirement	40,532	40,532	2,087	38,445
Interest	5,603	5,603	169	5,434
Total Debt Service	46,135	46,135	2,256	43,879
Total Expenditures	6,367,697	6,367,697	7,105,398	(737,701)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(773,135)	(773,135)	(327,360)	445,775
OTHER FINANCING SOURCES (USES)				
Transfer In	727,000	727,000	102,000	(625,000)
Total Other Financing Sources (Uses)	727,000	727,000	102,000	(625,000)
NET CHANGE IN FUND BALANCE	<u>\$ (46,135)</u>	<u>\$ (46,135)</u>	(225,360)	<u>\$ (179,225)</u>
Fund Balance - Beginning of Year			4,270,451	
INCREASE IN INVENTORIES			22,355	
FUND BALANCE - END OF YEAR			<u>\$ 4,067,446</u>	

Notes to Required Supplementary Information are an Integral Part of this Schedule.

**KANABEC COUNTY
MORA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
FAMILY SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,203,954	\$ 2,203,954	\$ 1,974,704	\$ (229,250)
Intergovernmental	3,173,527	3,173,527	3,377,972	204,445
Charges for Services	128,000	128,000	92,052	(35,948)
Miscellaneous	554,212	554,212	495,007	(59,205)
Total Revenues	6,059,693	6,059,693	5,939,735	(119,958)
EXPENDITURES				
CURRENT				
HUMAN SERVICES				
Income Maintenance	2,000,088	2,000,088	1,920,565	79,523
Social Services	4,059,605	4,059,605	4,047,277	12,328
Total Human Services	6,059,693	6,059,693	5,967,842	91,851
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(28,107)	(28,107)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(28,107)	\$ (28,107)
Fund Balance - Beginning of Year			940,093	
FUND BALANCE - END OF YEAR			\$ 911,986	

Notes to Required Supplementary Information are an Integral Part of this Schedule.

**KANABEC COUNTY
MORA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
ECONOMIC DEVELOPMENT AUTHORITY FUND
YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 139,768	\$ 139,768	\$ 136,293	\$ (3,475)
Intergovernmental	26,500	26,500	14,534	(11,966)
Charges for Services	2,000	2,000	1,290	(710)
Gifts and Contributions	3,500	3,500	12,375	8,875
Total Revenues	<u>171,768</u>	<u>171,768</u>	<u>164,492</u>	<u>(7,276)</u>
EXPENDITURES				
CURRENT				
ECONOMIC DEVELOPMENT				
Economic Development	<u>171,768</u>	<u>171,768</u>	<u>147,663</u>	<u>24,105</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>16,829</u>	<u>\$ 16,829</u>
Fund Balance - Beginning of Year			<u>22,190</u>	
FUND BALANCE - END OF YEAR			<u>\$ 39,019</u>	

Notes to Required Supplementary Information are an Integral Part of this Schedule.

**KANABEC COUNTY
MORA, MINNESOTA
BUDETARY COMPARISON SCHEDULE – COMMUNITY HEALTH FUND
YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 341,525	\$ 341,525	\$ 304,738	\$ (36,787)
Intergovernmental	1,743,854	1,743,854	1,665,491	(78,363)
Charges for Services	1,085,997	1,085,997	935,363	(150,634)
Gifts and Contributions	11,000	11,000	9,054	(1,946)
Miscellaneous	2,725	2,725	13,456	10,731
Total Revenues	3,185,101	3,185,101	2,928,102	(256,999)
EXPENDITURES				
CURRENT				
HEALTH				
Community Health	3,185,101	3,185,101	3,192,912	(7,811)
Total Health	3,185,101	3,185,101	3,192,912	(7,811)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(264,810)	<u>\$ (264,810)</u>
Fund Balance - Beginning of Year			982,170	
FUND BALANCE - END OF YEAR			<u>\$ 717,360</u>	

Notes to Required Supplementary Information are an Integral Part of this Schedule.

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED RATIOS, AND NOTES
LAST TEN FISCAL YEARS
YEAR ENDED DECEMBER 31, 2019**

	Measurement Date January 1, 2019	Measurement Date January 1, 2018
Total OPEB Liability		
Service Cost	\$ 62,244	\$ 65,311
Interest	21,054	18,997
Benefit Payments	(19,535)	(18,343)
Assumption Changes	(21,772)	-
Net Change in Total OPEB Liability	41,991	65,965
Total OPEB Liability - Beginning	585,430	519,465
Total OPEB Liability - Ending	<u>\$ 627,421</u>	<u>\$ 585,430</u>
 Covered Employee Payroll	 \$ 9,258,853	 \$ 8,989,178
 County's OPEB Liability as a Percentage of Covered Employee Payroll	 7%	 7%

Note 1: The County implemented GASB Statement No. 75 in 2018, and the above table will be expanded to 10 years of information as the information becomes available.

Note 2: No assets are accumulated in a trust.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

I. BUDGETARY INFORMATION

The Board of County Commissioners adopts an annual budget for the following major funds: The General Fund, Road and Bridge Special Revenue Fund, Family Services Special Revenue Fund, Economic Development Authority Special Revenue Fund, and Community Health Special Revenue Fund. These budgets are prepared on the modified accrual basis of accounting. Annual budgets are not adopted for the Forfeited Tax Special Revenue Fund, and Debt Service Fund.

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

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

II. EXCESS OF EXPENDITURES OVER BUDGET

The following fund had expenditures in excess of budget at the fund level for the year ended December 31, 2019:

	Actual	Budget	Excess
General Fund	\$ 13,322,062	\$ 12,857,886	\$ 464,176
Road and Bridge Special Revenue Fund	7,105,398	6,367,697	737,701
Community Health Special Revenue Fund	3,192,912	3,185,101	7,811

These over-expenditures were funded by greater than anticipated revenues and existing fund balance.

III. Defined benefit pension plans – changes in significant plan provisions, actuarial methods, and assumptions

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended December 31, 2019.

General Employees Plan

2019

- The morality projection scale was changed from MP-2017 to MP-2018.
- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

III. Defined benefit pension plans – changes in significant plan provisions, actuarial methods, and assumptions (Continued)

General Employees Plan (Continued)

2017

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5 % per year thereafter.
- Minneapolis Employees Retire Fund plan provisions change the employer supplemental contribution to \$21,000,000 in calendar years 2017 and 2018 and returns to \$31,000 through calendar year 2031. The state's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar year 2031.

2016

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

Police and Fire Plan

2019

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

2018

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed postretirement benefit increase was changed from 1.0% per year through 2064 and 2.5% per year, thereafter, to 1.0% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding or July 1, 2048, if earlier.
- Member contributions were changed effective January 1, 2019, and January 1, 2020, from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.20 percent to 16.95 percent 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.

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

III. Defined benefit pension plans – changes in significant plan provisions, actuarial methods, and assumptions (Continued)

Police and Fire Plan (Continued)

2017

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

2016

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

**KANABEC COUNTY
MORA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

III. Defined benefit pension plans – changes in significant plan provisions, actuarial methods, and assumptions (Continued)

Correctional Plan

2019

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

2018

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

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 MP-2016).
- The Combined Service Annuity (CSA) load was 30% for vested and nonvested, deferred members. The CSA has been changed to 35% for vested members and 1% for nonvested members.
- The Single Discount Rate was changed from 5.31% per annum to 5.96% per annum.

2016

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

IV. Other postemployment benefit changes in significant plan provisions, actuarial methods, and assumptions:

The County obtained an actuarial valuation as of January 1, 2015. Since the actuarial valuation as of January 1, 2012, the following assumptions have changed:

2018

- The discount rate was changed from 3.5% to 3.3%

2019

- The discount rate was changed from 3.3% to 3.8%.

SUPPLEMENTARY INFORMATION

**KANABEC COUNTY
MORA, MINNESOTA
DESCRIPTION OF FUNDS**

Agency Funds

Kanabec County Collaborative

The Kanabec County Collaborative Fund is used to account for monies passed through to the Kanabec County Collaborative.

Knife Lake Improvement District

The Knife Lake Improvement District Fund is used to account for collection and payment of contributions to the Knife Lake Improvement District.

Mortgage Registry and State Deed Tax

The Mortgage Registry and State Deed Tax Fund are used to account for the collection and payment of mortgage registry and state deed tax.

Taxes and Penalties

The Taxes and Penalties Fund is used to account for the collection and distribution of property taxes within the County for all municipalities.

Prepaid Tax

The Prepaid Tax Fund is used to account for the collection and payment of prepaid taxes.

Snake River Watershed Management Board

The Snake River Watershed Management Board Fund is used to account for activities performed as a fiscal agent.

State Revenue

The State Revenue Fund is used for transfers of the state share of mortgage registry tax.

Town and Road

The Town and Road Fund are used to account for collection of state town road funds and their distribution to townships.

Withholding Tax and Social Security

The Withholding Tax and Social Security Fund is used to account for income tax and FICA deductions withheld from the salaries of County employees.

Employees Benefit Fund

The Employees Benefit Fund is used to account for receipts and disbursements used withheld for employee benefit programs.

Jail Inmate

The Jail Inmate Fund is used to account for receipts and disbursements relating to jail inmates.

Over Remittance

The Over Remittance Fund is used to account for receipts and disbursements related to overpayments received by the County.

Social Welfare

The Social Welfare Fund is used to account for the receipts and disbursements related to the County's Social Welfare program.

**KANABEC COUNTY
MORA, MINNESOTA
DESCRIPTION OF FUNDS (CONTINUED)**

Agency Funds (Continued)

Blandin

The Blandin Fund is used to account for the receipts and disbursements related to the County's Blandin Grant.

Wellness Committee

The Wellness Committee Fund is used to account for the receipts and disbursements related to the County's Wellness program.

**KANABEC COUNTY
MORA, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Balance January 1	Additions	Deductions	Balance December 31
KANABEC COUNTY COLLABORATIVE				
ASSETS				
Cash and Pooled Investments	\$ 199,068	\$ 116,937	\$ 183,850	\$ 132,155
LIABILITIES				
Due to Other Governments	\$ 199,068	\$ 116,937	\$ 183,850	\$ 132,155
KNIFE LAKE IMPROVEMENT DISTRICT				
ASSETS				
Cash and Pooled Investments	\$ 142,912	\$ 33,028	\$ 175,940	\$ -
LIABILITIES				
Funds Held in Trust	\$ 142,912	\$ 33,028	\$ 175,940	\$ -
MORTGAGE REGISTRY AND STATE DEED TAX				
ASSETS				
Cash and Pooled Investments	\$ 36,297	\$ 514,860	\$ 541,572	\$ 9,585
LIABILITIES				
Due to Other Governments	\$ 36,297	\$ 514,860	\$ 541,572	\$ 9,585
TAXES AND PENALTIES				
ASSETS				
Cash and Pooled Investments	\$ 234,832	\$ 19,694,652	\$ 19,707,073	\$ 222,411
LIABILITIES				
Due to Other Governments	\$ 234,832	\$ 19,694,652	\$ 19,707,073	\$ 222,411

**KANABEC COUNTY
MORA, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Balance January 1	Additions	Deductions	Balance December 31
PREPAID TAX				
ASSETS				
Cash and Pooled Investments	\$ 56,729	\$ 25,643	\$ 29,343	\$ 53,029
LIABILITIES				
Due to Other Governments	\$ 56,729	\$ 25,643	\$ 29,343	\$ 53,029
SNAKE RIVER WATERSHED MANAGEMENT BOARD				
ASSETS				
Cash and Pooled Investments	\$ 216,869	\$ 180,832	\$ 154,607	\$ 243,094
LIABILITIES				
Due to Other Governments	\$ 216,869	\$ 180,832	\$ 154,607	\$ 243,094
STATE REVENUE				
ASSETS				
Cash and Pooled Investments	\$ 3,773	\$ 4,932	\$ 5,532	\$ 3,173
LIABILITIES				
Due to Other Governments	\$ 3,773	\$ 4,932	\$ 5,532	\$ 3,173
TOWN AND ROAD				
ASSETS				
Cash and Pooled Investments	\$ 50	\$ 194,779	\$ 194,779	\$ 50
LIABILITIES				
Due to Other Governments	\$ 50	\$ 194,779	\$ 194,779	\$ 50

**KANABEC COUNTY
MORA, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Balance January 1	Additions	Deductions	Balance December 31
WITHHOLDING TAX AND SOCIAL SECURITY				
ASSETS				
Cash and Pooled Investments	\$ -	\$ 10,924,988	\$ 10,924,988	\$ -
LIABILITIES				
Due to Other Governments	\$ -	\$ 10,924,988	\$ 10,924,988	\$ -
EMPLOYEES BENEFIT FUND				
ASSETS				
Cash and Pooled Investments	\$ 2,332	3,932,905	3,341,650	\$ 593,587
LIABILITIES				
Funds Held in Trust	\$ 2,332	\$ 3,932,905	\$ 3,341,650	\$ 593,587
JAIL INMATE				
ASSETS				
Cash and Pooled Investments	\$ 75,600	\$ 130,720	\$ 135,666	\$ 70,654
LIABILITIES				
Funds Held in Trust	\$ 75,600	\$ 130,720	\$ 135,666	\$ 70,654
OVER REMITTANCE				
ASSETS				
Cash and Pooled Investments	\$ -	\$ 288,758	\$ 288,758	\$ -
LIABILITIES				
Funds Held in Trust	\$ -	\$ 288,758	\$ 288,758	\$ -

**KANABEC COUNTY
MORA, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Balance January 1	Additions	Deductions	Balance December 31
SOCIAL WELFARE				
ASSETS				
Cash and Pooled Investments	\$ 24,654	157,845	\$ 164,381	\$ 18,118
LIABILITIES				
Funds Held in Trust	\$ 24,654	\$ 157,845	\$ 164,381	\$ 18,118
BLANDIN				
ASSETS				
Cash and Pooled Investments	\$ 2,017	\$ -	\$ -	\$ 2,017
LIABILITIES				
Funds Held in Trust	\$ 2,017	\$ -	\$ -	\$ 2,017
WELLNESS COMMITTEE				
ASSETS				
Cash and Pooled Investments	\$ 3,132	\$ 4,194	\$ 5,247	\$ 2,079
LIABILITIES				
Funds Held in Trust	\$ 3,132	\$ 4,194	\$ 5,247	\$ 2,079
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and Pooled Investments	\$ 998,265	\$ 36,205,073	\$ 35,853,386	\$ 1,349,952
LIABILITIES				
Funds Held in Trust	\$ 250,647	\$ 4,547,450	\$ 4,111,642	\$ 686,455
Due to Other Governments	747,618	31,657,623	31,741,744	663,497
Total Liabilities	\$ 998,265	\$ 36,205,073	\$ 35,853,386	\$ 1,349,952

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
YEAR ENDED DECEMBER 31, 2019**

	General	Road and Bridge	Welfare	Economic Development Authority	Community Health	Debt Service	Total
SHARED REVENUE							
State							
Highway Users Tax	\$ -	\$ 3,969,580	\$ -	\$ -	\$ -	\$ -	\$ 3,969,580
Market Value Credit - Agriculture	131,478	41,322	43,826	-	6,762	27,047	250,435
PERA Rate Reimbursement	40,221	7,594	13,804	-	-	-	61,619
Disparity Reduction Aid	2,243	705	748	-	115	462	4,273
Police Aid	146,553	-	-	-	-	-	146,553
County Program Aid	576,683	181,243	192,226	-	29,658	118,632	1,098,442
Aquatic Invasive Species Aid	48,593	-	-	-	-	-	48,593
E-911	89,238	-	-	-	-	-	89,238
Total Shared Revenue	1,038,325	4,201,486	251,709	-	36,706	146,823	5,675,049
REIMBURSEMENT FOR SERVICES							
Human Services	-	-	833,918	-	220,154	-	1,054,072
PAYMENTS							
Local							
Local	20,950	-	-	14,000	2,243	-	37,193
Payments in Lieu of Taxes	109,338	602	634	534	98	393	111,599
Total Payments	130,288	602	634	14,534	2,341	393	148,792
GRANTS							
State							
Minnesota Department/Board of							
Corrections	139,052	-	-	-	-	-	139,052
Health	-	-	-	-	372,101	-	372,101
Natural Resources	23,625	-	-	-	-	-	23,625
Human Services	-	-	749,302	-	201,885	-	951,187
Peace Officers Board	22,866	-	-	-	-	-	22,866
Pollution Control Agency	68,710	-	-	-	-	-	68,710
Water and Soil Board	62,864	-	-	-	-	-	62,864
Transportation	619,631	-	-	-	-	-	619,631
Public Safety	17,531	-	-	-	6,091	-	23,622
Veteran Affairs	10,000	-	-	-	-	-	10,000
Total State Grants	964,279	7,808	749,302	-	580,077	-	2,301,466
Federal							
Department of							
Agriculture	23,206	-	130,700	-	109,122	-	263,028
Justice	61,352	-	-	-	-	-	61,352
Transportation	173,660	-	-	-	-	-	173,660
Homeland Security	16,992	23,423	-	-	-	-	40,415
Health and Human Services	92,025	-	1,411,709	-	717,091	-	2,220,825
Total Federal Grants	367,235	23,423	1,542,409	-	826,213	-	2,759,280
Total State and Federal Grants	1,331,514	31,231	2,291,711	-	1,406,290	-	5,060,746
Total Intergovernmental Revenue	<u>\$ 2,500,127</u>	<u>\$ 4,233,319</u>	<u>\$ 3,377,972</u>	<u>\$ 14,534</u>	<u>\$ 1,665,491</u>	<u>\$ 147,216</u>	<u>\$ 11,938,659</u>

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



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

Board of County Commissioners
Kanabec County
Mora, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Kanabec County (the County), Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Kanabec County's basic financial statements, and have issued our report thereon dated September 16, 2020. The financial statements of Welia Health were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies 2019-001 to 2019-004 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Compliance and Other Matters

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

Kanabec County's Responses to Findings

Kanabec County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Kanabec County's responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



CliftonLarsonAllen LLP

Brainerd, Minnesota
September 16, 2020

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

Board of County Commissioners
Kanabec County
Mora, Minnesota

Report on Compliance for Each Major Federal Program

We have audited Kanabec County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Kanabec County's major federal programs for the year ended December 31, 2019. Kanabec County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Welia Health was not audited under *OMB Compliance Supplement* because it received no federal grant funding in 2019.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Kanabec County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements Cost Principles*, and *Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Kanabec County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Kanabec County's compliance.

Opinion on Each Major Federal Program

In our opinion, Kanabec County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-005. Our opinion on each major federal program is not modified with respect to these matters.

Kanabec County's Response to Finding

Kanabec County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Kanabec County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Kanabec County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Kanabec County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Kanabec County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-005 that we consider to be a significant deficiency.

Kanabec County's Response to Finding

Kanabec County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Kanabec County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Brainerd, Minnesota
September 16, 2020

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**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X none reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X none reported
- Significant deficiency(ies) identified? x yes none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.563	Child Support Enforcement
93.778	Medical Assistance (Medicaid Cluster)

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

Auditee qualified as low-risk auditee? yes X no

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

SECTION II – FINANCIAL STATEMENT FINDINGS

2019-001 SEGREGATION OF DUTIES

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

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

Condition: Adequate segregation of the accounting functions is necessary to ensure adequate internal control, and is not in place for various departments throughout the County. During review of internal control procedures over Cash, Auditor noted that there were improperly designed key controls over their bank reconciliation process. During review of internal control procedures, Auditor noted that there was a lack of segregation of duties over the PERA information input and payroll process.

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

Possible Effect: The lack of adequate segregation of duties can result in incorrect financial information, failure to detect misstatements or misappropriations, and lack of adherence to the County's procedures.

Repeat Finding: Yes - Finding 2018-001.

Recommendation: We recommend County management be aware of the lack of segregation of duties within the accounting functions and provide oversight to ensure the internal control policies and procedures are being implemented by organization staff.

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

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

2019-002 AUDIT ADJUSTMENTS

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

Criteria: County management is responsible for establishing and maintaining internal controls for the proper recording of all County's receipts and disbursements, including reclassifications between funds and recording of accruals.

Condition: As part of the audit, we proposed account reclassification entries relating to accruals and other reclassifications. These entries indicate a lack of controls over the year-end financial reporting process. The absence of this control procedure is considered a material weakness because the potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the County's internal control.

Cause: The County has a limited number of personnel.

Possible Effect: The design of the internal controls over recording receipts and disbursement, including reclassifications, could affect the ability of the County to detect or prevent a misappropriation of assets or fraudulent activity.

Repeat Finding: Yes - Finding 2018-002.

Recommendation: We recommend County management be consistently aware of all procedures and processes involved in recording receipts, disbursements, and reclassifications, and develop internal control policies to ensure proper recording of these items.

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

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

2019-003 ANNUAL FINANCIAL REPORTING UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

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

Criteria: Management is responsible for establishing and maintaining internal controls, and for the fair presentation of the financial statements including the related disclosures, in conformity with U.S. generally accepted accounting principles (GAAP).

Condition: The County does not have an internal control policy in place over financial reporting that would enable management to prepare its annual financial statements and related footnote disclosures are complete and presented in accordance with GAAP.

Cause: The County relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Possible Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the County's internal controls.

Repeat Finding: Yes - Finding 2018-003.

Recommendation: Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

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

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

2019-004 REVIEW ADJUSTMENTS TO INVENTORY

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

Criteria: For increased internal control, year-end processes around inventory should be in place and followed.

Condition: The Road and Bridge inventory adjustments were not reviewed by someone other than the person entering them and additional adjustments were required for the year ended December 31, 2019.

Cause: Lack of procedures.

Possible Effect: Inventory counts may not be accurate for financial statement purposes.

Repeat Finding: Prior year finding identified as Finding 2018-006.

Recommendation: We would recommend that there be an additional process in place to ensure the numbers for usage are accurate to ensure the year end highway report is accurately stated and that someone other than the preparer verify adjustments to year end counts are accurate and complete.

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

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

2019-005 ASSET VERIFICATION

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

Federal Program Title: Medical Assistance Program

CFDA Number: 93.778

Pass-Through Agency: Minnesota Department of Human Services

Pass-Through Numbers: 1905MNADM, 1905MN5MAP

Award Period: Year-Ended December 31, 2018

Compliance Requirement Affected: Eligibility

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

Criteria: Proper asset documentation should be on file to match the information entered into MAXIS.

Condition and Context: During our audit, we noted that 2 of the 40 casefiles tested had asset verification issues where the asset amount in MAXIS did not agree to the verification information.

Cause: County policies and procedures not followed.

Effect: Benefits could be provided to ineligible clients.

Questioned Costs: Not applicable.

Repeat Finding: Not applicable.

Recommendation: It is recommended that the County review the asset verification policies and ensure procedures are being followed for each case file.

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

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

OTHER ITEM FOR CONSIDERATION – MINNESOTA LEGAL COMPLIANCE

2019-006 MINNESOTA LEGAL COMPLAINE-UNCLAIMED PROPERTY

Criteria: Minnesota State Statutes §345.41 and §345.43 requires that unclaimed property held for more than three years must be remitted and paid to the state commissioner of commerce.

Condition and Context: It is a requirement that unclaimed property be turned in to the Commissioner of Commerce, we recommend the County turnover the unclaimed checks from outstanding items to the Commissioner of Commerce.

Possible Effect: County not in compliance with state statute.

Repeat Finding: Yes – Finding 2018-007

Recommendation: It is a requirement that unclaimed property be turned in to the Commissioner of Commerce, we recommend the County turnover the unclaimed checks from outstanding items to the Commissioner of Commerce.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The County will work with the Department of Commerce to correct.

Name of the contact person responsible for corrective action plan: Denise Snyder, Auditor-Treasurer

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

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

2019-007 MINNESOTA LEGAL COMPLAINT-PROMPT PAYMENT OF CLAIMS

Criteria: Minnesota State Statute §471.425 requires prompt payment of local government bills within the standard timeline of 35 days from the receipt of invoice.

Condition and Context: During audit procedures, it was noted that one jail payment tested was not paid within the standard timeline of 35 days from receipt.

Possible Effect: County not in compliance with state statute.

Repeat Finding: Not applicable.

Recommendation: We recommend the County review Jail payment procedures to ensure they are in compliance with the state statute.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The County will improve Jail payment procedures.

Name of the contact person responsible for corrective action plan: Denise Snyder, Auditor-Treasurer

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

PREVIOUSLY REPORTED ITEMS RESOLVED

TIMELY DEPOSITS (2018-004)

Resolution: Per inquiry of the County, they have implemented the recommendations and are making deposits timely.

TIMELY ADJUSTMENTS TO INVENTORY (2018-005)

Resolution: Per inquiry of the County and review of the year-end inventory listing, they have implemented the recommendations and are entering purchases and inventory adjustments timely into the system.

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019**

Federal Grantor Pass Through Agency Grant Program Title	Federal CFDA Number	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Human Services WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not provided	\$ 117,351	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Part of SNAP Cluster)	10.561	182MN101S2514, 182MN127Q7503, 182MN101S2520	153,906	-
Total Department of Agriculture			271,257	-
U.S. Department of Justice				
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	F-CVSP-2018 -KANABECCO	46,950	-
Total U.S. Department of Justice			46,950	-
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation Formula Grants for Rural Areas and Tribal Transit Program	20.509	MN18X081	157,570	-
Passed Through Minnesota Department of Public Safety State and Community Highway Safety (Total Highway Safety Cluster \$5,090)	20.600	18X9204020MN15	2,530	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	18X9205464MN14	11,000	-
National Priority Safety Programs (Total Highway Safety Cluster \$5,090)	20.616	18X920405BMN14	2,560	-
Total Department of Transportation			173,660	-
U.S. Department of Education				
Passed Through Minnesota Department of Health Special Education - Grants for Infants and Families	84.181	H181A140029	1,030	-
U.S. Department of Health and Human Services				
Direct				
Drug-Free Communities Support Program Grants	93.276	H79SP021051	76,294	-
Passed Through the Minnesota Council on Aging Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers (Part of Aging Cluster)	93.044	315-15-003B-002	28,865	-
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	U90TP000418	21,603	-
Early Hearing Detection and Intervention	93.251	Not Provided	375	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	Not Provided	150	-
Prevention and Public Health Fund (Affordable Care Act) - Immunization Program	93.539	Not Provided	300	-
Temporary Assistance for Needy Families (Total TANF Cluster \$305,816)	93.558	1601MNTANF	18,737	-
Maternal and Child Health Services Block Grant to the States	93.994	Not Provided	27,800	-
Passed Through Minnesota Department of Human Services Promoting Safe and Stable Families	93.556	1801MNFPS	5,991	-
Temporary Assistance for Needy Families (Total TANF Cluster \$305,816)	93.558	1801MNTANF	287,079	-
Child Support Enforcement	93.563	1804MNCSES, 1804MNCES	389,515	-
Refugee Support Services Program	93.566	Not Provided	138	-
Community - Based Child Abuse Prevention Grants	93.590	G-1802MNFRPG	4,675	-

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

Federal Grantor Pass Through Agency Grant Program Title	Federal CFDA Number	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed Through Minnesota Department of Human Services (Continued)				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Part of Child Care and Development Block Grant Cluster)	93.596	G1801MNCCDF	\$ 4,582	\$ -
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1801MNCWSS	4,495	-
Foster Care Title IV-E	93.658	1801MNFOST	102,056	-
Social Services Block Grant	93.667	G-1801MNSOSR	105,572	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-1801MNCILP	4,094	-
Children's Health Insurance Program	93.767	1805MN5R21	120	-
Medical Assistance Program (Part of Medicaid Cluster)	93.778	1805MN5ADM	710,696	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	TI1010034-12	128,535	-
Maternal, Infant and Early Childhood Home Visiting Grant (Part of MIECHV Cluster)	93.870	Not provided	365,927	-
Total Department of Health and Human Services			<u>2,287,599</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	065-99065-01	23,423	-
Total Department of Homeland Security			<u>23,423</u>	<u>-</u>
Total Cash Type Federal Awards			<u>\$ 2,803,919</u>	<u>\$ -</u>

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

Total expenditures by cluster are:

Temporary Assistance for Needy Families (TANF) Cluster	\$ 305,816
Medicaid Cluster	710,696
SNAP Cluster	153,906
Highway Safety Cluster	5,090
Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Cluster	365,927
Child Care and Development Block Grant Cluster	4,582

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

**KANABEC COUNTY
MORA, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Kanabec 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 the County under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirement 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 the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected to not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Reconciliation to Schedule of Intergovernmental Revenue

Reconciliation to Schedule of Intergovernmental Revenue

Federal Grant Revenue Per Schedule of Intergovernmental Revenue	\$ 2,759,280
Expenditures included on the Schedule of Expenditures of Federal Awards that are not considered Intergovernmental Revenues	119,229
Revenues included on the Schedule of Intergovernmental Revenue that are not considered Federal Grant Expenditures	<u>(74,590)</u>
Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 2,803,919</u></u>

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INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of County Commissioners
Kanabec County
Mora, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Kanabec County, Minnesota (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements which collectively comprise the County's basic financial statements and have issued our report thereon dated September 16, 2020. This report does not include the results of the Welia Health testing of compliance and other matters since they have their own audit.

In connection with our audit, nothing came to our attention that caused us to believe that Kanabec County failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. §6.65, insofar as they relate to accounting matters, except as described in the Schedule of findings and questioned costs as items 2019-006 through 2019-007. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

Kanabec County's written response to the legal compliance finding identified in our audit is described in the schedule of findings and questions costs. Kanabec County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

CliftonLarsonAllen LLP

Brainerd, Minnesota
September 16, 2020

9:55am Appointment

October 20, 2020

REQUEST FOR BOARD ACTION

a. Subject: Transit Expansion	b. Origination: Transit
c. Estimated time: 15 minutes	d. Presenter(s): Public Health Director Kathy Burski

e. Board action requested:

f. Background:

Supporting Documents: None ☒ Attached:

Date received in County Coordinators Office:

Coordinators Comments:

10:10am Appointment

October 20, 2020

REQUEST FOR BOARD ACTION

a. Subject: Policy #P-110 Update Guide	b. Origination: County Attorney's Office
c. Estimated time: 10 minutes	d. Presenter(s): County Attorney Barb McFadden

e. Board action requested:

f. Background:

Supporting Documents: None **Attached:** ☒

Date received in County Coordinators Office:

Coordinators Comments:

Policy #P-110
Approved: October 10, 2018
Effective: October 10, 2018
Supercedes: September 13, 2017

**Guide for Members of the Public
And Data Subjects for
Requesting Information**

Kanabec County

(Updated 10/20/20)



A BRIEF OVERVIEW OF THE MINNESOTA GOVERNMENT DATA PRACTICES ACT

A. The Minnesota Government Data Practices Act (MGDPA) is in Chapter 13 of Minnesota Statutes. It controls how government data is collected, created, stored, maintained, used and disseminated.

B.

The MGDPA regulates the management of all government data that are created, collected, received, or released by a government entity no matter what form the data is in or how or where it is stored or used.

The Act regulates:

- what data can be collected;
- who may see or get copies of the data;
- the classification of specific types of data;
- the duties of personnel in administering the Act;
- procedures for access to the data;
- procedures for classifying data as not public;
- civil and criminal penalties for violation of the Act; and
- the charging of fees for copies of data.

Government data is either *data on individuals* or *data not on individuals*. Data on individuals is classified as either public, private, or confidential. Data not on individuals is classified as public, nonpublic, or protected nonpublic. This classification system determines how data is handled.

CLASSIFICATION OF DATA

Data on Individuals	Meaning of Classification	Data <i>Not</i> on Individuals
Public	Available to anyone for any reason	Public
Private	Available only to the data subject and to anyone authorized in writing by the data subject or by court order or law to see it	Nonpublic

Confidential	Not available to the public or the data subject	Protected Nonpublic

REQUESTS FOR GOVERNMENT DATA

I. DATA REQUESTS BY MEMBERS OF THE PUBLIC

Right to Access Public Data

The Data Practices Act (Minnesota Statutes, Chapter 13) presumes that all government data are public unless a state or federal law says the data are not public. Government data is a term that means all recorded information a government entity has, including paper, email, CD-ROMs, photographs, etc.

The Data Practices Act also provides that Kanabec County must keep all government data in a way that makes it easy for you, as a member of the public, to access public data. You have the right to look at (inspect), free of charge, all public data that we keep. You also have the right to get copies of public data. The Data Practices Act allows us to charge for copies. You have the right to look at data, free of charge, before deciding to request copies.

How to Make a Data Request

To look at data or request copies of data that Kanabec County keeps, make a written request. Make your written request for data to the appropriate individual listed on the Data Practices Contacts page provided in this guide. You may make your written request for data by mail, fax, or email, using the data request form found in this guide.

If you choose not to use the data request form, your written request should include:

- that you, as a member of the public, are making a request for data under the Data Practices Act, Minnesota Statutes, Chapter 13;
- whether you would like to look at the data, get copies of the data, or both; and
- a clear description of the data you would like to inspect or have copied.

Kanabec County cannot require you, as a member of the public, to identify yourself or explain the reason for your data request. However, depending on how you want us to process your request (if, for example, you want us to mail you copies of data), we may need some information about you. If you choose not to give us any identifying information, we will provide you with contact information so you may check on the status of your request. In addition, please keep in mind that if we do not understand your request and have no way to contact you, we will not be able to begin processing your request.

How We Respond to a Data Request

Upon receiving your written request, we will work to process it. If we do not have the data, we will notify you in writing as soon as reasonably possible.

If you do not understand some of the data (technical terminology, abbreviations, or acronyms), please let us know. We will give you an explanation if you ask.

The Data Practices Act does not require us to create or collect new data in response to a data request if we do not already have the data, or to provide data in a specific form or arrangement if we do not keep the data in that form or arrangement. (For example, if the data you request are on paper only, we are not required to create electronic documents to respond to your request.) If we agree to create data in response to your request, we will work with you on the details of your request, including cost and response time. In addition, the Data Practices Act does not require us to answer questions that are not requests for data.

Requests for Summary Data

Summary data are statistical records or reports that are prepared by removing all identifiers from private or confidential data on individuals. The preparation of summary data is not a means to gain access to private or confidential data. Kanabec County will prepare summary data if you make your request in writing and pay for the cost of creating the data. Upon receiving your written request – you may use the data request form included in this guide and we will respond within ten business days with the data or details of when the data will be ready and how much we will charge.

II. DATA REQUESTS BY DATA SUBJECTS

Data about You

The Data Practices Act (Minnesota Statutes, Chapter 13) says that data subjects have certain rights related to a government entity collecting, creating, and keeping government data about them. You are the subject of data when you can be identified from the data. Government data is a term that means all recorded information a government entity has, including paper, email, CDROMs, photographs, etc.

Classification of Data about You

The Data Practices Act presumes that all government data are public unless a state or federal law says that the data are not public. Data about you are classified by state law as public, private, or confidential. See below for some examples.

Public data: We must give public data to anyone who asks; it does not matter who is asking for the data or why.

Private data: We cannot give private data to the general public, but you have access when the data are about you. We can share your private data with you, with someone who has your permission, with Kanabec County staff who need the data to do their work, and as permitted by law or court order.

Confidential data: Confidential data have the most protection. Neither the public nor you can get access even when the confidential data are about you. We can share confidential data about you with Kanabec County staff who need the data to do their work and to others as permitted by law or court order. We cannot give you access to confidential data.

Your Rights under the Data Practices Act

Kanabec County must keep all government data in a way that makes it easy for you to access data about you. Also, we can collect and keep only those data about you that we need for administering and managing programs that are permitted by law. As a data subject, you have the following rights. **Your Access to Your Data:** You have the right to look at (inspect), free of charge, public and private data that we keep about you. You also have the right to get copies of public and private data about you. The Data Practices Act allows us to charge for copies. You have the right to look at data, free of charge, before deciding to request copies. Also, if you ask, we will tell you whether we keep data about you and whether the data are public, private, or confidential.

As a parent, you have the right to look at and get copies of public and private data about your minor children (under the age of 18). As a legally appointed guardian, you have the right to look at and get copies of public and private data about an individual for whom you are appointed guardian. Minors have the right to ask Kanabec County not to give data about them to their parent or guardian. If you are a minor, we will tell you that you have this right. We may ask you to put your request in writing and to include the reasons that we should deny your parents access to the data. We will make the final decision about your request based on your best interests. **Note:** Minors do not have this right if the data in question are educational data maintained by an educational agency or institution. **When We Collect Data from You:** When we ask you to provide data about yourself that are not public, we must give you a notice. The notice is sometimes called a Tennessean warning. The notice controls what we do with the data that we collect from you. Usually, we can use and release the data only in the ways described in the notice. We will ask for your written permission if we need to use or release private data about you in a different way, or if you ask us to release the data to another person. This permission is called informed consent. If you want us to release data to another person, you must use the consent form we provide.

Protecting your Data: The Data Practices Act requires us to protect your data. We have established appropriate safeguards to ensure that your data are safe.

When your Data are Inaccurate and/or Incomplete: You have the right to challenge the accuracy and/or completeness of public and private data about you. You also have the right to appeal our decision. If you are a minor, your parent or guardian has the right to challenge data about you.

How to Make a Request for Your Data

To look at data, or request copies of data that Kanabec County keeps about you, your minor children, or an individual for whom you have been appointed legal guardian, make a written request. Make your request for data to the appropriate individual listed in the Data Practices Contacts section of this guide. You may make your written request by mail, fax, e-mail, or by hand-delivering the request, using the data request form included in this guide.

If you choose not use to use the data request form, your written request should include:

- that you are making a request, under the Data Practices Act (Minnesota Statutes, Chapter 13), as a data subject, for data about you;
- whether you would like to inspect the data, have copies of the data, or both;
- a clear description of the data you would like to inspect or have copied; and

- identifying information that proves you are the data subject, or data subject's parent/guardian. Kanabec County requires proof of your identity before we can respond to your request for data. If you are requesting data about your minor child, you must show proof that you are the minor's parent. If you are a guardian, you must show legal documentation of your guardianship. Please see the Standards for Verifying Identity document included in this guide.

How We Respond to a Data Request

Once you make your written request, we will work to process your request. If it is not clear what data you are requesting, we will ask you for clarification.

- If we do not have the data, we will notify you in writing within 10 business days.
- If we have the data, but the data are confidential or private data that are not about you, we will notify you in writing within 10 business days and state which specific law says you cannot access the data.
- If we have the data, and the data are public or private data about you, we will respond to your request within 10 business days, by doing one of the following:

- arrange a date, time, and place to inspect data, for free, if your request is to look at the data,
- or
- provide you with copies of the data within 10 business days. You may choose to pick up your copies, or we will mail or fax them to you. We will provide electronic copies, such as email or CD-ROM, upon request if we keep the data in electronic format.

Information about copy charges is included in this guide.

After we have provided you with access to data about you, we do not have to show you the data again for 6 months unless there is a dispute or we collect or create new data about you.

If you do not understand some of the data (technical terminology, abbreviations, or acronyms), please let us know. We will give you an explanation if you ask.

The Data Practices Act does not require us to create or collect new data in response to a data request if we do not already have the data, or to provide data in a specific form or arrangement if we do not keep the data in that form or arrangement. (For example, if the data you request are on paper only, we are not required to create electronic documents to respond to your request.) If we agree to create data in response to your request, we will work with you on the details of your request, including cost and response time. In addition, we are not required under the Data Practices Act to respond to questions that are not requests for data.

III. DATA REQUESTS BY OTHER GOVERNMENT AGENCIES

A responsible authority shall allow another government entity access to data classified as private, confidential, nonpublic, or protected nonpublic only when the access is authorized or required by state or federal statute.

An agency that supplies government data under this section may require the requesting agency to pay the actual cost of supplying the data when the requested data is not provided in the normal course of business and not required by state or federal statute. In most circumstances Kanabec County will not charge a fee to another government entity. Consideration should be given to transmission of the data by electronic means to save Kanabec County copying costs.

In many cases data will have the same classification in the hands of the agency receiving it as it had in the agency providing it unless the classification is required to change to meet judicial, administrative, or statutory requirements such as change in classification by statutory definition. When reasonably practical the agency providing the requested data information shall indicate the classification of the data when the data is classified as other than public.

When reasonably practical and reasonably necessary if it is not clear the requesting agency is authorized to access the data it shall be directed to obtain the informed consent from the data subject(s) for data classified as private or confidential. If the agency is unable to obtain such written consent the Kanabec County Responsible Authority should be consulted for a determination of access prior to release of the data.

IV. CONTRACTUAL LICENSING AND FUNDING RELATIONSHIP WITH GOVERNMENT ENTITIES

Pursuant to Minn. Stat. § 13.05, subd. 6, if a person receives not public data on individuals from a government entity because that person has a contract with that entity the person must administer the data in a manner consistent with the MGDPA.

Pursuant to Minn. Stat. § 13.05, subd. 11, if a private person collects, receives, stores, uses, maintains or disseminates data because the person has a contract with a government entity to perform any of the entity's functions the data are subject to the requirements of the MGDPA and the contractor must comply with the MGDPA requirements. The contract should clearly inform the contractor of these responsibilities.

Pursuant to Minn. Stat. § 13.02, subd. 11, if the data is collected by a nonprofit social services entity that performs services under contract to a government entity and the data is collected and used because of that contract access to the data is regulated by the MGDPA.

If a third party is licensed by a government entity and the licensure is conditioned upon compliance with the MGDPA or if the party has another type of contract with a government entity the party is subject to the MGDPA to the extent specified in the contract or the licensing agreement.

V. INFORMATION DISCLOSURE REQUEST FORM

The Information Disclosure Request provides a record of the requestor identification information and the government data requested as well as the action taken by the responsible authority or the designee and any financial transaction that occurs.

The Information Disclosure Report should be completed for all requests by the public for government data classified as private, confidential, nonpublic, and protected nonpublic and for all requests by other government agencies for which the not public data is not routinely shared or provided in the normal course of business.

VI. OTHER PROCEDURES FOR COMPLYING WITH DATA REQUESTS

The responsible authority shall ensure each department establishes procedures to comply with requests for government data in an appropriate and prompt manner.

1. Upon request to the responsible authority an individual shall be informed whether they are the subject of stored data on individuals and whether it is classified as public, private, or confidential.
 - a. The responsible authority shall provide access to the private or public data upon request by the individual subject of the data.
 - b. An individual may contest the accuracy or completeness of public or private data. If the individual notifies the responsible authority in writing as to the nature of the disagreement with the data, the responsible authority shall within 30 days either correct the data and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual, or notify the individual the responsible authority believes the data to be correct. Subsequently data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.
2. The responsible authority shall prepare a public document setting forth in writing the rights of the data subject and specific procedures in effect in the county for access by the data subject to public or private data on individuals.
 - a. When a request is denied the responsible authority must inform the requestor orally at the time of the request and if requested in writing as soon thereafter as reasonably possible and shall cite the statute, temporary classification or federal law on which the determination is based.
 - b. The responsible authority shall require the requestor to pay the actual costs of making and certifying copies of the data requested except those exempted in Section V., subd. A. The requestor may not be charged for separating private or confidential data from public data.
 - c. The responsible authority shall reasonably inform the requestor of the data's meaning if asked to do so.

VII. RIGHT TO APPEAL

If Kanabec County determines that challenged data are accurate and/or complete and the data subject disagrees with that determination the subject has the right to appeal the determination to the commissioner of administration

The subject has the right to take this step after both the subject and the county have properly completed all the steps in the data challenge process. The subject may appeal only the county's determination about the accuracy and/or completeness of data. The requirements for filing an appeal are in Minnesota Rules Section 1205.1600.

An individual subject of the data may contest the accuracy or completeness of public or private data. To exercise this right an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within 30 days, either: (1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or (2) notify the individual the authority believes the data to be correct. Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

The determination of the responsible authority may be appealed pursuant to the Administrative Procedure Act, Minn. Stat. §14.57 to 14.62 and Minn. R. 1205.1600, relating to contested cases. Upon receipt of an appeal by an individual the Commissioner of Administration shall before issuing the order and notice of a contested case hearing required by Chapter 14 try to resolve the dispute through education, conference, conciliation, or persuasion. If the parties consent the Commissioner may refer the matter to mediation. Following these efforts the Commissioner shall dismiss the appeal if resolved or issue the order and notice of hearing.

Data on individuals successfully challenged by an individual must be completed, corrected, or destroyed without regard to the requirements of Minn. Stat. § 138.17. After completing, correcting, or destroying successfully challenged data the county will retain a copy of the Commissioner of Administration's order issued under Chapter 14 or if no order was issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

VIII. ROLE OF THE COMMISSIONER OF ADMINISTRATION

Pursuant to Minn. Stat. §13.06, subd. 4, the Commissioner of Administration is given the authority to approve new uses and disseminations of private and confidential data on individuals.

Minn. Stat. §13.06 gives the Commissioner certain powers with regard to approving temporary classifications of data.

Minn. Stat. §13.072 gives the Commissioner authority to issue advisory opinions concerning the rights-of-data-subjects and the classification of government data. Commissioner's opinions are found at www.ipad.state.mn.us.

IX. CONSEQUENCES FOR NOT COMPLYING WITH THE MGDPA

Pursuant to Minn. Stat. §13.08, a government entity and employees may be sued for violating the Act. Minn. Stat. §13.085 provides an administrative process to compel compliance with the Act. Minn. Stat. §13.09 provides criminal penalties and disciplinary action as extreme as dismissal from public employment for anyone who willfully (knowingly) violates the Act.

WHERE MORE INFORMATION CAN BE FOUND

Responsible Authority Barbara McFadden, Kanabec County Attorney, (320) 679-6425.

Minnesota Statutes Chapter 13 is found on the website of the Revisor of Statutes at: www.leg.state.mn.us/leg/statutes.asp.

Minnesota Rules, Chapter 1205, is found on the website of the Revisor of Statutes at: www.revisor.leg.state.mn.us/arule/1205.

Kanabec County Data Practices Contacts **Responsible Authority (RA)**

Minnesota Rules 1205.0200, Subp. 14. Responsible authority in political subdivisions. In political subdivisions, the responsible authority shall be as follows, unless otherwise provided by state law:

For counties, each elected official of the county shall be the responsible authority for the official's office. An individual who is an employee of the county shall be appointed by the county board to be the responsible authority for any data administered outside the offices of elected officials.

RA for County Attorney:

Barbara McFadden, County Attorney
18 North Vine Street, Suite 202
Mora, MN 55051
Phone: (320) 679-6425
Fax: (320) 679-6426
Email: barbara.mcfadden@co.kanabec.mn.us

RA for elected County Sheriff:

County Sheriff Brian Smith
18 North Vine Street, Suite 143
Mora, MN 55051
Phone: (320) 679-8400
Fax: (320) 679-8422
Email: brian.smith@co.kanabec.mn.us

RA for elected Commissioner District I:

Commissioner Dennis McNally
18 North Vine Street, Suite 181
Mora, MN 55051
Phone: (320) 679-6440

Fax: (320) 679-6441

Email: [None](#)

RA for elected Commissioner District II:

Commissioner Gene Anderson

18 North Vine Street, Suite 181

Mora, MN 55051

Phone: (320) 679-6440

Fax: (320) 679-6441

Email: gene.anderson@co.kanabec.mn.us

RA for elected Commissioner District III:

Commissioner Les Nielsen

18 North Vine Street, Suite 181

Mora, MN 55051

Phone: (320) 679-6440

Fax: (320) 679-6441

Email: les.nielsen@co.kanabec.mn.us

RA for elected Commissioner District IV:

Commissioner Kathi Ellis

18 North Vine Street, Suite 181

Mora, MN 55051

Phone: (320) 679-6440

Fax: (320) 679-6441

Email: kathi.ellis@co.kanabec.mn.us

RA for elected Commissioner District V:

Commissioner Craig Smith

18 North Vine Street, Suite 181

Mora, MN 55051

Phone: (320) 679-6440

Fax: (320) 679-6441

Email: craig.smith@co.kanabec.mn.us

RA for elected County Recorder:

Lisa Holcomb, County Recorder

18 North Vine Street, Suite 261B

Mora, MN 55051

Phone: (320) 679-6466

Fax: (320) 679-6431

Email: lisa.holcomb@co.kanabec.mn.us

RA for elected County Auditor/Treasurer:

Denise Snyder, County Auditor/Treasurer

18 North Vine Street, Suite 261A

Mora, MN 55051

Phone: (320) 679-6430

Fax: (320) 679-6431

Email: denise.snyder@co.kanabec.mn.us

RA for Public Health and Welfare Data:

RA for Community Health Services:

Kathryn Burski, Community Health Services Administrator
905 Forest Ave E, Suite 127
Mora, MN 55051
Phone: (320) 679-6438
Fax: (320) 679-6333
Email: kathryn.burski@co.kanabec.mn.us

Minnesota Statute 13.46, Welfare Data: Subd. 10. Responsible authority.

Notwithstanding any other provision of this chapter to the contrary, the responsible authority for each component of the welfare system listed in subdivision 1, clause (c), shall be as follows: the responsible authority of a county welfare agency is the director of the county welfare agency.

RA for County Welfare Agency:

Chuck Hurd, Family Services Director
905 Forest Ave E, Suite 150
Mora, MN 55051
Phone: (320) 679-6357
Fax: (320) 679-6333
Email: chuck.hurd@co.kanabec.mn.us

Data Practices Designees

The responsible authority may assign in writing one or more designees. The designee is the person in charge of individual files or systems containing government data and who receives and complies with the requests for government data. The designee shall implement the provisions of the Act, the rules, and these guidelines and procedures as directed by the responsible authority. All duties outlined as duties of the responsible authority may be delegated to the designee.

Designee for elected County Commissioner Offices:

Kristine McNally, County Coordinator
18 North Vine Street, Suite 181
Mora, MN 55051
Phone: (320) 679-6440
Fax: (320) 679-6441
Email: kris.mcnally@co.kanabec.mn.us

Designee for County Assessor's Department:

Tina VonEschen, County Assessor
18 North Vine Street, Suite 271
Mora, MN 55051
Phone: (320) 679-6420
Fax: (320) 679-6441
Email: tina.voneschen@co.kanabec.mn.us

Designee for County Public Works Department:

Chad Gramentz, Public Works Director/County Engineer
903 Forest Ave E

Mora, MN 55051
Phone: (320) 679-6300
Fax: (320) 679-6304
Email: chad.gramentz@co.kanabec.mn.us

Designee for Information Systems Department:

Lisa Blowers, County IS Director
18 North Vine Street, Suite 181
Mora, MN 55051
Phone: (320) 679-6498
Fax: (320) 679-6441
Email: lisa.blowers@co.kanabec.mn.us

Designee for Maintenance Department:

Dave Mulvaney, Head Maintenance Engineer/Custodian
18 North Vine Street, Suite 181
Mora, MN 55051
Phone: (320) 679-6446
Fax: (320) 679-6441
Email: dave.mulvaney@co.kanabec.mn.us

Designee for Probation/Court Services Department:

Todd Eustice, County Court Services Director
18 North Vine Street, Suite 233
Mora, MN 56379
Phone: (320) 679-6450
Fax: (320) 679-6455
Email: todd.eustice@co.kanabec.mn.us

Designee for Public Works Department - Environmental Services:

Teresa Wickeham, Environmental Services Supervisor
903 Forest Ave E
Mora, MN 55051
Phone: (320) 679-6211
Fax: (320) 679-6304
Email: teresa.wickeham@co.kanabec.mn.us

Designee for County Veterans Service:

Erica Bliss, County VSO
18 North Vine Street, Suite 261B
Mora, MN 55051
Phone: (320) 679-6380
Fax: (320) 679-6480
Email: erica.bliss@co.kanabec.mn.us

Designee for County Emergency Management:

Jeffrey Anderson, Emergency Management Director
100 South Vine Street

Mora, MN 55051
Phone: (320) 679-8421
Fax: (320) 679-8422
Email: jeffrey.anderson@co.kanabec.mn.us

Data Practices Compliance Official

Barbara McFadden, County Attorney
18 N. Vine Street, Suite 202
Mora, MN 55051
Phone: (320) 679-6425
Fax: (320) 679-6426

DUTIES OF THE RESPONSIBLE AUTHORITY OR DESIGNEE

Data Practices Annual Report

The responsible authority shall prepare a public document on data categories. The public document will contain the responsible authority's name, title, address, and description of each category of record, file, or process relating to private or confidential data on individuals maintained by the county.

The public document shall be updated annually.

The responsible authority shall supply the document to the Minnesota Commissioner of Administration, if requested by the Commissioner.

The county will maintain the report on its web site.

Procedures For Dissemination Of Data

The responsible authority shall ensure each department establishes procedures to manage the dissemination of data. Collection, storage, use, and dissemination of private and confidential data shall be limited to what is necessary for the administration and management of programs authorized or mandated by law.

Public data cannot be collected, stored, used, or disseminated for any purpose other than the purpose stated to the individual when the data was originally collected unless:

- The data was collected prior to 1975 in which case the data can be used for the original purpose for which it was collected or for an additional purpose approved by the Commissioner of Administration.
- There is specific authorization for the use in state, local, or federal law.
- The additional use has been approved by the Commissioner of Administration as necessary to carry out a function designated by law.
- The individual data subject has given an informed consent for the additional use of the data.

Data Protection

The responsible authority shall establish procedures to assure all data on individuals is accurate, complete, and current for the purpose for which it was collected and establish appropriate security safeguards for all data. An annual security assessment is included in this duty.

Kanabec County as required by Minn. Stat. §13.055 has implemented a protocol in the event of a breach of security of not public data. That protocol is incorporated in this manual as Appendix E.

COPY COSTS

Members of the Public

Kanabec County charges members of the public for copies of government data. These charges are authorized under Minnesota Statutes, section 13.03, subdivision 3(c).

You must pay for the copies before we will give them to you.

The following provides information about the allowable charge when the data requester *is not the subject of the data*. The copy charges discussed are based on the requirements of Minnesota Statutes, section 13.03, subdivision 3(c). The chart below includes links to Minnesota Rules, Chapter 1205 and Commissioner of Administration Advisory Opinions that help interpret the requirements in the statute. **Note:** In situations where specific charges are set by statute or rule, Kanabec County will follow the applicable statutory language, rather than the requirements described in this document.

100 or Fewer Paper Copies – 25¢ Per Page

The charge for copies is 25¢ for each page copied, or 50¢ for a two-sided copy, if the request is for 100 or fewer pages of black and white, letter or legal sized paper copies. This charge is a flat rate.

Most Other Copies – Actual Cost

For copies of other data (more than 100 paper copies, photographs, data on a CD or DVD, data stored electronically, etc.), when a charge is not set by statute or rule, is the actual cost of searching for and retrieving the data, and making the copies or electronically transmitting the data (e.g. sending the data by email). In determining the actual cost of making copies, we factor in employee time, the cost of the materials onto which we are copying the data (paper, CD, DVD, etc.), and mailing costs (if any). If your request is for copies of data that we cannot reproduce ourselves, such as photographs, we will charge you the actual cost we must pay an outside vendor for the copies. Minnesota Rules 1205.0300, subpart 4.

Data Subjects

Kanabec County charges data subjects for copies of government data. These charges are authorized under section 13.04, subdivision 3.

You must pay for the copies before we will give them to you.

Actual Cost of Making the Copies

In determining the actual cost of making copies, we factor in employee time, the cost of the materials onto which we are copying the data (paper, CD, DVD, etc.), and mailing costs (if any). If your request is for copies of data that we cannot reproduce ourselves, such as photographs, we will charge

you the actual cost we must pay an outside vendor for the copies. The cost of employee time to make copies is based upon the employee's actual hourly wage.

May be included in actual cost	Rules & Opinion(s)	May not be included in actual cost	Rules & Opinion(s)
Employee time* to search for and retrieve data for copying	05-016	Employee time* to separate public from not public data	04-072
Employee time* to make copies	04-056	Operating expenses of copier (electricity, wear and tear, purchase, rental, etc.)	04-040, 04-072, 01-066
Cost of media (paper, CD ROMs, DVDs, etc.)	1205.0300, 04-040	Costs not related to copying (prepare fax cover sheet, invoice, etc.)	04-055
Mailing costs	1205.0300, 97-013	Obtaining and returning data to off-site storage	95-044
Employee time* to prepare copies (sort, label data, remove staples, paper clips, take data to copier)	1205.0300, 04-003	Sort or review data if not necessary for copying	04-072
Costs of reproduction that cannot be done by the entity (e.g., photographs)	95-044, 97-012	Sales tax	94-059, 99-024
		Verify accuracy of data	04-072
		Perform accounting functions	04-003
		Costs related to inspection	04-038

*The cost for employee time must be calculated based on the wages/salary (may include benefits) of the lowest-paid entity employee who could complete the task ([04-056](#)).

Chapter 13 does not allow an entity to charge a minimum fee for copies ([05-016](#)).

Data Request Form – Members of the Public Kanabec County

Date of request: _____

I am requesting access to data in the following way:

Note: inspection is free but Kanabec County will charge for copies as outlined in this guide.

☐ Inspection ☐ Copies ☐ Both inspection and copies

These are the data I am requesting:

Note: Describe the data you are requesting as specifically as possible. If you need more space, please use the back of this form.

Contact Information:

Name: _____

Address: _____

Phone number: _____ Email address: _____

You do not have to provide any of the above contact information. However, if you want us to mail you copies of data, we will need some type of contact information. In addition, if we do not understand your request and need to get clarification from you, without contact information we will not be able to begin processing your request until you contact us.

Kanabec County will respond to your request as soon as reasonably possible.

Data Request Form – Data Subjects Kanabec County

Date of request: _____

To request data as a data subject, you must show a valid state ID, such as a driver's license, military ID or passport, as proof of identity.

I am requesting access to data in the following way:

Note: inspection is free but Kanabec County will charge for copies as outlined in this guide.

☐ Inspection ☐ Copies ☐ Both inspection and copies

These are the data I am requesting:

Note: Describe the data you are requesting as specifically as possible. If you need more space, please use the back of this form.

Contact Information

Data subject name _____

Parent/Guardian name (if applicable) _____

Address _____

Phone number _____ Email address _____

Signature of Data Subject or Parent/Guardian _____

Staff Verification

Identification provided _____

**Kanabec County will respond to your request within 10 business days
and will advise you when data will be ready if it is not reasonably possible
to have it ready in 10 business days.**

Standards for Verifying Identity Kanabec County

The following constitute proof of identity.

- ☐ An **adult individual** must provide a valid photo ID, such as
 - a state driver's license
 - a military ID
 - a passport
 - a Minnesota ID
 - a Minnesota tribal ID
- ☐ A **minor individual** must provide a valid photo ID, such as
 - a state driver's license
 - a military ID
 - a passport
 - a Minnesota ID
 - a Minnesota Tribal ID
 - a Minnesota school ID
- ☐ The **parent or guardian of a minor** must provide a valid photo ID *and either*
 - a certified copy of the minor's birth certificate *or*
 - a certified copy of documents that establish the parent or guardian's relationship to the child, such as:
 - a court order relating to divorce, separation, custody, foster care
 - a foster care contract
 - an affidavit of parentage
- ☐ The **legal guardian for an individual** must provide a valid photo ID *and* a certified copy of appropriate documentation of formal or informal appointment as guardian, such as:
 - court order(s)
 - valid power of attorney

Note: Individuals who do not exercise their data practices rights in person must provide *either* notarized or certified copies of the documents that are required *or* an affidavit of ID.

DATA SECURITY BREACH PROTOCOL

Part 1. Purpose.

This protocol is intended to assist Kanabec County in implementing the requirements of Minn. Stat. §13.055 that is intended to provide timely and appropriate notice to individuals who are affected by a breach of the security of their private or confidential data. All employees must immediately report known or potential breaches of security to the responsible authority and their supervisor. The County Attorney's Office in consultation with the affected department or office or Information Technology personnel as appropriate shall determine whether notice of the potential breach is required and if so

how the notice will be provided. This protocol shall be integrated with Department of Information Technology Policy 3005, a copy of which is included and incorporated in the event a potential data breach or data breach involves electronic related data, resources or components.

Part 2. Definitions. Minn. Stat. §13.055, subd. 1 (in part)

Subpart A. Potential Data Security Breach. A situation or incident that provides a reasonable basis to believe not public data may have been compromised or accessed for a purpose not authorized by law or by a person or entity not authorized by law to have access to such data.

Subpart B. Breach of the security of the data. Breach of the security of the data means the unauthorized acquisition of data maintained by the county in any medium that compromises the security and classification of the data, but not including the good faith acquisition by an employee, contractor or agent of the county if not provided to an unauthorized person.

Subpart C. Contact Information. Contact information means either name and mailing address or name and e-mail address for each individual who is the subject of data maintained by the county.

Subpart D. Unauthorized acquisition. Unauthorized acquisition means a person has obtained government data without the informed consent of the individuals who are the subjects of the data or lacks statutory or other legal authority and with the intent to use the data for non-governmental purposes.

Subpart E. Unauthorized person. Unauthorized person means any person who accesses government data without permission or without a work assignment that reasonably requires the person to have access to the data.

Part 3. Guidelines

Subpart A. Reporting a Potential Breach. Any employee who knows of or reasonably believes breach of the security of private or confidential data may have occurred must immediately report to his or her supervisor and the county's responsible authority (RA).

The report should include the date and time of the report, when the breach occurred (if known); the type of data involved; the approximate number of affected individuals, if known, and other pertinent data. The attached form should be used for that purpose whenever reasonably possible.

Employees who in good faith report a potential or actual breach under these guidelines will not be subject to retaliation for making such a report.

Subpart B. Breach Affected Division Response Process. After a potential breach of security has been reported the responsible authority will work with the affected department or office to take necessary steps to contain and control the integrity of the data handling systems impacted by the potential or reported breach and conduct a preliminary internal assessment of the scope of the potential breach. Applicable Information Systems (IS) staff and security procedures or other guidelines may be consulted as set forth in this policy.

If the potential breach is on a county computing system that contains or has network access to private or confidential data, the RA shall consult with IS personnel and consider control measures that may include but are not necessarily limited to removing the computing system from the network.

- (a) **Determining Breach.** The RA shall consult with the affected staff supervisor to determine whether a breach of security of data has occurred.
 - (b) **Incidents.** Examples of the types of incidents that may result in a notice-triggering breach include, but are not limited to:
 - i. Evidence of unauthorized access into a computer system containing private/confidential data;
 - ii. Missing documents or papers or stolen or missing laptop, desktop, storage device or other types of information technology resource containing files with private/confidential data;
 - iii. Documents containing private/confidential data sent in any form to a wrong recipient;
 - iv. IS Systems containing private/confidential data that has been compromised; or
 - v. Employee misuse of authorized access to or disclose of private or confidential data.
 - (c) **Acquisitions.** Minn. Stat. §13.055, subd. 2 requires government entities to notify individuals if their private or confidential data has been or is reasonably believed to have been acquired by an unauthorized person. In making that determination the following factors among others may be considered:
 - i. Indications the data is in the physical possession and control of an unauthorized person such as a lost or stolen computer or other device or documents containing unprotected private or confidential data.
 - ii. Indications the data has been downloaded or otherwise acquired.
 - iii. Indications the data was used by an unauthorized person such as a fraudulent account opened or an instance of identity theft reported;
 - iv. The encryption protection of the data, if any;
 - v. Duration of exposure;
 - vi. The extent to which the compromise of electronic data indicates a directed attack such as a pattern showing the device itself was specifically targeted; or
 - vii. Indications the attack was intended to seek and collect private or confidential data.
1. **Timing of Notification.** If a breach has been determined in most instances the affected department or office has primary responsibility to notify affected individuals and may be assisted by the RA. Notice is to occur without unreasonable delay. Notice maybe delayed due to a) the legitimate needs of a law enforcement agency; or b) any measures necessary to determine the scope of the breach and restore the reasonable security of the data.

Immediate notification may be appropriate in the event of a breach that could have immediate deleterious impact on individuals whose data may have been acquired by an unauthorized person.

2. **Contacting Law Enforcement.** The RA or designee(s) shall contact law enforcement agencies if the breach of security is believed to involve illegal activities. Data may be shared with law enforcement consistent with applicable data practice laws. If law enforcement is contacted it should be informed of the County's practice to provide notice to affected individuals. If law enforcement advises such notice would impede an active criminal investigation notice may be delayed. Delayed notice should be sent out as soon as law enforcement advises it would no longer impede the criminal investigation.
3. **Whom to Notify.** The RA in consultation with other appropriate county personnel, including but not limited to the affected department or office, shall determine the scope of the notice. Notice of a breach must be provided to any individual whose private or confidential data has been or is reasonably believed to have been acquired by an unauthorized person. If specific individuals cannot be identified notice should be sent to groups of individuals likely to have been affected such as all whose data is stored in the database of files involved in the breach. Measures should be taken to prevent notice lists from being over-inclusive. If questions arise regarding the scope of the notice required the County Attorneys' Office may be contacted for guidance.

Subpart C. Notice.

1. **Content.** The RA or designee shall consult with the affected department or office on the wording of a notice. IS personnel may also be consulted where appropriate. Notices shall generally be sent separate from other documents. The notice should use clear and plain language.

The following should generally be included in the notice:

- (a) A general description of what happened and when to the extent known.
- (b) The nature of the individual's private or confidential data that was involved, but not listing the specific private/confidential data.
- (c) Information about what the county has done to protect the individual's private/confidential data from further disclosure.
- (d) Institution assistance such as website information or telephone number for further information about the incident.
- (e) Information such as Web sites about what individuals can do to protect themselves against identity theft including contact information for nationwide credit reporting agencies.

2. **Method of Notification.** The RA in consultation with the affected division shall determine the appropriate method of notice as follows.
 - (a) **Written notice** by first class mail to each affected individual; or

- (b) **Electronic notice** to each affected individual if communication normally occurs in that medium and the procedure is otherwise consistent with the provisions regarding electronic records and signatures contained in 15 U.S.C. 7001.
- (c) **Substitute notice** may be provided if the cost of providing the written notice required to each affected individual would exceed \$250,000 or the affected class of individuals to be notified exceeds 500,000 or the county does not have sufficient contact information to notify affected individuals. Substitute notice consists of all the following:
 - (i) **E-mail notice** if the county has an e-mail address for the affected individuals;
 - (ii) **Conspicuous posting** of the notice on the county website for a minimum of 45 days and
 - (iii) **Notification to major media** outlets that reach the general public.

Subpart D. Coordination with Credit Reporting Agencies. Credit reporting agencies assist individuals in responding to a notice of a security breach. Such agencies should be notified in advance of sending notice of security breach incidents that may significantly increase calls to agencies for assistance.

If notice is required to be given to 1,000 or more individuals at one time the county shall notify without unreasonable delay all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis as defined in 15 U.S.C. 1681a, of the timing, distribution and content of the notice to be sent. Such contacts shall include but not be limited to the following:

- Equifax:
U.S. Consumer Services
Equifax Information Services, LLC.
Phone: 1-800-525-6285
- Experian:
Experian Security Assistance
P.O. Box 72
Allen, TX 75013
1-888-397-3742
- TransUnion:
Phone: 1-800-680-7289

Subpart E. Documentation. The RA or designee must complete a Breach of Security Incident Response Summary for each reported breach regardless of whether notice is given. The form should be completed beginning at the time of the initial report or as soon thereafter as reasonably practical.

Where appropriate all documentation related to the breach and investigation shall be labeled and maintained as not public pursuant to the applicable data privacy classification including but not limited to, “security information” as defined by Minn. Stat. 13.37, Subd. 1(a). The form shall be retained by the responsible authority in accordance with the applicable records retention policy.

Potential Not Public Data Breach Report

Name of Reporting Person(s): _____

Department or Office: _____

Email: _____

Telephone Number: _____

Date of Report: _____ Time of Report: _____

Date and Time of Discovery of Potential Breach: _____

To Extent Known Date and Time of Potential Breach: _____

Type of Data Involved: _____

Method of Breach to Extent Known or Suspected: _____

Number of Affected Persons: _____

Additional Comments: _____

Signature of Reporting Person

This report must be promptly completed and forwarded to Kanabec County Attorney Barbara McFadden.

For any assistance or questions, contact Kanabec County Attorney Barbara McFadden.

INFORMED CONSENT FOR THE RELEASE OF DATA

I, _____
(Name of individual authorizing release)
authorize _____
(Name of individual, entity, or person holding record)
to disclose to _____
(Name of individual, entity, or person to receive the data)
the following information:

for the purpose of:

I understand this data may be protected under state and/or federal privacy laws and may not be disclosed without my written consent unless otherwise provided for by state or federal law. I understand once this data is released it may be subject to further disclosure without my written consent. I also understand I may revoke this consent at any time except to the extent that action has been taken in reliance on it and in any event this consent expires or as described below, whichever is earlier.

On specification of the date or condition upon which this consent expires:

Executed this _____ day of _____, 20 _____.

(Signature of individual authorizing release)

(Printed name)

(Signature of parent, guardian, or authorized representative, when required)

(Printed name)

10:15am Appointment

October 20, 2020

REQUEST FOR BOARD ACTION

a. Subject: Request to fill vacancy in the position of Legal Secretary/Paralegal	b. Origination: County Attorney's Office
c. Estimated time: 5 minutes	d. Presenter(s): County Attorney Barb McFadden

e. Board action requested:

Resolution #__ – 10/20/20

WHEREAS the County Board did approve Resolution #11 - 9/15/20 to hire a Full Time Legal Secretary/Paralegal contingent upon receiving a formal resignation, and

WHEREAS a formal resignation has been submitted to the Personnel Director;

BE IT RESOLVED that the County Board authorizes the County Attorney and the County Personnel Director to hire a Full Time Legal Secretary/Paralegal to fill the position at Step A, Range 8 of the pay plan which is \$18.79 per hour or the rate set by internal promotion, and

BE IT FURTHER RESOLVED that the hours of work for this position be limited to those budgeted.

f. Background:

Supporting Documents: None ☒ Attached:

Date received in County Coordinators Office:

Coordinators Comments:

10:20am Appointment

October 20, 2020

REQUEST FOR BOARD ACTION

a. Subject: DPS – Division of Emergency Communications Grant Award	b. Origination: County Sheriff's Office
c. Estimated time: 10 minutes	d. Presenter(s): Emergency Management Director Jeff Anderson

e. Board action requested: Approve the following resolution:

Resolution #__ - 10/20/20

Minnesota Department of Public Safety
Division of Emergency Communications Resolution

WHEREAS, Kanabec County Sheriff's Office has applied for and been awarded grant funding from the Northeast Emergency Communications Board Region, and

WHEREAS, Kanabec County Sheriff's Office is in possession of the Hosted 9-1-1 Request for Proposal from Motorola for non-recurring costs associated with purchase, installation and training, and

WHEREAS, the PSAP Administrator recommends accepting this grant, with no match required, that covers 100% of the non-recurring cost of \$29,528,

THEREFORE BE IT RESOLVED to accept the grant from the DPS-ECN and authorize the PSAP Administrator to sign said grant agreement.

f. Background:

Supporting Documents: None

Attached: ☒

Date received in County Coordinators Office:	10/7/20
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Coordinators Comments:



Grant Program Overview:

DPS-ECN 9-1-1 Grant Program

February 4, 2020

Introduction

In 2019, the Minnesota Department of Public Safety division of Emergency Communication Networks (DPS-ECN) applied for and was awarded a grant funded by the National Telecommunications and Information Administration (NTIA) and the National Highway Traffic Safety Administration (NHTSA). The 9-1-1 Grant Program is intended to advance next generation 9-1-1 (NG 9-1-1) projects and initiatives administered by state, tribal, and/or territories. In turn, 9-1-1 call centers nationwide will be able to upgrade equipment and operations so that citizens, first responders, and 9-1-1 call takers can use digital, IP-based, broadband-enabled technologies to coordinate emergency responses.

As the designated recipient of the 9-1-1 Grant Program funding, DPS-ECN is solely responsible for administering the distribution of the grant funds to support selected 9-1-1 projects and initiatives across the state. DPS-ECN will engage stakeholders at the state, tribal, regional, and local levels to identify eligible grant funded projects.

Available Funding

- **GIS Data Collection:** Approximately \$2.87 million in grant funding (\$1.72 million in federal funds plus a required 40 percent match provided by DPS-ECN totaling \$1.15 million) is available for eligible jurisdictions to complete all phases of NG 9-1-1 GIS data preparation on or before the first quarter of 2021. These funds will be distributed to each eligible jurisdiction by DPS-ECN based on a formula developed by the Minnesota Geospatial Information Office (MnGeo), who is our contracted project partner.
- **Call Handling Equipment:** DPS-ECN has approximately \$1.62 million in grant funding (\$973,289 in federal funds plus a required 40 percent match provided by DPS-ECN totaling \$648,859) available to support the purchase and installation of upgraded NG 9-1-1 compliant call handling equipment in selected public safety answering points (PSAPs). Funding will be distributed to selected PSAPs based on the following criteria:
 - Implementation of a NG 9-1-1 capable call handling platform.
 - Demonstrated financial need.
 - Participation in shared service agreements with other PSAPs.
- **CAD-to-CAD interoperability:** DPS-ECN has approximately \$150,000 in grant funding (\$90,000 in federal funds plus a required 40 percent match provided by DPS-ECN totaling \$60,000) available to support a host region in evaluating the feasibility of implementing a statewide CAD-to-CAD interoperability solution.

NOTE: There are no local or regional cost share or match requirements associated with the DPS-ECN 9-1-1 grant program funding.

Allowable Expenses

DPS-ECN has identified the following categories of allowable expenses for the DPS-ECN 9-1-1 grant program funding that will be available to selected recipients:

- **GIS Data Collection:** Allowable expenses include the reimbursement of costs associated with the collection of GIS data to support the creation of a statewide dataset that will be provisioned in a NG 9-1-1 statewide system.
 - Note: Data collection must adhere to the hybrid data model as outlined in the [FAQ](#) and [Validation](#) documents that DPS-ECN has previously shared.

- Call Handling Equipment: Allowable expenses include the reimbursement of costs associated with purchasing and installing upgraded NG 9-1-1 compliant call handling equipment in selected PSAPs.
- CAD-to-CAD interoperability: Allowable expenses include the reimbursement of costs associated with a feasibility project for a statewide CAD-to-CAD interoperability solution.

Ineligible Expenses

DPS-ECN has identified the following ineligible expenses for DPS-ECN 9-1-1 grant funded projects:

- Costs to operate legacy 9-1-1 systems.
- Recurring costs related to NG 9-1-1 system operation (maintenance agreements, licensing fees, etc.).
- Activities related to construction.
- Independent verification and validation (IV&V) testing for product, service, and system purchases.

Application Process

The attached application form should be used for all funding requests related to the DPS-ECN 9-1-1 grant program.

- Enter relevant information in Section 1, 2, and 3 on the application form.
- Print and sign the application form.
- Forward the application to your regional grant coordinator for review and signature.
- Scan the completed application form and submit it to DPS-ECN at ecn@state.mn.us no later than Friday, April 3, 2020.
 - GIS Data Collection: Please include 'GIS Grant Application' in the subject line and include any supporting documentation (vendor quotes, etc.) associated with the funding request as separate attachments.
 - Call Handling Equipment: Please include 'Call Handling Grant Application' in the subject line and include any supporting documentation (vendor quotes, etc.) associated with the funding request as separate attachments.
- Retain original copies of the application form and supporting documentation for your records.

Resources

The following DPS-ECN staff are available to assist with questions or concerns related to the DPS-ECN 9-1-1 grant program:

Dan Craigie, 9-1-1 Program Manager
dan.craigie@state.mn.us
Office: 651-201-7551

Cathy Clark, Deputy Director
cathy.clark@state.mn.us
Office: 651-201-7549

Steve Tait, Regional Interoperability Coordinator
(Central, SW, South Central, & SE Regions)
steven.tait@state.mn.us
Mobile: 612-221-6636

Marcus Bruning, Regional Interoperability Coordinator
(NW, NE, & Metro Regions)
marcus.bruning@state.mn.us
Mobile: 218-232-3762



DPS-ECN 9-1-1 Grant Program Application

SECTION 1: APPLICANT INFORMATION		
Requesting Entity:		
Requesting Entity Point of Contact:		
Street Address:		
City, State, Zip Code:		
Telephone:	Email:	
Signature:		Date:
Requesting ECB/ESB Region: SELECT ECB/ESB REGION		
Regional ECB/ESB Point of Contact:		
Telephone:	Email:	
Signature:		Date:

SECTION 2: PROJECT DESCRIPTION		
<input type="checkbox"/> GIS Data Collection	<input type="checkbox"/> Call Handling Equipment	<input type="checkbox"/> Other

NOTES:

- This section should include a brief description of:
 - The project objectives, outcomes, and/or deliverables.
 - How the project will improve 9-1-1 capabilities within the jurisdiction/region.
 - Key project milestones and the projected timeline for achieving them.
- If necessary, include additional information regarding the project's, scope, purpose, and/or justification as a separate attachment.

SECTION 3: PROJECT BUDGET	
Description	Amount
Total Project Cost	\$ 0.00

NOTES:

- Include copies of vendor/contractor/consultant quotes and other supporting documents as separate attachments.

SECTION 4: APPLICATION REVIEW AND APPROVAL	
<input type="checkbox"/> Application Received by DPS-ECN	Date:
<input type="checkbox"/> Application Reviewed by DPS-ECN	Date:
<input type="checkbox"/> Application APPROVED / DENIED by DPS-ECN (circle one)	Date:
<input type="checkbox"/> Applicant Notified of Grant Award Status	Date:
NOTES	

10:45am Appointment

October 20, 2020

REQUEST FOR BOARD ACTION

a. Subject: Request to use tire shreds on a road	b. Origination: Kroschel Township
c. Estimated time: 10 minutes	d. Presenter(s): Township Supervisor Marvin Rostberg

e. Board action requested:

f. Background:

Supporting Documents: None ☒ Attached:

Date received in County Coordinators Office:

Coordinators Comments:

11:00am Appointment

October 20, 2020

REQUEST FOR BOARD ACTION

a. Subject: I.S. Request to Purchase Items Over \$1,000	b. Origination: I.S. Department
c. Estimated time: 10 minutes	d. Presenter(s): Lisa Blowers, I.S. Director

e. Board action requested:

Resolution #__ - 10/10/20

WHEREAS, Resolution #13 – 5/5/20 requires Commissioner approval of purchases of any item costing \$1,000 or more, whether previously budgeted for or not, with the exclusion of regular maintenance items; and

WHEREAS, the Information Systems Department has budgeted purchases in excess of \$1,000 necessary to conduct operations in 2020; and

WHEREAS, the Information Systems Director is seeking authorization to proceed with the following purchases:

- Network hardware for redundancy up to \$2,600
- Call log software and server up to \$3,000
- Labor and setup of above items not to exceed \$6,000

THEREFORE BE IT RESOLVED that the Kanabec County Board of Commissioners approves the I.S. Director's request to purchase said items.

f. Background:

Supporting Documents: None ☒ Attached:

Date received in County Coordinators Office:

Coordinators Comments:

11:15am Appointment

October 20, 2020

REQUEST FOR BOARD ACTION

a. Subject: Repurchase Application	b. Origination: County Auditor's Office
c. Estimated time: 10 minutes	d. Presenter(s): Deputy Auditor-Tax Roberta Anderson

e. Board action requested:

- a) Review application for repurchase for Parcel 13.01010.10 – Heirs of Russel VanVickle
- b) Review application for repurchase for Parcel 06.01210.00 – John Stachowski

f. Background:

Brian VanVickle has made application to repurchase his father's property that he was unaware of it being separated from the homesteaded parcel.

John Stachowski's property just forfeited in September. He was in the hospital when his payment plan lapsed and the property forfeited.

Supporting Documents: None **Attached:** ☒

Date received in County Coordinators Office:

Coordinators Comments:

To the Honorable Board of County Commissioners of Kanabec County, Minnesota

I, the undersigned ~~owner/mortgagee~~/heir/representative of heirs:
(Cross out all but one)

Brian VanVickle

At the time of forfeiture, of the parcel of land situated in the County of Kanabec, State of Minnesota, described as follows, to-wit:

Sect-22 Twp-041 Range-022
80.00 Ac W 1/2 of SW 1/4

Parcel ID 13.01010.10 Pomroy Township

Do hereby make application for the purchase of said parcel of land from the State of Minnesota, in accordance with the provisions of Minnesota Statutes 1945, Sec 282.241, as amended.

In support of this application for the repurchase of said land I make the following statement:

- (a) That hardship and injustice has resulted because of the forfeiture of said land, for the following reasons, to-wit:

It was unknown to myself at the time of my fathers death that this parcel was separate from his homestead. If known, taxes would have remained current and our use of the property for recreational purposes would have continued.

- (b) That the repurchase of said land by me will promote and best serve the public interest because:

Continued tax payments as well as having the property properly maintained

Brian VanVickle

~~Owner/Mortgagee/Heir/Representative of Heir~~

KANABEC COUNTY
 BREAKDOWN OF COSTS ON REPURCHASE OF PROPERTY
PARCEL #13.01010.10
Brian VanVickle (heir of Russel VanVickle)

Repurchase by: November 30, 2020

Minimum repurchase amount	10,610.07
Pre-Forfeiture Taxes	6,340.00
Pre-Forfeiture Tax (P&I)	3,170.07
Before SpAsmt Billed/Unbilled Principal	-
Before SpAsmt Pre-Forfeiture (P&I)	-
Current Tax & Penalty	1,100.00

<i>Basic Repurchase Price</i>	<i>10,610.07</i>
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EXTRA COSTS OF REPURCHASE:

State Deed Tax	35.01
State Deed Fee	25.00
Recording Fee	46.00

TOTAL COST IF PURCHASED BY: Nov 30, 2020	\$10,716.08
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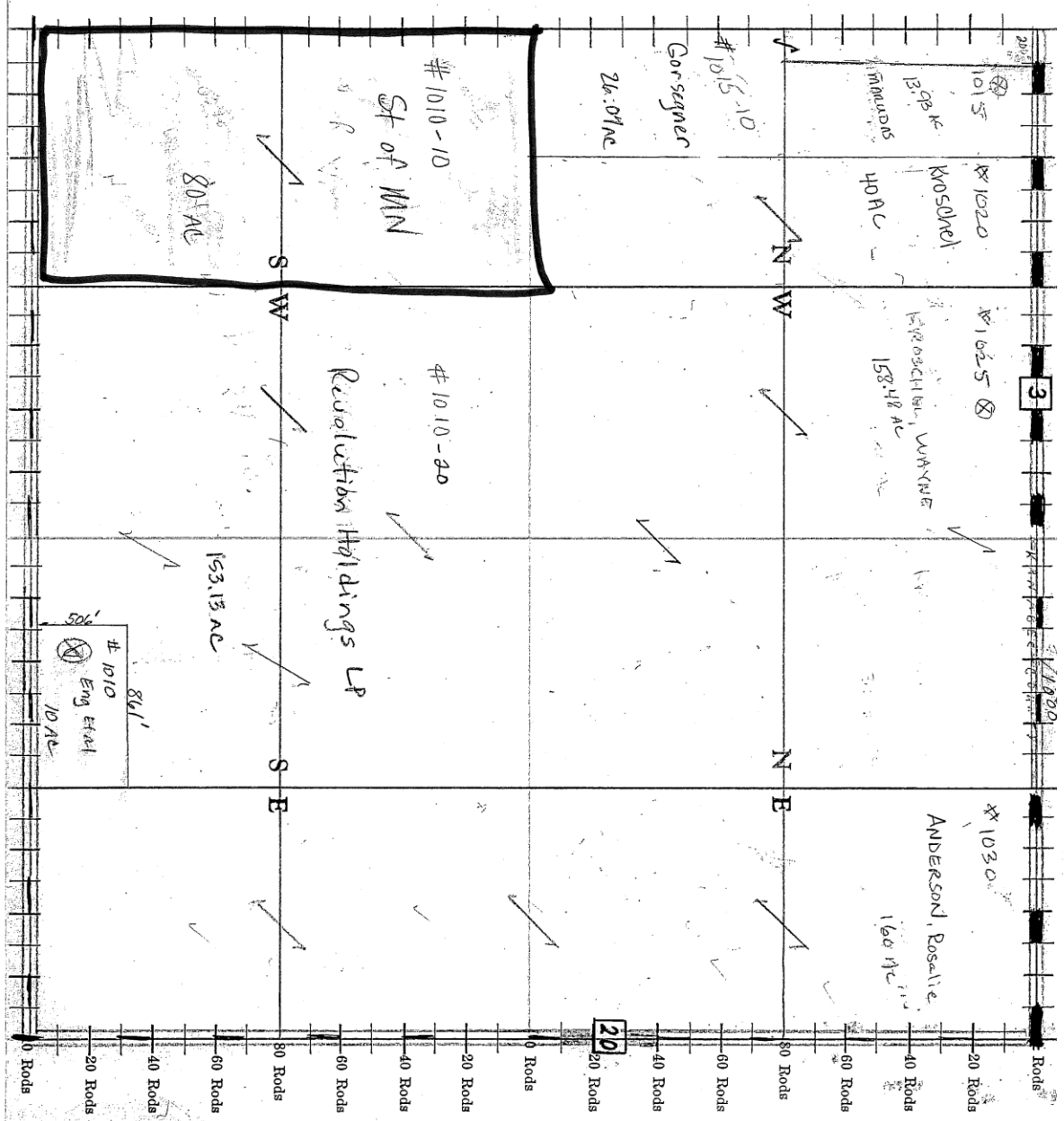
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Section 22, Township 41, Range 22

To the Honorable Board of County Commissioners of Kanabec County, Minnesota

I, the undersigned owner/mortgagee/heir/representative of heirs:

(Cross out all but one)

John Stachowski

At the time of forfeiture, of the parcel of land situated in the County of Kanabec, State of Minnesota, described as follows, to-wit: 06-01210-00

N¹/₂ of NE¹/₄

Sec 19-38-23

Grass Lake Township

Do hereby make application for the purchase of said parcel of land from the State of Minnesota, in accordance with the provisions of Minnesota Statutes 1945, Sec 282.241, as amended.

In support of this application for the repurchase of said land I make the following statement:

- (a) That hardship and injustice has resulted because of the forfeiture of said land, for the following reasons, to-wit:

I was in the hosp
had open heart Surgery &
Stroke.

- (b) That the repurchase of said land by me will promote and best serve the public interest because:

Because I lost my
home & I built it.

John Stachowski

Owner/Mortgagee/Heir/Representative of Heir

KANABEC COUNTY
 BREAKDOWN OF COSTS ON REPURCHASE OF PROPERTY
PARCEL #06.01210.00
John P Stachowski

Repurchase by: November 30, 2020

Minimum repurchase amount	30,715.20
Pre-Forfeiture Taxes	13,827.54
Pre-Forfeiture Tax (P&I)	14,457.96
Before SpAsmt Billed/Unbilled Principal	-
Before SpAsmt Pre-Forfeiture (P&I)	-
Current Tax & Penalty	2,429.70

<i>Basic Repurchase Price</i>	30,715.20
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EXTRA COSTS OF REPURCHASE:

State Deed Tax	101.36
State Deed Fee	25.00
Recording Fee	46.00

TOTAL COST IF PURCHASED BY: Nov 30, 2020	\$30,887.56
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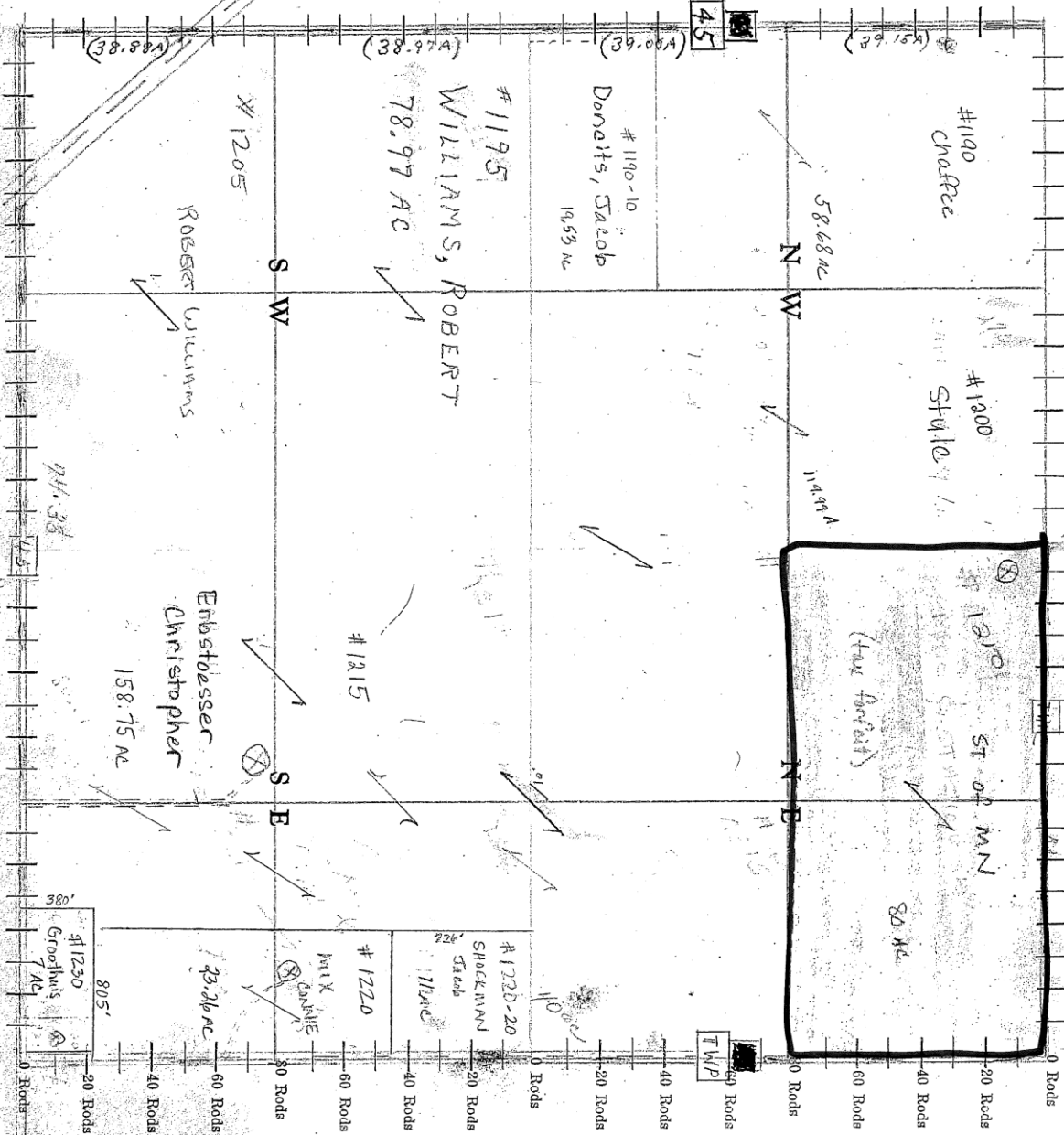
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Section 19 Township 38 Range 23

Agenda Item #1

PROCEEDINGS OF THE COUNTY BOARD

State of Minnesota
County of Kanabec
Office of the County Coordinator

UNAPPROVED MINUTES

October 6, 2020

The Kanabec County Board of Commissioners held a Regular Board Meeting at 9:00am on Tuesday, October 6, 2020 pursuant to adjournment with the following Board Members present on-site: Gene Anderson, Kathi Ellis, Craig Smith, Dennis McNally, and Les Nielsen. Staff present on-site: County Coordinator Kris McNally and Recording Secretary Kelsey Schiferli.

The meeting was held in meeting rooms 3 & 4 in the basement of the courthouse to allow for social distancing due to COVID-19. The meeting was also held via WebEx for anyone wishing to attend virtually.

The Chairperson led the assembly in the Pledge of Allegiance.

Action #1 – It was moved by Dennis McNally, seconded by Les Nielsen and carried unanimously to approve the agenda with the following addition: #3d, Family Services request to purchase cell phones for financial/child support workers.

Action #2 – It was moved by Gene Anderson, seconded by Les Nielsen and carried unanimously to approve the September 15, 2020 Regular Meeting Minutes as presented.

Action #3 – It was moved by Craig Smith, seconded by Dennis McNally and carried unanimously to approve the September 22, 2020 Special Meeting Minutes with the following correction: Replace “Information only, no action was taken” with “The County Board asked for additional information regarding five and ten year bonds” after “The Board held a discussion regarding the presentation from Northland Securities”.

Action #4 – It was moved by Les Nielsen, seconded by Gene Anderson and carried unanimously to approve the September 29, 2020 Public Hearing Minutes as presented.

Action #5 – It was moved by Dennis McNally, seconded by Gene Anderson and carried unanimously to recess the Board Meeting at 9:06am to a time immediately following the Public Health Board.

The Kanabec County Public Health Board met at 9:06am on Tuesday, October 6, 2020 pursuant to adjournment with the following Board Members present: Gene Anderson, Kathi

Ellis, Craig Smith, Dennis McNally, and Les Nielsen. Public Health Director, Kathy Burski presented the Public Health Agenda.

Action #PH6 – It was moved by Les Nielsen, seconded by Gene Anderson and carried unanimously to approve the Public Health Agenda with the following addition: Request to hire a Nursing Supervisor at a higher step.

Public Health Director Kathy Burski gave the Director's Report.

Action #PH7 – It was moved by Les Nielsen, seconded by Dennis McNally and carried unanimously to approve the following resolution:

Resolution #PH7 – 10/6/20

WHEREAS there is a vacancy in the position of Home Health Aide/Homemaker, and

WHEREAS the board desires to refill this vacant position;

BE IT RESOLVED that the Kanabec County Community Health Board authorizes the Community Health Director and the County Personnel Director to hire a Part Time Home Health Aide/Homemaker to fill the position at Step A, Range 5 of the pay plan which is \$15.78 per hour or the rate set by internal promotion, and

BE IT FURTHER RESOLVED that the hours of work for this position be limited to those budgeted.

Action #PH8 – Craig Smith introduced the following resolution and moved its adoption:

Resolution #PH8 – 10/6/20 **Nursing Supervisor resolution**

WHEREAS interviews have been held and a candidate has been chosen for the Nursing Supervisor position, and

WHEREAS the chosen candidate has many years of public health and supervisory experience, and

WHEREAS the Community Health Director is requesting to start this candidate at range 16, step C of the pay plan, which would be \$34.70 per hour.

THEREFORE BE IT RESOLVED that the Kanabec County Community Health Board authorizes the County Personnel Director to hire the chosen candidate to fill the position of Nursing Supervisor at Step C, Range 16 of the pay plan which is \$34.70 per hour.

The motion for the adoption of the foregoing Resolution was duly seconded by Gene Anderson and upon a vote being taken thereon, the following voted:

IN FAVOR THEREOF: Gene Anderson, Kathi Ellis, Dennis McNally, Craig Smith
OPPOSED: Les Nielsen
ABSTAIN:

whereupon the resolution was declared duly passed and adopted.

Public Health Director Kathy Burski gave an update on COVID-19. Information only, no action was taken.

Action #PH9 – It was moved by Les Nielsen, seconded by Craig Smith and carried unanimously to approve the following resolution:

Resolution #PH9 – 10/6/20

Agreement for Clinical Laboratory Training – SW MN State University

WHEREAS, Southwest Minnesota State University has a nursing program and is in need of Clinical Laboratory training sites, and

WHEREAS, Kanabec County Community Health has facilities for providing suitable training experience that meets the educational needs of the students enrolled in those programs, and

WHEREAS, it is in the best interest of Kanabec County Community Health to provide a training site where University students can learn and develop skills and qualifications needed to achieve the student's occupational goals and satisfy the Program requirements while assisting in the development of trained personnel to meet future area employment needs;

THEREFORE BE IT RESOLVED to approve the Community Health Administrator to sign an Agreement with Southwest Minnesota State University for Clinical Laboratory Training upon approval by the County Attorney.

Action #PH10 – It was moved by Gene Anderson, seconded by Les Nielsen and carried unanimously to approve the payment of 62 claims totaling \$32,870.57 on Community Health Funds.

Action #PH11 – It was moved by Craig Smith, seconded by Les Nielsen and carried unanimously to adjourn the Public Health Board at 9:30am and to meet again on November 3, 2020 at 9:05am.

The Board of Commissioners reconvened.

Dan Voce, Superintendent of Mora School District met with the County Board for an introduction. Mr. Voce also gave updates regarding the district's response to COVID-19, as well as plans regarding the design and construction of the new high school. Information only, no action was taken.

Wade Weber and Deb Morrison from the Vasaloppet Planning Committee met with the County Board to discuss the COVID-19 plan for the 49th Annual Vasaloppet Ski Race to be held February 13-14, 2021 in Mora, MN. Information only, no action was taken.

County Probation Director Todd Eustice met with the County Board to discuss renewing the membership with the Regional Juvenile Center in Lino Lakes. The options of remaining at one bed, terminating the membership, or reducing to half a bed, and possibly splitting that bed with Pine County were discussed. Information only, no action was taken.

10:08am – County Attorney Barb McFadden arrived.

HR Specialist Kim Christenson met with the County Board to discuss insurance renewals.

Action #12 – it was moved by Les Nielsen, seconded by Craig Smith and carried unanimously to approve the following resolution:

Resolution #12 – 10/06/20

HEALTH INSURANCE RENEWAL

WHEREAS the county offers health insurance to its employees, and

WHEREAS the current contract with Minnesota Public Employees Insurance Program expires December 31, 2020, and

WHEREAS the Kanabec County Board of Commissioners has been presented with a renewal notice for the county Health Insurance, and

WHEREAS the Insurance Committee has recommended approval of the renewal;

BE IT RESOLVED to accept the recommendation of the Kanabec County Insurance Committee and renew the Health Insurance Contract with Minnesota Public Employees Insurance Program at the following rates:

PLAN	2021 Rates	
	Single	Family
\$400 Deductible	\$883.92	\$2,359.80
\$850 Deductible	\$794.56	\$2,121.24
\$2,000 Deductible	\$618.10	\$1,650.02

BE IT FURTHER RESOLVED to accept the recommendation of the Insurance Committee to increase the employer contribution by 5% from the 2020 contribution for 2021.

The Board expressed consensus to approve the Local 363 Health Insurance renewal at a 5% increase to match the percentage that was budgeted for the other bargaining groups and the non-union groups as recommended by the Insurance Committee in accordance with the Local 363 Labor Agreement.

Action #13 – It was moved by Les Nielsen, seconded by Gene Anderson and carried unanimously to approve a consent agenda including all of the following actions:

Resolution #13a – 10/06/20

LIFE INSURANCE

WHEREAS the Kanabec County Board of Commissioners has been presented with a renewal notice for the county life insurance coverage, and

WHEREAS the proposed rates are unchanged from the current contract, and

WHEREAS the Insurance Committee has recommended approval of the renewal;

BE IT RESOLVED to accept the recommendation of the Kanabec County Insurance Committee and renew the Life Insurance Contract with Sunlife Financial.

Resolution #13b – 10/06/20

LTD INSURANCE

WHEREAS the Kanabec County Board of Commissioners has been presented with a renewal notice for the voluntary long term disability coverage, and

WHEREAS the proposed rates are unchanged from the current contract, and

WHEREAS the Insurance Committee has recommended approval of the renewal;

BE IT RESOLVED to accept the recommendation of the Kanabec County Insurance Committee and renew the voluntary Long Term Disability Insurance Contract with The Hartford.

Resolution #13c – 10/06/20

DENTAL INSURANCE

WHEREAS the Kanabec County Board of Commissioners has been presented with a renewal notice for the voluntary Dental Insurance, and

WHEREAS the Insurance Committee has recommended approval of the renewal;

BE IT RESOLVED to approve an agreement with Health Partners for employee voluntary dental insurance for the January 1, 2021 through December 31, 2021 contract year.

Resolution #13d – 10/06/20

SHORT TERM DISABILITY INSURANCE

WHEREAS the Kanabec County Board of Commissioners has been presented with a renewal notice for the voluntary short term disability coverage, and

WHEREAS the proposed rates are unchanged from the current contract, and

WHEREAS the Insurance Committee has recommended approval of the renewal;

BE IT RESOLVED to accept the recommendation of the Kanabec County Insurance Committee and renew the voluntary Short Term Disability Insurance Contract with Dearborn National.

Resolution #13e – 10/06/20

VISION INSURANCE

WHEREAS the Kanabec County Board of Commissioners has been presented with a renewal notice for the voluntary vision coverage, and

WHEREAS the proposed rates are unchanged from the current contract, and

WHEREAS the Insurance Committee has recommended approval of the renewal;

BE IT RESOLVED to accept the recommendation of the Kanabec County Insurance Committee and renew the voluntary Vision Insurance with VSP.

Resolution #13f – 10/23/19

WHEREAS the Kanabec County Board of Commissioners has been presented with a renewal notice for the voluntary Accident Insurance, Critical Illness Insurance, and Hospital Insurance, and

WHEREAS the proposed rates are unchanged from the current contract, and

WHEREAS the Insurance Committee has recommended approval of the renewal;

BE IT RESOLVED to accept the recommendation of the Kanabec County Insurance Committee and renew the voluntary Accident Insurance, Critical Illness Insurance, and Hospital

Insurance with Cigna.

10:35am – The Chairperson called for public comment three times. None responded.

10:36am – The Chairperson closed public comment.

Emergency Management Director Jeff Anderson met with the County Board via WebEx to discuss conversion to a hosted 9-1-1 solution.

Action #14 – It was moved by Gene Anderson, seconded by Dennis McNally and carried unanimously to migrate to a hosted 9-1-1 Solution, and to accept the proposal from Vesta Solutions, Inc. for the VESTA 9-1-1 as-a-Service call handling solution.

County Sheriff Brian Smith met with the County Board to discuss hiring a full time dispatcher.

Action #15 – It was moved by Dennis McNally, seconded by Les Nielsen and carried unanimously to approve the following resolution:

Resolution #15 – 10/6/20

WHEREAS there is a vacancy in the position of a Correctional Officer/Dispatcher, and

WHEREAS the board desires to refill this vacant position, and

BE IT RESOLVED that the County Board authorizes the County Sheriff and the County Personnel Director to hire a Full Time Correctional Officer/Dispatcher to fill the position at Step A, Range 9 of the pay plan which is \$19.92 per hour or the rate set by internal promotion, and

BE IT FURTHER RESOLVED that the hours of work for this position be limited to those budgeted.

Action #16 – It was moved by Les Nielsen, seconded by Craig Smith and carried unanimously to approve the following paid claims:

<u>Vendor</u>	<u>Amount</u>
Burgstahler, Charles	500.00
Card Services (Coborns)	58.98
Consolidated Communications	1,041.96
CW Technology	1,213.40
Dearborn National Life Insurance Co	688.97
East Central Energy	1,112.62
East Central Energy	217.86

Graf, Joe	100.00
Health Partners	6,493.81
Kanabec County Auditor HRA	48,972.00
Kanabec County Auditor-Treas	7,791.67
Kwik Trip Inc	6,786.78
Life Insurance Co of North America	648.10
Midcontinent Communications	218.51
Minnesota Department of Finance	6,353.50
Minnesota Energy Resources Corp	3,850.76
MNPEIP	153,658.46
Mora Municipal Utilities	991.29
Office of MN.IT Services	1,300.00
Pierson, Kevin	500.00
Spire Credit Union	7,329.98
Sun Life Financial	3,711.45
The Hartford Priority Accounts	2,151.03
VSP Insurance Co	278.80
24 Claims Totaling:	<u>255,969.93</u>

Action #17 – It was moved by Dennis McNally, seconded by Gene Anderson and carried unanimously to approve the following claims on the funds indicated:

COVID & CARES Act Claims

Vendor	Amount
Ace Hardware	49.99
AMA Enterprises, LLC dba Crystal Bar & Grill	7,500.00
Diversified Bronze	5,000.00
Granite City Jobbing	203.90
Kanabec County A/T	13,138.59
Kanabec County A/T	19,363.41
Kanabec County A/T	1,695.52
Kanabec County A/T	238.75
Kanabec County A/T	1,453.11
Kanabec County A/T	1,472.52
Kanabec County A/T	416.01
Kanabec County A/T	1,810.82
Kanabec County A/T	20,689.47
KnowBe4 Inc	646.72
Lake Street Family Dental	6,250.00
MCCC	150.00
Mora Dental Center, LLC	7,500.00

New Generation Bakery	3,750.00
Office Depot	102.14
Office Depot	147.93
Office Depot	246.38
Quill	81.92
School Outfitters	17,546.55
The Grand Event Center	6,250.00
25 Claims Totaling:	<u>115,703.73</u>

Action #18 – It was moved by Les Nielsen, seconded by Gene Anderson and carried unanimously to remove the following claims from Agenda Item #3a, Regular Bills – Revenue Fund: Ramsey County \$2,870.00 and River Valley Forensic Services \$400.00 and to approve the following claims on the funds indicated:

Revenue Fund

Vendor	Amount
Ace Hardware	35.96
KnowBe4 Inc.	646.72
Office Depot	3.47
Office Depot	28.67
Office Depot	5
Quill	18.49
1st Choice Document Destruction	6
1st Choice Document Destruction	90
1st Choice Document Destruction	44.25
1st Choice Document Destruction	44.25
1st Choice Document Destruction	18
1st Choice Document Destruction	24
1st Choice Document Destruction	18
1st Choice Document Destruction	24
A and E Cleaning Services	550
Ace Hardware	55.45
Advanced Correctional Healthcare	114.41
Aitkin Medical Supply	101.53
Ingebrand Funeral Home	1,480.00
Anoka County Corrections	5,020.00
Anoka County Corrections	7,920.00
Aspen Mills	1,186.47
Auto Value	25.96
Auto Value	115.48
Bina & Guptil Law Firm	437.75

Card Services (Coborns)	38.23
Coborn's Inc.	505.95
Curtis, Michael	1,892.58
East Central Exterminating	240
East Central Solid Waste Commission	35
Emergency Automotive Technologies	5,911.88
Feine, Jeffrey	198
Fish lake Improvement Association	2,984.00
Government Management Group	3,700.00
Hoefert, Robert	2,082.78
Horizon Towing	171.8
Kanabec Publications	415.18
Kanabec Publications	153.76
Kanabec County Highway Dept	230.06
Kanabec County Highway Dept	186.95
Kanabec County Highway Dept	736.16
Kanabec County Soil & Water	5,000.00
Kanabec Publications	393.75
Kanabec Publications	191.25
Knife Lake Sports	298.38
LexisNexis	187.58
Manthie, Wendy	1,870.48
Marco Inc	159
MCCC Bin#135033	776.94
McKinnis & Doom PA	68
McKinnis & Doom PA	246.5
McKinnis & Doom PA	110.5
McKinnis & Doom PA	263.5
Michael Keller, PhD	650
MNCCC	63.94
MN Public Transit Association	400
Mora Unclaimed Freight	24.77
Nelson, Ronette	973.48
Office Depot	98.28
Office Depot	125.07
Office Depot	15.19
O'Reilly Auto Parts	25.96
Petersen, Kevin	75
Pine Technical & Community College	1,360.00

Premium Waters LLC	6.5
Quadient Finance USA, Inc	620.36
Quadient Leasing USA, Inc	1,686.42
Regents of the University of MN	18,813.99
Rupp, Anderson, Squires & Waldspurger, PA	414.2
Safariland, LLC	895
Stellar Services	496.61
Summit Food Service Management	11,214.04
Summit Companies	1,490.00
Thomson-Reuters-West	588.3
Van Alst, Lillian	233.45
VetPRO	900
Visser, Maurice	1,032.70
Watch Guard	5,245.00
78 Claims Totaling:	<u>94,510.33</u>

County Assessor Tina Von Eschen met with the County Board to discuss hiring a highly qualified Clerk II at a higher step.

Action #19 – Gene Anderson introduced the following resolution and moved its adoption:

Resolution #19 – 10/6/20

WHEREAS there is a vacancy in the position of a Clerk II, and

WHEREAS the County Assessor has screened candidates and has found a candidate with 1 year 9 months prior experience at a Pay Level 10 position in the Kanabec County Assessor's Office; and

WHEREAS the candidate is a former Kanabec County employee who left the county's employ on good terms; and

WHEREAS the County Assessor would like to extend an offer to this candidate that is above the starting pay level;

BE IT RESOLVED to approve hiring a highly qualified, experienced Clerk II applicant at Pay Level 6, up to Step D of the pay plan.

The motion for the adoption of the foregoing Resolution was duly seconded by Les Nielsen and upon a vote being taken thereon, the following voted:

IN FAVOR THEREOF: Gene Anderson, Kathi Ellis, Dennis McNally, Les Nielsen

OPPOSED: Craig Smith
ABSTAIN:

whereupon the resolution was declared duly passed and adopted.

County EDA Director Heidi Steinmetz met with the County Board to discuss Minnesota Manufacturing Week Proclamation.

Action #20 – It was moved by Les Nielsen, seconded by Gene Anderson and carried unanimously to proclaim October 1-7, 2020 as Minnesota Manufacturing Week in Kanabec County.

Action #21 – It was moved by Les Nielsen, seconded by Dennis McNally and carried unanimously to approve the following claims on the funds indicated:

Road & Bridge

<u>Vendor</u>	<u>Amount</u>
A & E Cleaning	1,100.00
Ace	242.56
Auto Value	2,709.55
Bjorklund Companies	2,923.44
Central McGowan	128.60
Cornelius, Jake	254.99
Crysteel Truck Equipment	911.09
DKN Construction	1,760.00
Federated Co-ops	191.93
Granite City Jobbing	206.91
Kanabec County Highway Department	82.50
Kanabec Publications	42.88
Knife River Corporation No. Central	28,276.68
Kraemer, Dave	900.00
Kroschel Land Surveyors	1,640.00
Marco, Inc.	296.29
Mei Total Elevator Solutions	504.28
Newman Traffic Signs	460.57
North Central International	169.92
Nuss Truck Equipment	2,555.40
Office Depot	112.03
Olson Power & Equipment	471.30
Rocon Paving	445.50
Rydberg & Sons Inc	1,320.00

Sanitary Systems	140.00
Schiferli, Kevin	213.13
Scientific Sales	197.70
Stepp MFG	84.14
Summit Companies	2,090.00
Trueman Welters	24,284.55
USIC	600.00
Westling, Nate	64.40
Wiarcom	675.30
33 Claims Totaling:	<u>76,055.64</u>

Action #22 – Craig Smith introduced the following resolution and moved its adoption:

Resolution #22 10/6/20

WHEREAS, Kanabec County Family Services director and supervisors have been working on implementing telecommuting for the Financial and Child Support units with IS and the Coordinator, and

WHEREAS, communication with clients and the agency on a regular basis is required, and

WHEREAS, to complete the process for remote work, cell phones are needed.

THEREFORE, the Family Services Director is recommending the purchase of cell phones to complete the implementation of the remote work process.

THEREFORE BE IT RESOLVED that the Kanabec County Board of Commissioners approves the Family Services Director and IS to purchase the cell phones necessary for the Financial and Child Support units to allow for the required communications with clients and the agency while working remotely. The cost of the purchase will be approximately \$2,000. CAREs funds will be requested and the remainder of the cost will be paid from budgeted funds, less the reimbursement from the affected programs.

The motion for the adoption of the foregoing Resolution was duly seconded by Dennis McNally and upon a vote being taken thereon, the following voted:

IN FAVOR THEREOF: Gene Anderson, Kathi Ellis, Dennis McNally, Craig Smith

OPPOSED: Les Nielsen

ABSTAIN:

whereupon the resolution was declared duly passed and adopted.

County Information Systems Director Lisa Blowers met with the County Board to give an update regarding the Information Systems Department. Several purchases over \$1,000 were discussed. A resolution including a description of these purchases will be brought to a future meeting for official approval.

Public Works Director Chad Gramentz met with the County Board to discuss matters concerning his department.

Action #23 – It was moved by Craig Smith, seconded by Dennis McNally and carried unanimously to approve the following resolution:

Resolution #23 – 10/6/20

WHEREAS the International Union of Operating Engineers, Local No. 49 has submitted a memorandum of understanding agreement for use of the Hinckley, MN training center for Public Works union employees, and

WHEREAS said agreement has been presented before the Board and included herein by reference, and

WHEREAS staff development costs are included in the 2020 budget, and

THEREFORE BE IT RESOLVED to accept the memorandum of understanding dated October 6, 2020 with the International Union of Operating Engineers, Local No. 49 for the use of the Hinckley, MN training center.

Chad Gramentz gave an update regarding road projects. Information only, no action was taken.

Action #24 – It was moved by Les Nielsen, seconded by Gene Anderson and carried unanimously to approve a consent agenda including all of the following actions:

Resolution #24a - 10/6/20

WHEREAS the Central MN Council on Aging (CMCOA) is a non-profit organization designated by the Minnesota Board on Aging as the Area Agency on Aging for Kanabec, Stearns, Benton, Sherburne, Wright, Morrison, Todd, Wadena, Cass, Crow Wing, Isanti, Chisago, Pine and Mille Lacs counties; and

WHEREAS CMCOA provided the following services to Kanabec County Residents 60+ in 2020:

Service	Actual Kanabec County Residents 60+ Served Through Federal OAA Services in 2019
Rides	2 individuals with 28 rides
Chore	6 individuals with 16 hours of chore
Homemaker	14 individuals with 296 hours of homemaking
Congregate	158 individuals with 7,070 congregated meals
Home Delivered Meals	124 individuals with 10,663 home delivered meals
Caregiver Consultant	32 family caregivers with 134.75 sessions of caregiver consultation
Respite	1 family caregiver with 13 hours of respite
Senior LinkAge	1,164 Calls for Phone assistance and 180 In-Person Assistance
Legal Assistance	10 individuals with 55 hours
Health Assessment	230 individuals with 731 Hours

WHEREAS the CMCOA has requested approval of a Memorandum of Agreement for January 1, 2021 through December 31, 2021 which includes an appropriation of \$1,520;

BE IT RESOLVED the Kanabec County Board of Commissioners approves CMCOA's Memorandum of Agreement for January 1, 2021 through December 31, 2021 and the requested appropriation.

Resolution #24b – 10/6/20 **Central Minnesota Emergency Medical Services Region** Revised Joint Powers Agreement Resolution

WHEREAS, Kanabec County is a member of the Central Minnesota Emergency Medical Services Region; and

WHEREAS, Central Minnesota Emergency Medical Services Joint Powers Board has presented revisions to the original agreement which require Kanabec County Board of Commissioners re-adoption;

WHEREAS, the Kanabec County Attorney has reviewed and found no objections to the revised agreement;

THEREFORE BE IT RESOLVED that the Kanabec County Board of Commissioners adopts the revised Central Minnesota Emergency Medical Services Region Joint Powers Agreement.

Resolution #24c – 10/6/20 **SCORE CLAIMS**

WHEREAS the board has been presented with claims for recycling efforts to be paid from SCORE Funds, and

WHEREAS these claims have been reviewed, tabulated and approved by the Kanabec

County Solid Waste Officer, and

WHEREAS SCORE Funds appear adequate for the purpose;

BE IT RESOLVED to approve payment of the following claims on SCORE Funds:

Waste Management	\$3,588.87
Quality Disposal	\$3,444.80
Arthur Township	\$400.00
Total	\$7,433.67

Action #25 – Dennis McNally introduced the following resolution and moved its adoption:

Resolution #25 - 10/6/20

BE IT RESOLVED to appoint Fred Sawatzky to the Board of Adjustment for a three year term commencing immediately and expiring 01/03/23.

The motion for the adoption of the foregoing Resolution was duly seconded by Gene Anderson and upon a vote being taken thereon, the following voted:

IN FAVOR THEREOF: Gene Anderson, Kathi Ellis, Dennis McNally, Les Nielsen

OPPOSED: Craig Smith

ABSTAIN:

whereupon the resolution was declared duly passed and adopted.

Action #26 – It was moved by Les Nielsen, seconded by Gene Anderson and carried unanimously to approve the purchase and installation of an NSF certified walk in freezer for Soup for the Soul Inc. at a cost of \$14,700.

County Coordinator Kris McNally led a discussion regarding Funding Request #4 from the CARES Act Government Committee.

Action #27 – It was moved by Dennis McNally, seconded by Les Nielsen and carried unanimously to approve the following resolution:

Resolution #27 - 10/6/20

WHEREAS, Kanabec County received \$ 1,992,345.00 in Cares Act Funding; and

WHEREAS, Kanabec County's intent is to maximize the relief impact of these funds both internally and across our County, and

WHEREAS, the Kanabec County Cares Act Committee has defined three focus areas for local relief: Social Services, Business & Non-Profits, and Government; and

WHEREAS, the Government focus area recommends the following expenditures (estimates) for approval using Cares Act funds:

\$ 1,260	Video Intercom Station Kit for Family Services/Public Health
\$ 680	Portable hand sanitizer stations for public services building (including sanitizer)
\$ 356	Extra monitor \$100 X 3 and wall brackets \$28 X 2 for Assessors office for ADA compliance with security glass
\$ 220,000	Technology enhancements Courthouse Boardroom, Rm 3,4,5, PH/FS, HWY, Jail
\$ 4,296	Owl conference call units (one per building) \$1074 X 4
\$ 25,500	Laptops X 30
\$ 6,317	WINScribe software for the Sheriff's Office
	Verizon mobile hotspot subscription Oct- Nov \$40/month
\$ 160	Family Services (2)
\$ 80	Assessor (1)
\$ 30,000	I.S. Consultant (support)

WHEREAS, the Government focus area also recommends funding the request of the Isle Public Schools for the purchase of remote learning technology support devices in the amount of \$4,026.90; and

WHEREAS, the Government focus area also recommends partially funding the request of the East Central Regional Library for the purchase of technology equipment in the amount of \$15,279.03; and

WHEREAS, the Government focus area also recommends funding the request of the City of Quamba for COVID-19 related expenses in the amount of \$389.83; and

WHEREAS, the Government focus area also recommends partially funding the request of the Ogilvie Public Schools for the purchase of technology equipment, telework assistance, transportation assistance and teaching assistance in the amount of \$50,000; and

THEREFORE BE IT RESOLVED that the Kanabec County Board of Commissioners approves the expenditure request of the Cares Act Government Committee up to the amount of \$358,208.76.

Kathi Ellis led a discussion regarding the retention of an attorney for the potential privatization of Welia Health. Information only, no action was taken.

Dennis McNally led a discussion regarding meeting space for East Central Solid Waste Committee. The Board expressed consensus to allow the group to meet at the courthouse.

Future agenda items: Waste Tire Ordinance Discussion, IS Resolution for purchases over \$1,000.

Action #28 – It was moved by Les Nielsen, seconded by Craig Smith and carried unanimously to adjourn the meeting at 12:25am. The Kanabec County Board of Commissioners will meet again in regular session on Tuesday, October 20, 2020 at 9:00am.

Signed _____
Chairperson of the Kanabec County Board of Commissioners,
Kanabec County, Minnesota

Attest: _____
Board Clerk

Agenda Item #2

Paid Bills

<u>Vendor</u>	<u>Amount</u>	<u>Purpose</u>	<u>Dept</u>
Midcontinent Communications	473.92	Utilities	Transit
Minnesota Department of Finance	6,144.00	State Fees and Surcharges	Recorder
Minnesota Department of Finance	237.06	Forfeiture State Fees	Sheriff
Mora Municipal	18,081.82	Utilities	Various
Verizon Wireless	905.34	Aircards	Various
East Central Energy	81.58	Intersection Lighting	Highway
Kwik Trip Inc.	61.25	Gas	Highway
Minnesota Department of Finance	960.00	Assurance Torrens & State Assurance Fees	State Revenue Fund
Minnesota Department of Health	1,997.50	Well Cert. Fees 3Q20	State Revenue Fund
Consolidated Communications	1,042.03	Monthly Service	Various
Further	685.40	Admin Fees	HR
Kwik Trip Inc.	6,385.04	Gas Credit Cards	Various
Midcontinent Communications	187.50	Monthly Service	Various
Minnesota Energy Resources Corp	4,955.95	Gas Utilities	Various
Verizon Wireless	3,287.19	Monthly Service	Various
VISA	10,029.57	See Below	
East Central Energy	177.38	Intersection Lighting	Highway
Mora Motor Vehicle Inc	3,764.27	Title 2020 Chev Silverado	Highway
18 Claims Totaling:	<u>\$59,456.80</u>		
VISA	1,257.57	Amazon/Hands Free Door Opener	Building Maintenance - COVID-19 Supplies
	5,464.75	Baker Cleaning/Cordless Sprayer	Building Maintenance - COVID-19 Supplies
	2,835.85	Baker Cleaning/Cordless Sprayer	Building Maintenance - COVID-19 Supplies
	181.83	Germpro/VitalOxide	Building Maintenance - COVID-19 Supplies
	244.99	Amazon/High-Back Chair	Highway
	155.77	East Central Vet	Welfare
	-111.19	Walmart/Credit	Welfare
	<u>\$10,029.57</u>		

Agenda Item #3a

Regular Bills - Revenue Fund

Bills to be approved: 10/20/20

Department Name	Vendor	Amount	Purpose
911 EMERGENCY TELEPHONE SYSTEM	Priority Dispatch Corporation	5,432.75	System License Renewal Service
		5,432.75	
ASSESSOR	Marco Inc	159.00	Lease Agreement
ASSESSOR	Steven, Lisa	75.00	Meal Reimbursement
ASSESSOR	Sunshine Printing	148.00	2000qty #10 Envelopes
		382.00	
AUDITOR	Kanabec Publications	226.80	Publish Notice Exp Redemp
AUDITOR	Office Depot	72.06	Office Supplies
		298.86	
BUILDINGS MAINTENANCE	East Central Exterminating	125.00	Service for September
BUILDINGS MAINTENANCE	FBG Service Corporation	6,410.24	September 2020 Cleaning
BUILDINGS MAINTENANCE	Granite City Jobbing	639.81	Paper Supplies
BUILDINGS MAINTENANCE	Handyman's Inc	58.44	Filters
BUILDINGS MAINTENANCE	Mid-American Research Chemical	551.61	Urinal Screens & Weed Killer
BUILDINGS MAINTENANCE	Quality Disposal	388.36	Solid Waste Fees - Courthouse & PSB
		8,173.46	
COMPUTER EXPENSES	MNCCC	12,462.50	4th Qtr Tax & CAMA User Group Fees
		12,462.50	
COUNTY CORONER	Ramsey County	1,542.00	Autopsy/Toxicology
COUNTY CORONER	Ramsey County	2,870.00	Autopsy/Toxicology/Xrays
COUNTY CORONER	River Valley Forensic Services, PA	400.00	Contract, Postmortem Exams
		4,812.00	

COUNTY RECORDER	Bohnsack Law Office	<u>40.50</u> 40.50	Reimburse Landshark Money
COURT ADMINISTRATOR	McKinnis & Doom PA	280.50	Court Appt Attorney Fees
COURT ADMINISTRATOR	McKinnis & Doom PA	340.00	Court Appt Attorney Fees
COURT ADMINISTRATOR	McKinnis & Doom PA	136.00	Court Appt Attorney Fees
COURT ADMINISTRATOR	McKinnis & Doom PA	<u>348.50</u> 1,105.00	Court Appt Attorney Fees
ENVIRONMENTAL SERVICES	Carda, Ryan	277.45	U of M SSTS Training - Lodging & Meal Reimbursement
ENVIRONMENTAL SERVICES	Quill	<u>31.98</u> 309.43	Office Supplies
HUMAN RESOURCES	American DataBank	105.90	Background studies for new employees
HUMAN RESOURCES	ECM Publishers	870.00	Employment Ads
HUMAN RESOURCES	Mahowald	<u>3,000.00</u> 3,975.90	Consulting Fee for 2021 Plan Year Insurance Bid Process
JAIL PROJECT FUND	Northland Trust Services Inc	<u>898,132.50</u> 898,132.50	Jail Ref Bonds Prin, Int, Agency Fee
LAW LIBRARY	LexisNexis Matthew Bender	<u>210.10</u> 210.10	Law Library Invoice
PROBATION & JUVENILE PLACEMENT	Anoka County Corrections	<u>1,757.00</u> 1,757.00	Juvenile Detention
PUBLIC TRANSPORTATION	A and E Cleaning Services	525.00	Cleaning Offices
PUBLIC TRANSPORTATION	Auto Value Mora	23.97	Bus Parts
PUBLIC TRANSPORTATION	Curtis, Michael	1,053.13	Volunteer Driver
PUBLIC TRANSPORTATION	Glen's Tire	67.65	Bus Repairs
PUBLIC TRANSPORTATION	Granite City Jobbing	67.29	Office Supplies
PUBLIC TRANSPORTATION	Hoefert, Robert	1,350.30	Volunteer Driver

PUBLIC TRANSPORTATION	Innovative Office Solutions LLC	58.07	Office Supplies
PUBLIC TRANSPORTATION	IT SAVVY LLC	1,361.71	Computer & Supplies
PUBLIC TRANSPORTATION	Kanabec Publications	595.00	Advertising
PUBLIC TRANSPORTATION	Manthie, Wendy	922.88	Volunteer Driver
PUBLIC TRANSPORTATION	Marco	134.68	Printer Contracts
PUBLIC TRANSPORTATION	Nelson, Jerald	62.68	Volunteer Driver
PUBLIC TRANSPORTATION	Nelson, Ronette	575.58	Volunteer Driver
PUBLIC TRANSPORTATION	Quality Disposal Systems	24.15	Solid Waste Fees - Transit
PUBLIC TRANSPORTATION	Van Alst, Lillian	410.55	Volunteer Driver
PUBLIC TRANSPORTATION	Visser, Maurice	826.28	Volunteer Driver
		8,058.92	
SANITATION	East Central Solid Waste Commission	72.77	Kanabec County Hwy Dept - MSW
SANITATION	Kanabec Publications	776.25	HHW Advertisements
SANITATION	Kanabec Publications	393.75	HHW Advertisement
		1,242.77	
SHERIFF	AT&T	808.93	Monthly Service
SHERIFF	AT&T	(286.71)	Credit
SHERIFF	Granite Electronics	104.00	Antenna & Battery
SHERIFF	Johnsons Hardware & Rental	59.99	Pest Control B&W XT Blocks Havoc
SHERIFF	Tinker & Larson Inc	2,103.47	Vehicle Maintenance
SHERIFF	UPS	13.17	UPS
		2,802.85	
SHERIFF - CITY OF MORA	AT&T	44.78	Monthly Service
SHERIFF - CITY OF MORA	Tinker & Larson Inc	51.00	Vehicle Maintenance
		95.78	
SHERIFF - JAIL/DISPATCH	Advanced Correctional Healthcare	15,538.23	Nov 20 Medical Services
SHERIFF - JAIL/DISPATCH	FBG Service Corporation	584.80	September 2020 Cleaning
SHERIFF - JAIL/DISPATCH	Handyman's Inc	162.96	Filters
SHERIFF - JAIL/DISPATCH	MN Dept of Labor & Industry	50.00	Boiler Recertification
SHERIFF - JAIL/DISPATCH	Quality Disposal Systems	199.35	Solid Waste Fees - Jail

SHERIFF - JAIL/DISPATCH	State of Minnesota Public Safety BCA	270.00	CJDN Access Fees
SHERIFF - JAIL/DISPATCH	Stellar Services	276.24	Canteen
SHERIFF - JAIL/DISPATCH	Summit Food Service Management	7,373.00	Inmate Meals
SHERIFF - JAIL/DISPATCH	Tinker & Larson Inc	763.64	Vehicle Maintenance
		25,218.22	
UNALLOCATED	Clifton Larson Allen LLP	21,962.56	FY2019 Audit Services
UNALLOCATED	Quadient, Inc.	258.10	2 Ink Cardtridges for Postage Machines
UNALLOCATED	Rupp, Anderson, Squires & Waldspurgen,	2,955.54	Professional Services for July
UNALLOCATED	Walsh Appraisals	800.00	Appraisals in Preparation to Sell 3 Parcels
		25,976.20	
VEHICLE POOL	Kanabec Co Hwy Dept	196.01	Vehicle Maintenance
		196.01	
70 Claims Totaling:		1,000,682.75	

Agenda Item #3b

Regular Bills - Road & Bridge

Bills to be approved: 10/20/20

Vendor	Amount	Purpose
A and E Cleaning Services	1,050.00	Office Cleaning
A & M Aggregate	3,298.86	Gravel
Ameripride	707.07	Uniforms & Services
Beaudry Oil & Propane	9,510.28	Diesel
Campbell, Gary	300.00	Beaver Removal
CORRPRO	304.00	Tank Inspection
Diamond Mowers	121.41	Repair Parts
Glens Tire	418.00	Tire Repairs, Disposal, Service Call
Gopher State One-Call	35.10	Locates
Houtsma, Brandon	400.00	Beaver Removal
Kanabec County - Petty Cash	67.50	Postage
Kanabec County - Timber Trails	639.40	Mileage
Knife River Corp.	2,914.35	Sand
Lake Superior College	500.00	Employee Training/Recertification
Marco, Inc	296.29	Printer Contract
Mattson Electric	75.00	Service Call
Nuss Truck Equipment	14,765.50	Labor & Repair Parts
Office Depot	85.31	Office Supplies
Quality Disposal	164.25	Garbage Pickup
Ranger Chevrolet	57,065.64	2020 Chevrolet Silverado
Rocon Paving	222.42	Patching Roads
Safety-Kleen Systems Inc	407.85	Parts Washer, Bi-Annual Cleanout
USIC Locating Serices	260.00	Locates
Ziegler Inc.	260.34	Repair Parts
24		
Claims Totaling:	93,868.57	

Agenda Item #3c

Regular Bills - COVID & CARES Act Claims

Bills to be approved: 10/20/20

Department/Fund	Vendor	Amount	Purpose
CARES Act COVID-19 Fed Grant - EDA	A Cut Above Salon, Inc	3,750.00	CARES Pandemic Relief Grant
CARES Act COVID-19 Fed Grant - EDA	Double J Café	6,250.00	CARES Pandemic Relief Grant
CARES Act COVID-19 Fed Grant - EDA	Freddie's Restaurant & Banquet Center	7,500.00	CARES Pandemic Relief Grant
CARES Act COVID-19 Fed Grant - EDA	Grace Lutheran Church	4,000.00	CARES Pandemic Relief Grant
CARES Act COVID-19 Fed Grant - EDA	Mora Lodge 223	6,000.00	CARES Pandemic Relief Grant
CARES Act COVID-19 Fed Grant - EDA	Seven County Senior Federation	6,000.00	CARES Pandemic Relief Grant
CARES Act COVID-19 Fed Grant - EDA	The Cardinal's Nest	6,250.00	CARES Pandemic Relief Grant
CARES Act COVID-19 Fed Grant - EDA	Universal Apparel	2,500.00	CARES Pandemic Relief Grant
CARES Act COVID-19 Fed Grant - EDA	White Tail Tool, Inc	6,250.00	CARES Pandemic Relief Grant
		48,500.00	
CARES Act COVID-19 Fed Grant - Family Services	IT SAVVY	498.36	Power Adapters for Laptops
CARES Act COVID-19 Fed Grant - Family Services	Kanabec Publications	420.00	CARES Act Advertising
CARES Act COVID-19 Fed Grant - Family Services	M&T Bank	986.34	CARES Funding 2020-5
CARES Act COVID-19 Fed Grant - Family Services	Mission 61, Inc.	1,160.00	CARES Funding 2020-4
CARES Act COVID-19 Fed Grant - Family Services	Mora Municipal Utilities	643.07	CARES Funding 2020-5
		3,707.77	
COVID-19 Grant - Auditor/Treasurer	Office Depot	53.29	COVID Supplies
		53.29	
COVID-19 Grant - Building Maintenance	Grainger	224.59	Automatic Flush Valve
		224.59	
COVID-19 Grant - EDA	Kanabec Publications	301.00	CARES Act Advertising for EDA Grants
		301.00	

COVID-19 Grant - Elections	Office Depot	<u>216.15</u>	Election COVID Supplies
		216.15	
COVID-19 Grant - Environmental Services	Quill	<u>50.16</u>	Cloth Face Masks
		50.16	
		19 Claims Totaling:	
		<u><u>53,052.96</u></u>	

Agenda Item #4

October 20, 2020

REQUEST FOR BOARD ACTION

a. Subject: Gambling Request	b. Originating Department/Organization/Person: Knife Lake Sportsmen's Club
c. Estimated time: 2 Minutes	d. Presenter(s): None

e. Board action requested: Approve the following resolution:

Resolution #__ – 10/20/20

WHEREAS the Kanabec County Board of Commissioners has been presented with a request for lawful gambling within Kanabec County, and

WHEREAS the application was complete, included all necessary documentation, appears in accordance with County Policies and the applicant and facility owners are in good standing with the County;

BE IT RESOLVED to approve the Application for Exempt Permit for the Knife Lake Sportsman's Club for a bingo & raffle event to be held at Captain Dans Crows Nest, 2743 MN 65, Mora, MN 55051 on November 7, 2020.

f. Background:

Supporting Documents: None: **Attached:** ☒

Date received in County Coordinators Office:	10/5/20
---	---------

Coordinators Comments:

RECEIVED OCT 05 2020

To: Kanabec County Coordinator's Office
Kanabec County Board of Commissioners
From: Ed Hamlin, Knife Lake Sportsman's Club Vice President
Date: 9/20/20
RE: Application of Exempt Permit

The Knife Lake Sportsman's Club is planning a fundraising event consisting of Bingo & Raffle prizes for our annual Ham & Turkey Bingo event on Saturday, November 7, 2020. This event will take place at Captain Dan's Crow Nest.

The proceeds from this event will be used for the care and maintenance of Knife Lake & the Knife Lake Sportsman's Clubhouse as well as the financing of future Knife Lake Sportsman's Club events.

Please see the enclosed, Exempt Permit Application. Please place this request for approval on the agenda of your next board meeting. If approved, please contact me, I am available to pick up the permit or have it mailed to me at: 2675 Kite St, Mora MN 55051 or have it emailed to me at: vp@knifelake.us

If any questions arise, feel free to contact me at 952-250-0642.

Thank you for this consideration.

A handwritten signature in black ink, appearing to be 'Ed Hamlin', with a long horizontal line extending to the right.

Ed Hamlin, Vice President of Knife Lake Sportsman's Club

MINNESOTA LAWFUL GAMBLING
LG220 Application for Exempt Permit

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Page 1 of 2

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than \$50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be \$1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

Application Fee (non-refundable)

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

ORGANIZATION INFORMATION

Organization Name: Knife Lake Sportsman Club Previous Gambling Permit Number: X-02117-20-029
Minnesota Tax ID Number, if any: _____ Federal Employer ID Number (FEIN), if any: _____ *ND II*
Mailing Address: 2825 Hwy 65 Box 254
City: Mora State: MN Zip: 55051 County: Kanabec
Name of Chief Executive Officer (CEO): Carol Meemkem
CEO Daytime Phone: 651-600-0503 CEO Email: president@knifelake.us
(permit will be emailed to this email address unless otherwise indicated below)
Email permit to (if other than the CEO): _____

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

☐ Fraternal ☐ Religious ☐ Veterans ☒ Other Nonprofit Organization

Attach a copy of one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

- ☒ **A current calendar year Certificate of Good Standing**
Don't have a copy? Obtain this certificate from:
MN Secretary of State, Business Services Division
60 Empire Drive, Suite 100
St. Paul, MN 55103
Secretary of State website, phone numbers:
www.sos.state.mn.us
651-296-2803, or toll free 1-877-551-6767
- ☐ **IRS income tax exemption (501(c)) letter in your organization's name**
Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.
- ☐ **IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**
If your organization falls under a parent organization, attach copies of both of the following:
1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Captian Dans Crows Nest

Physical Address (do not use P.O. box): 2743 MN 65

Check one:

☐ City: _____ Zip: _____ County: _____
☒ Township: Peace Zip: 55051 County: Kanabec

Date(s) of activity (for raffles, indicate the date of the drawing): _____

Check each type of gambling activity that your organization will conduct:

☒ Bingo ☐ Paddlewheels ☐ Pull-Tabs ☐ Tipboards ☒ Raffle

Gambling equipment for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. **EXCEPTION:** Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to www.mn.gov/gcb and click on **Distributors** under the **List of Licensees** tab, or call 651-539-1900. *ND II*

LG220 Application for Exempt Permit

11/17
Page 2 of 2

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

CITY APPROVAL for a gambling premises located within city limits	COUNTY APPROVAL for a gambling premises located in a township
<input type="checkbox"/> The application is acknowledged with no waiting period. <input type="checkbox"/> The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city). <input type="checkbox"/> The application is denied.	<input type="checkbox"/> The application is acknowledged with no waiting period. <input type="checkbox"/> The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days. <input type="checkbox"/> The application is denied.
Print City Name: _____	Print County Name: _____
Signature of City Personnel: _____	Signature of County Personnel: _____
Title: _____ Date: _____	Title: _____ Date: _____
<div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> The city or county must sign before submitting application to the Gambling Control Board. </div>	
TOWNSHIP (if required by the county) On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 340.213.) Print Township Name: _____ Signature of Township Officer: _____ Title: _____ Date: _____	

CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: Carol Meemken Date: 9/30/20
(Signature must be CEO's signature; designee may not sign)

Print Name: Carol Meemken

REQUIREMENTS

Complete a separate application for:

- all gambling conducted on two or more consecutive days; or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

Financial report to be completed within 30 days after the gambling activity is done:

A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

MAIL APPLICATION AND ATTACHMENTS

Mail application with:

- _____ a copy of your proof of nonprofit status; and
- _____ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**. Make check payable to **State of Minnesota**.

To: Minnesota Gambling Control Board
 1711 West County Road B, Suite 300 South
 Roseville, MN 55113

Questions?

Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the

application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-

ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

This form will be made available in alternative format (i.e. large print, braille) upon request.

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Business Record Details »

Minnesota Business Name

Knife Lake Sportsmen's Club, Inc.**Business Type**

Nonprofit Corporation (Domestic)

MN Statute

317A

File Number

Q-1078

Home Jurisdiction

Minnesota

Filing Date

11/22/1978

Status

Active / In Good Standing

Renewal Due Date

12/31/2021

Registered Office Address2825 N Hwy 65
Mora, MN 55051
USA**Number of Shares**

NONE

Registered Agent(s)

(Optional) Currently No Agent

PresidentCAROL MEEMKEN
2825 N HWY 65
PO BOX 254
MORA, MN 55051
USA

Filing History

Filing HistorySelect the item(s) you would like to order: [Order Selected Copies](#)

<input type="checkbox"/>	Filing Date	Filing	Effective Date
<input type="checkbox"/>	11/22/1978	Original Filing - Nonprofit Corporation (Domestic)	

<input type="checkbox"/>	Filing Date	Filing	Effective Date
	11/22/1978	Nonprofit Corporation (Domestic) Business Name (Business Name: Knife Lake Sportsmen's Club, Inc.)	
<input type="checkbox"/>	07/16/1990	Registered Office and/or Agent - Nonprofit Corporation (Domestic)	
<input type="checkbox"/>	03/16/1992	Registered Office and/or Agent - Nonprofit Corporation (Domestic)	
<input type="checkbox"/>	06/24/1997	Registered Office and/or Agent - Nonprofit Corporation (Domestic)	

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Agenda Item #5

October 20, 2020

REQUEST FOR BOARD ACTION

a. Subject: County Fee-Owned Land Resolution to Proceed with Sale – Knife Lake Parcel B

b. Originating Department/Organization/Person:
Coordinator's Office

c. Estimated time: 5 Minutes

d. Presenter(s): Kris McNally

e. Board action requested:

_____ introduced the following Resolution and moved its adoption:

**RESOLUTION AUTHORIZING THE SALE OF PROPERTIES PURSUANT TO MINNESOTA
STATUTES SECTION 373.01**

WHEREAS, Kanabec County owns the parcel legally described as follows:

Parcel B (2.35 Acres±):

That part of the Northwest Quarter of the Southeast Quarter and that part of the Northeast Quarter of the Southwest Quarter of Section 10, Township 40, Range 24, Kanabec County, Minnesota, described as follows:

Commencing at the South Quarter corner of said Section 10 (the south line of the Southwest Quarter of said Section 10 having an assumed bearing of North 89 degrees 47 minutes 48 seconds East); thence North 1 degree 26 minutes 27 seconds East a distance of 2533.91 feet; thence South 60 degrees 16 minutes 05 seconds West 89.60 feet; thence South 42 degrees 42 minutes 55 seconds East 61.69 feet to the point of beginning of the property to be described; thence North 80 degrees 30 minutes 26 seconds West 91.63 feet; thence North 41 degrees 52 minutes 56 seconds West 232.45 feet, more or less, to the East-West Quarter line of said Section 10; thence westerly along said East-West Quarter line 180.92 feet; thence South 13 degrees 59 minutes 50 seconds East 307.36 feet; thence South 74 degrees 25 minutes 30 seconds East 249 feet, more or less, to the shoreline of Knife Lake; thence northeasterly along said shoreline 210 feet, more or less, to the intersection with a line that bears South 42 degrees 42 minutes 55 seconds East from the point of beginning; thence North 42 degrees 42 minutes 55 seconds West 82 feet, more or less, to the point of beginning;

and the parcel legally described as follows: **Parcel C (2.60 Acres±):**

That part of the Northeast Quarter of the Southwest Quarter of Section 10, Township 40, Range 24, Kanabec County, Minnesota, described as follows:

Commencing at the South Quarter corner of said Section 10 (the south line of the Southwest Quarter of said Section 10 having an assumed bearing of North 89 degrees 47 minutes 48 seconds East); thence North 1 degree 26 minutes 27 seconds East a distance of 2533.91 feet; thence South 60 degrees 16 minutes 05 seconds West 89.60 feet; thence South 42 degrees 42 minutes 55 seconds East 61.69 feet; thence North 80 degrees 30 minutes 26 seconds West 91.63 feet; thence North 41 degrees 52 minutes 56

seconds West 232.45 feet, more or less, to the East-West Quarter line of said Section 10; thence westerly along said East-West Quarter line 180.92 feet to the point of beginning of the property to be described; thence South 13 degrees 59 minutes 50 seconds East 307.36 feet; thence South 74 degrees 25 minutes 30 seconds East 249 feet, more or less, to the shoreline of Knife Lake; thence southwesterly along said shoreline 210 feet, more or less, to the intersection with the northeasterly line of Lot 1, NELSON'S KNIFE LAKE ADDITION, Kanabec County, Minnesota; thence northwesterly and northerly along said line to the intersection with said East-West Quarter line; thence easterly along said East-West Quarter line a distance of 181.00 feet, more or less, to the point of beginning (collectively, the "Properties"); and

WHEREAS, the Kanabec County Board of Commissioners has determined that it no longer needs the Properties; and

WHEREAS, Minnesota Statutes Section 373.01, subd. 1(4) authorizes a county to sell, lease, and convey real or personal property owned by the county; and

WHEREAS, Kanabec County has obtained appraisals on the Properties, which determined that the fair market value of each of the Properties is \$165,000.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The County Coordinator is authorized to proceed with the actions required under law to sell the Properties, including, but not limited to, listing each parcel for sale pursuant to Minnesota Statute 373.01, by written bids. A time and date for the bid opening shall be set and included in the required advertising for the property sale.
2. The minimum bid price for each of the Properties shall be \$165,000. The appraised value does not represent a basis for future taxes.
3. Each of the Properties shall be sold to the highest bidder for not less than the minimum bid price. The successful bidder shall fully pay the bid amount to the County within 30 days of being awarded the bid. Upon full payment by the bidder, the County shall issue the bidder a quit claim deed for their Property, subject to any reservations required under law. If the bidder does not submit payment within 30 days or if a Property does not receive a bid, the County Coordinator may proceed with selling the unsold Property in compliance with Section 373.01.
4. Each of the Properties are sold "as-is" and may not conform to local building and zoning ordinances. All sales are final, and no refunds or exchanges are permitted. Each of the Properties are sold subject to easements, reservations, and restrictions of record and further subject to easement for roads and public utilities existing on, over, or under said Properties.
5. The bidder is responsible for all costs of completing the sale, including but not limited to the state deed fee, state deed tax, recording fee, and well certificate fee, if applicable.

The motion for adoption of the foregoing Resolution was duly seconded by _____, and upon vote being taken thereon, adopted this _ day of October, 2020.

f. Background:

Date received in County Coordinators Office:

Coordinators Comments:

Proposed timeframe for sale:

Upon approval at the 10/20 meeting, staff would run legal notices and ads as follows:

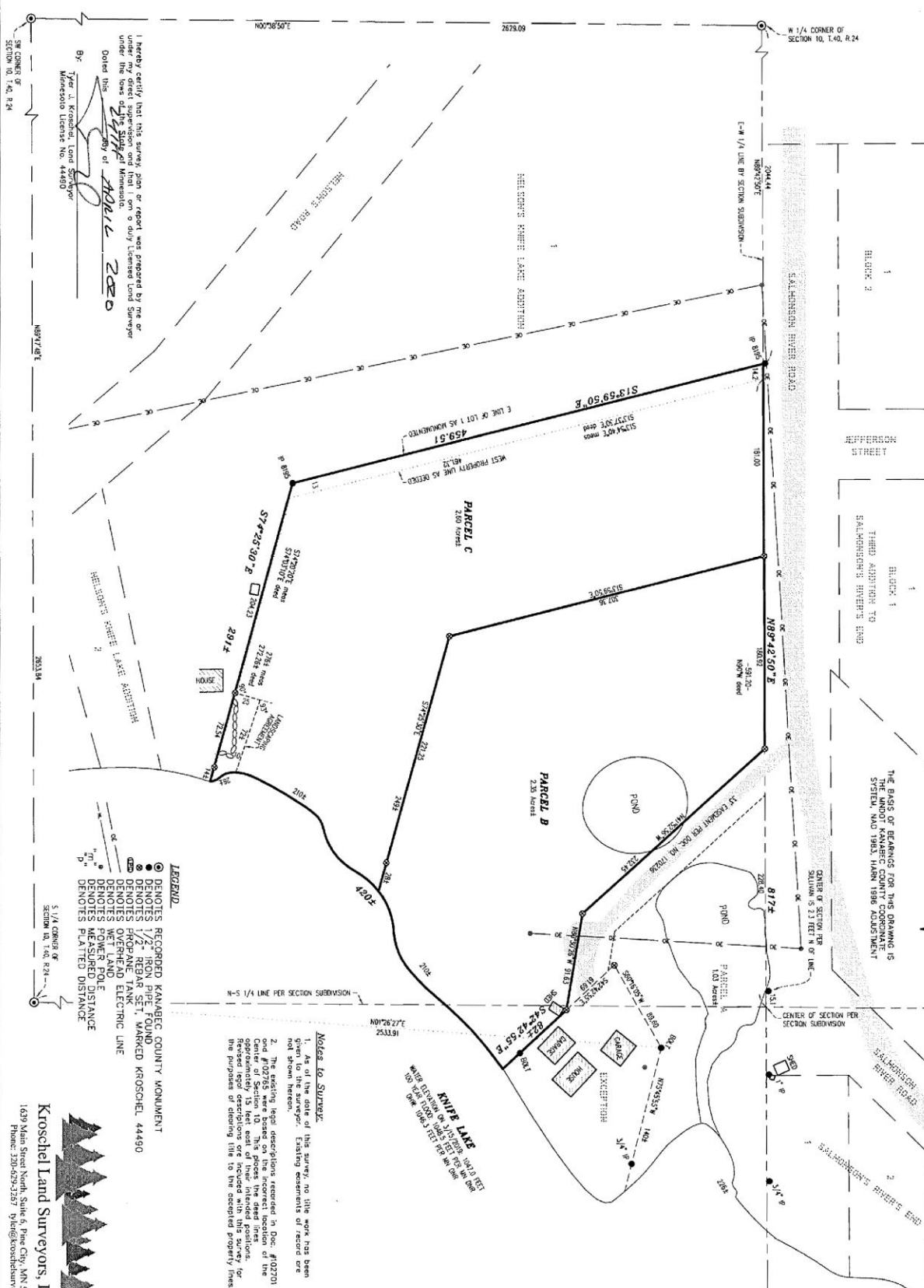
Legal Ad - publish for three consecutive weeks in Times:	October 29, 2020
	November 5, 2020
	November 12, 2020
Publish for one week in the Advertiser	November 8, 2020

The closing date for sealed bids would be November 13th at 3:30pm to allow staff time to prepare for the November 17th Board Meeting.

Scale: 1 Inch = 80 Feet

**CERTIFICATE OF SURVEY FOR
KANABEC COUNTY
PART OF SECTION 10, TOWNSHIP 40, RANGE 24, KANABEC COUNTY, MINNESOTA**

THE BASIS OF BEARINGS FOR THIS DRAWING IS
THE MNDOT KANABEC COUNTY COORDINATE
SYSTEM, NAD 1983, HARN 1996 ADJUSTMENT



Notes to Survey:

1. As of the date of this survey, no title work has been given to the surveyor. Existing easements of record are not shown hereon.

2. The existing legal descriptions referenced in Doc. #102701 and #102702 were based on the incorrect location of the Center of Section 10. This places the dead lines approximately 15 feet east of their intended positions. Revised legal descriptions are included with this survey for the purpose of clearing title to the accepted property lines.

LEGEND

● DENOTES RECORDED KANABEC COUNTY MONUMENT
● DENOTES 1 1/2" IRON PIPE FOUND
● DENOTES 1/2" REBAR SET, MARKED KROSCHTEL 44490

Kroschel Land Surveyors, Inc.
1639 Main Street North, Suite 6, Pine City, MN 55063
Phone: 320-629-3267 tyler@kroschelsurvey.com

Agenda Item #6

October 6, 2020

REQUEST FOR BOARD ACTION

a. Subject: CARES Act Government Committee Funding Request #5	b. Origination: Coronavirus Relief Fund
c. Estimated time: 10 minutes	d. Presenter(s): Kris McNally, Coordinator

e. Board action requested:

Resolution #__ - 10/20/20

WHEREAS, Kanabec County received \$ 1,992,345.00 in Cares Act Funding; and

WHEREAS, Kanabec County's intent is to maximize the relief impact of these funds both internally and across our County, and

WHEREAS, the Kanabec County Cares Act Committee has defined three focus areas for local relief: Social Services, Business & Non-Profits, and Government; and

WHEREAS, the Government focus area recommends the following expenditures (estimates) for approval using Cares Act funds:

\$8,377	Additional door openers for exterior bathroom doors
\$3,800	Reallocation of previously allocated funds from Fit Testing Machine to Copy Machine in Public Health (overall reduction in \$2,200 from initial allocation)
\$ 700	Additional electrostatic sprayer (handheld)

WHEREAS, the Government focus area also recommends partially funding the request of the Mora Public Schools for the purchase of COVID-19 related technology equipment, additional tables, and staffing assistance in the amount of \$63,369.44 ; and

WHEREAS, the Government focus area also recommends funding the request of the City of Quamba for COVID-19 related technology expenses in the amount of \$4,338.96; and

THEREFORE BE IT RESOLVED that the Kanabec County Board of Commissioners approves the expenditure request of the Cares Act Government Committee up to the amount of \$80,585.40.

f. Background:

Supporting Documents: None ☒ Attached

Date received in County Coordinators Office:

Coordinators Comments: