

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA**

**BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

INTRODUCTORY SECTION

ORGANIZATION	1
---------------------	----------

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	2
-------------------------------------	----------

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS	6
---	----------

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION	19
----------------------------------	-----------

STATEMENT OF ACTIVITIES	20
--------------------------------	-----------

FUND FINANCIAL STATEMENTS

BALANCE SHEET – GOVERNMENTAL FUNDS	21
---	-----------

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES	23
--	-----------

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	24
---	-----------

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES	26
---	-----------

STATEMENT OF NET POSITION – INTERNAL SERVICE FUND	27
--	-----------

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION - INTERNAL SERVICE FUND	28
---	-----------

STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUND	29
--	-----------

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS	30
--	-----------

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS	31
---	-----------

NOTES TO THE FINANCIAL STATEMENTS	32
--	-----------

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	84
--	-----------

SCHEDULE OF THE COUNTY CONTRIBUTIONS	85
---	-----------

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED RATIOS, AND NOTES	86
---	-----------

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	87
---	-----------

BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE SPECIAL REVENUE FUND	89
---	-----------

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

FINANCIAL SECTION (CONTINUED)

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A (CONTINUED)

BUDGETARY COMPARISON SCHEDULE – HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND	90
BUDGETARY COMPARISON SCHEDULE – FORFEITED TAX SPECIAL REVENUE FUND	91
BUDGETARY COMPARISON SCHEDULE – SOLID WASTE SPECIAL REVENUE FUND	92
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION	93

SUPPLEMENTARY INFORMATION

DESCRIPTIONS OF FUNDS	107
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	110
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	112
COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS	114
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS	117
SCHEDULE OF INTERGOVERNMENTAL REVENUES	120

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 <i>GOVERNMENT AUDITING STANDARDS</i>	122
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	124
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	127
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	135
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	137
INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE	138

INTRODUCTORY SECTION

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
ORGANIZATION
DECEMBER 31, 2024**

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

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Beltrami County
Bemidji, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beltrami County, Minnesota (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of the county's proportionate share of the net pension liability, the schedule of the county contributions, and the schedule of changes in total OPEB liability, related ratios and notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Brainerd, Minnesota
July 15, 2025

REQUIRED SUPPLEMENTARY INFORMATION

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

This section of Beltrami County's (the County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2024. The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34. Certain comparative information between the current year, 2024, and the prior year, 2023, is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal years include the following:

- ◆ At the end of 2024, overall fund-level revenues totaled \$110,260,715 and were \$8,892,863 greater than expenditures.
- ◆ At the end of 2024, overall fund-level expenditures totaled \$101,367,852 which is a decrease of \$4,880,503 over the prior year. The largest decreases were in the general government function due to prior year pass through grant funds and the highway function due to the prior year engaging in more highway projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

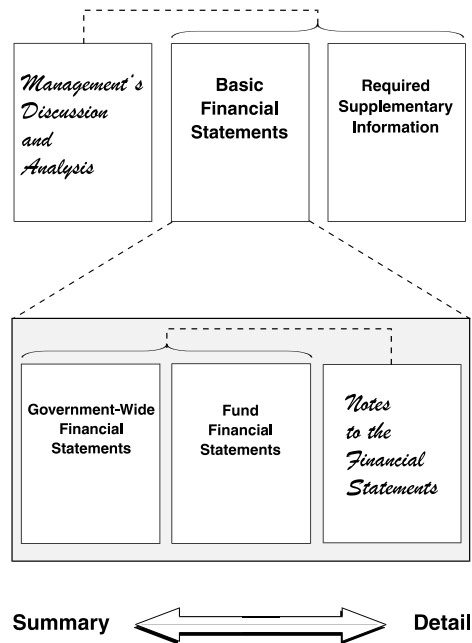
**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

**Figure A-1
Annual Report Format**



**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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	Internal Service Fund
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.	Instances in which the County manages self-insurance activities.
Required Financial Statements	Statement of net position.	Balance sheet.	Statement of fiduciary net position.	Statement of net position.
	Statement of activities.	Statement of revenues, expenditures and changes in fund balances.	Statement of changes in fiduciary net position.	Statement of revenues, expenses and changes in net position.
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.	Accrual accounting and economic resources focus.
Type of Asset and Deferred Outflows of Resources/Liability and Deferred Inflows of Resources Information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term.	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter, no capital assets included.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short-term and long-term, custodial funds do not currently contain capital assets, although they can.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term, no long-term exist currently.
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 year, regardless of when cash is received or paid.	None.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

COUNTY-WIDE STATEMENTS

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

THE COUNTY HAS THREE KINDS OF FUNDS:

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

THE COUNTY HAS THREE KINDS OF FUNDS (CONTINUED):

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

NET POSITION

The County's net position was \$268,770,374 on December 31, 2024 (see Table A-1).

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

	Governmental Activities		Percentage
	2024	2023	Change
Current and Other Assets	\$ 115,299,050	\$ 63,986,678	80.2 %
Capital Assets and Right to Use Assets	230,872,870	223,154,069	3.5
Total Assets	346,171,920	287,140,747	20.6
Deferred Outflows of Resources	8,021,526	12,338,536	(35.0)
Current Liabilities	9,398,428	8,220,737	14.3
Long-Term Liabilities	59,653,308	27,204,483	119.3
Total Liabilities	69,051,736	35,425,220	94.9
Deferred Inflows of Resources	16,371,336	13,799,879	18.6
Net Position			
Net Investment in Capital Assets	222,685,482	218,001,339	2.1
Restricted	14,171,095	12,211,428	16.0
Unrestricted	31,913,797	20,041,417	59.2
Total Net Position	\$ 268,770,374	\$ 250,254,184	7.4

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

CHANGES IN NET POSITION

The County-wide total revenues were \$110,518,803 for the year ended December 31, 2024. Property taxes and intergovernmental revenues accounted for 81.18% of total revenue for the year. Investment earnings represents an unrealized gain on investments. Beltrami County intends to hold all bonds to maturity. (See Table A-2).

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

	Governmental Activities for the fiscal year ended December 31,		Total %
	2024	2023	Change
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 16,048,927	\$ 16,973,858	(5.4)%
Operating Grants and Contributions	26,044,607	30,612,058	(14.9)
Capital Grants and Contributions	9,158,355	7,237,849	26.5
<u>General Revenues</u>			
Taxes	43,261,257	37,961,540	14.0
Unrestricted State Aid	11,251,926	10,107,364	11.3
Investment Earnings	3,174,199	1,723,174	84.2
Other	1,579,532	1,279,195	23.5
Total Revenues	110,518,803	105,895,038	4.4
Expenses			
General Government	14,286,630	19,747,381	(27.7)
Public Safety	17,630,046	18,073,766	(2.5)
Highways and Streets	12,507,948	11,457,397	9.2
Sanitation	5,923,300	5,740,251	3.2
Human Services	34,749,739	32,087,619	8.3
Health	2,176,347	1,720,756	26.5
Culture and Recreation	1,046,383	1,423,475	(26.5)
Conservation of Natural Resources	1,827,567	2,063,188	(11.4)
Economic Development	308,951	278,182	11.1
Interest and Fiscal Charges			
on Long-Term Liabilities	1,545,702	150,561	926.6
Total Expenses	92,002,613	92,742,576	(0.8)
Change in Net Position	18,516,190	13,152,462	40.8
Net Position - Beginning of Year	250,254,184	237,101,722	5.5
Net Position - End of Year	<u>\$ 268,770,374</u>	<u>\$ 250,254,184</u>	7.4

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

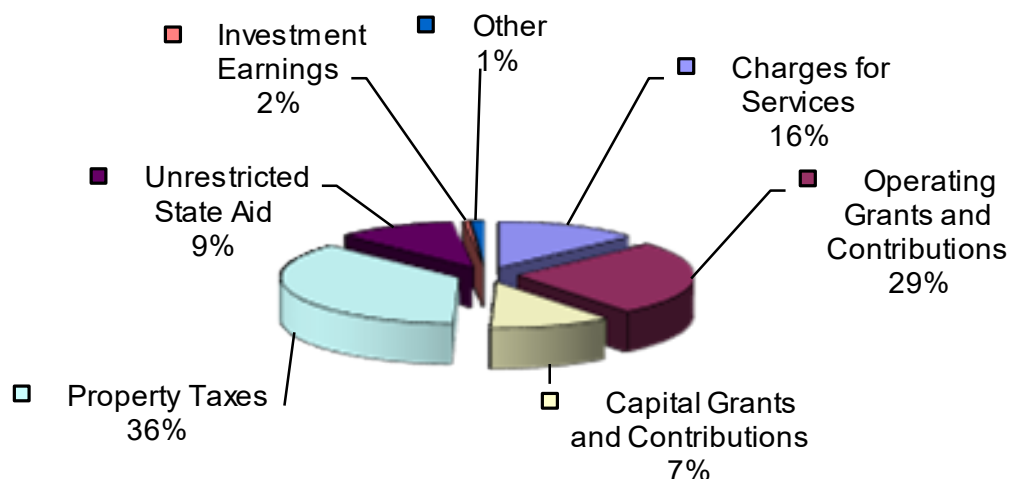
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

CHANGES IN NET POSITION (CONTINUED)

The County-wide cost of all governmental activities this year was \$92,002,613.

- ◆ Some of the cost was paid by the users of the County's programs (\$16,048,927).
- ◆ The federal and state governments subsidized certain programs with grants and contributions (\$35,202,962).
- ◆ Most of the County's remaining costs (\$40,750,724), however, were paid for by County taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with \$43,261,257 of property and other taxes, \$11,251,926 of state aid, and with \$4,753,731 of investment earnings and other general revenues.

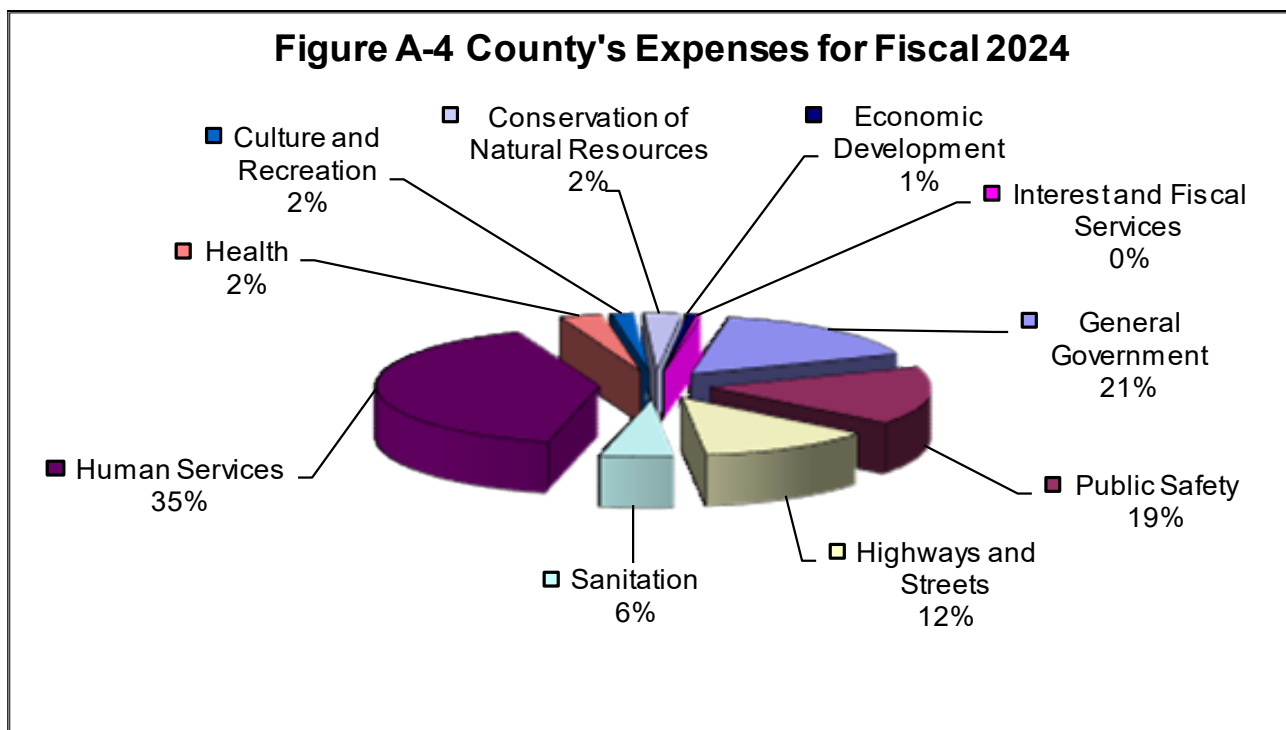
Figure A-3 Sources of County's Revenues for Fiscal 2024



**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

CHANGES IN NET POSITION (CONTINUED)



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

	Total Cost of Services		Percentage Change	Net Revenue (Cost) of Services		Percentage Change
	2024	2023		2024	2023	
General Government	\$ 14,286,630	\$ 19,747,381	(27.7)%	\$ (10,216,693)	\$ (10,461,734)	2.3 %
Public Safety	17,630,046	18,073,766	(2.5)	(15,542,387)	(14,356,101)	(8.3)
Highways and Streets	12,507,948	11,457,397	9.2	2,079,526	926,021	124.6
Sanitation	5,923,300	5,740,251	3.2	488,374	861,109	(43.3)
Human Services	34,749,739	32,087,619	8.3	(15,284,042)	(14,488,652)	(5.5)
Health	2,176,347	1,720,756	26.5	398,927	311,054	28.3
Culture and Recreation	1,046,383	1,423,475	(26.5)	(943,492)	(1,145,502)	17.6
Conservation of Natural Resources	1,827,567	2,063,188	(11.4)	110,383	850,404	(87.0)
Economic Development	308,951	278,182	11.1	(295,618)	(264,849)	(11.6)
Interest and Fiscal Charges on Long-Term Liabilities	1,545,702	150,561	926.6	(1,545,702)	(150,561)	(926.6)
Total	\$ 92,002,613	\$ 92,742,576		\$ (40,750,724)	\$ (37,918,811)	

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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 \$103,138,876.

Revenues for the County's governmental funds were \$110,260,715 while total expenditures were \$101,367,852. The County's total fund balance at year-end shows an increase of \$49,774,404. The increase is due to the issuance of new jail bonds. In the prior year fund balance decreased \$103,820.

GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues:

**Table A-4
General Fund Revenues**

Fund	Year Ended		Change	
	December 31, 2024	December 31, 2023	Increase (Decrease)	Percent
Taxes	\$ 19,844,977	\$ 17,411,018	\$ 2,433,959	14.0 %
Intergovernmental	9,756,486	15,166,000	(5,409,514)	(35.7)
Charges for Services	3,468,570	3,263,386	205,184	6.3
Investment Earnings	3,146,433	1,723,174	1,423,259	82.6
Miscellaneous and Other	1,905,452	1,882,658	22,794	1.2
Total General Fund Revenues	<u>\$ 38,121,918</u>	<u>\$ 39,446,236</u>	<u>\$ (1,324,318)</u>	(3.4)

Total General Fund revenues decreased by \$1,324,318, or 3.4%, from the previous year. The primary reason for the decrease relates to a decrease in intergovernmental revenue due to a decrease in a state bonding agreement. The decrease is offset with an increase in tax revenues due to an increase in the levy, and an increase in investment earnings due to favorable market conditions.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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

GENERAL FUND (CONTINUED)

The following schedule presents a summary of General Fund Expenditures:

**Table A-5
General Fund Expenditures**

	Year Ended		Change	
	December 31, 2024	December 31, 2023	Increase (Decrease)	Percent
General Government	\$ 14,459,288	\$ 18,721,439	\$ (4,262,151)	(22.8)%
Public Safety	16,919,577	16,571,852	347,725	2.1
Culture and Recreation	891,869	1,071,482	(179,613)	(16.8)
Capital Outlay	54,408	142,348	(87,940)	(61.8)
Debt Service	132,689	147,698	(15,009)	(10.2)
Total Expenditures	<u>\$ 32,457,831</u>	<u>\$ 36,654,819</u>	<u>\$ (4,196,988)</u>	(11.5)

Total General Fund expenditures decreased by \$4,196,988 from the previous year. This decrease is primarily due to pass through grant funds in the prior year.

The General Fund had total fund balance of \$42,608,159 at the end of the current fiscal year. The fund balance of the General Fund increased \$6,363,502 during the current fiscal year.

OTHER MAJOR FUNDS ANALYSIS

The Road and Bridge Fund had total fund balance of \$12,802,582 at the end of the current fiscal year. The fund balance of the Road and Bridge Fund increased \$5,728,689. The increase in fund balance during the current fiscal year was primarily due to an increase in state and federal grant funding along with a decrease in highway project costs due to less projects during the year.

The Health and Human Services Fund had total fund balance of \$1,116,164 at the end of the current fiscal year. The fund balance of the Health and Human Services fund decreased \$638,832. The decrease in fund balance is primarily due to increased housing aid costs.

The Forfeited Tax Fund had total fund balance of \$1,995,535 at the end of the current fiscal year. The fund balance of the Forfeited Tax Fund increased \$82,526 primarily due to a decrease in culture and recreation costs.

The Solid Waste Fund had total fund balance of \$3,092,029 at the end of the current fiscal year. The fund balance of the Solid Waste Fund increased \$668,935 during the current fiscal year as a result of effective management of costs.

The Debt Service Fund had total fund balance of \$1,989,797 at the end of the current fiscal year. The fund balance of the Debt Service Fund increased \$1,600,175 during the current fiscal due to an increase in tax revenue as a result of the addition of sales tax revenues. The sales tax revenue funding is used for repayment of the 2024 jail bond debt service payments.

The Capital Projects Fund had total fund balance of \$37,175,504 at the end of the current fiscal year. The fund balance of the Capital Project Fund increased \$35,881,326 primarily due to the issuance of new jail bonds.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

GENERAL FUND BUDGETARY HIGHLIGHTS

- ◆ Actual revenues were \$4,419,492 more than expected primarily due to an unexpected increase in investment earnings and unbudgeted state grants.
- ◆ The County had budget amendments totaling \$4,100 for geographic information systems.

CONSTRUCTION PROJECTS AND DEBT SERVICE

The Capital Projects Fund has historically received \$280,000 from the PILT distribution, to be used for one-time capital improvements. In 2024, the County issued General Obligation Jail Bonds, Series 2024A for the purpose of financing the construction costs of the county jail.

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

CAPITAL ASSETS AND RIGHT TO USE ASSETS

By the end of 2024, the County had invested approximately \$338,000,000 in a broad range of capital assets, including buildings, computers, equipment, and infrastructure. (See Table A-6). (More detailed information about capital assets can be found in Note 3.A.3 to the financial statements.) Total depreciation/amortization expense for the year was \$8,290,707.

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

	2024	2023	Percentage Change
Land	\$ 3,180,770	\$ 3,180,770	-
Right of Way	3,106,304	3,102,804	0.1
Construction-in-Progress	7,589,433	8,295,539	(8.5)
Infrastructure	236,535,477	223,222,656	6.0
Buildings	58,624,441	57,404,765	2.1
Improvements Other than Buildings	582,689	582,689	-
Machinery, Equipment, and Vehicles	27,323,730	26,946,057	1.4
Right to Use Assets	697,494	520,250	34.1
Less: Accumulated Depreciation/Amortization	<u>(106,767,468)</u>	<u>(100,101,461)</u>	6.7
Total	<u>\$ 230,872,870</u>	<u>\$ 223,154,069</u>	3.5

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

LONG-TERM LIABILITIES

At year-end, the County had \$60,376,214 in long-term liabilities (including portions due within one year) outstanding. Long-term liabilities increased due to the issuance of the 2024 general obligation jail bonds. Additional information on the County's long-term liabilities is presented in Note 3.C.2.

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

	2024	2023	Percentage Change
General Obligation Bonds	\$ 40,810,000	\$ 3,870,000	954.5 %
Compensated Absences Payable	3,062,945	2,864,745	6.9
Lease Payable	168,772	187,109	(9.8)
SBITA Payable	183,196	139,451	31.4
Loan Payable	92,000	100,000	(8.0)
Finance Purchase	96,233	126,199	(23.7)
OPEB Liability	2,767,203	2,543,928	8.8
Net Pension Liability	13,195,865	19,274,193	(31.5)
Total	<u>\$ 60,376,214</u>	<u>\$ 29,105,625</u>	107.4

FACTORS BEARING ON THE COUNTY'S FUTURE AND 2024 BUDGET

The County is dependent on the State of Minnesota for a significant portion of its revenue. However, historical trends suggest that the legislature may change allocation formulas causing a decrease in revenues in the future.

The County will continue to evaluate its Capital Improvement Plan, focusing on the useful life and maintenance costs of existing assets.

The County has set the 2025 expenditure budget at \$118,139,910 an increase of 13.3% over the 2024 expenditure budget.

The County is in the eleventh year of the .5% Local Transit Sales and Use Tax. This funding continues to significantly support the infrastructure projects recognized in the Accelerated Road Improvement plan. A new 10-year plan was adopted by the County Board in December 2024.

The County is in the first year of the .625% Local Option Sales and Use Tax to fund the Debt Service for the construction of the Beltrami County Jail.

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities
ASSETS	
Cash and pooled investments	\$ 99,919,830
Petty cash and change funds	14,950
Taxes receivable - delinquent	723,491
Special assessments receivable - delinquent	381,311
Accounts receivable	3,197,514
Accrued interest receivable	294,433
Loan receivable	181,167
Due from other governments	8,376,670
Supplies	1,323,471
Prepaid items	128,795
Lease receivable - current	277,658
Nondepreciable capital assets	
Land	3,180,770
Right of way	3,106,304
Construction in progress	7,589,433
Depreciable/Amortized capital and right to use assets	
Infrastructure (net)	172,695,855
Buildings (net)	35,058,852
Improvements other than buildings (net)	295,080
Machinery, vehicles, furniture, equipment (net)	8,576,295
Right to use asset (net)	370,281
Lease receivable - noncurrent	479,760
Total assets	<u>346,171,920</u>
DEFERRED OUTFLOWS OF RESOURCES	
Refunding loss on bonds	15,403
OPEB related	409,890
Pension related	7,596,233
Total deferred outflows of resources	<u>8,021,526</u>
LIABILITIES	
Accounts payable	2,346,343
Salaries payable	1,845,593
Contracts payable	911,712
Due to other governments	1,140,819
Accrued interest payable	156,994
Landfill post closure	254,642
Compensated absences payable - Due within one year	306,295
General obligation bonds payable - Due within one year	2,090,000
Finance purchase payable - Due within one year	30,998
Lease payable - Due within one year	54,680
SBITA payable - Due within one year	122,354
Loans payable - Due within one year	8,000
Other postemployment benefits - Due within one year	129,998
Compensated absences payable - Due in more than one year	2,756,650
General obligation bonds payable - Due in more than one year	40,739,419
Finance purchase payable - Due in more than one year	65,235
Lease payable - Due in more than one year	114,092
SBITA payable - Due in more than one year	60,842
Loans payable - Due in more than one year	84,000
Other postemployment benefits - Due in more than one year	2,637,205
Net pension liability - Due in more than one year	13,195,865
Total liabilities	<u>69,051,736</u>
DEFERRED INFLOWS OF RESOURCES	
Advanced allotments	1,079,130
Other unavailable revenue	757,418
Pension related	14,110,640
OPEB related	424,148
Total deferred inflows	<u>16,371,336</u>
NET POSITION	
Net investment in capital assets	222,685,482
Restricted for	
Recorder equipment	146,500
Health and human services	1,842,701
E911	1,137,869
Missing heirs	3,366
Natural resource development	3,436,378
Debt service	1,855,091
Consolidated conservation	1,073,460
Sanitation	343,154
Economic development	77,603
Law library	57,903
Transportation	2,815,846
Public safety	1,254,620
Aquatic invasive species	105,893
Other purposes	20,711
Unrestricted	31,913,797
Total net position	<u>\$ 268,770,374</u>

See accompanying notes to the financial statements.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

FUNCTION/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government	\$ 14,286,630	\$ 3,291,326	\$ 778,611	\$ -	\$ (10,216,693)
Public safety	17,630,046	807,782	1,279,877	-	(15,542,387)
Highways and streets	12,507,948	667,981	4,808,449	9,111,044	2,079,526
Sanitation	5,923,300	6,411,674	-	-	488,374
Human services	34,749,739	3,001,476	16,464,221	-	(15,284,042)
Health	2,176,347	362,145	2,213,129	-	398,927
Culture and recreation	1,046,383	1,691	101,200	-	(943,492)
Conservation of natural resources	1,827,567	1,491,519	399,120	47,311	110,383
Economic development	308,951	13,333	-	-	(295,618)
Interest	1,545,702	-	-	-	(1,545,702)
Total governmental activities	<u>\$ 92,002,613</u>	<u>\$ 16,048,927</u>	<u>\$ 26,044,607</u>	<u>\$ 9,158,355</u>	<u>(40,750,724)</u>
General revenues					
Property taxes					31,239,795
Sales and use tax					2,674,354
Transit sales and use tax					4,538,035
Mortgage registry and deed tax					1,501,951
Payments in lieu of tax					3,307,122
Grants and contributions not restricted to specific programs					11,251,926
Unrestricted investment earnings					3,174,199
Miscellaneous					1,301,546
Gain from sale of assets					<u>277,986</u>
Total general revenues					<u>59,266,914</u>
Change in net position					18,516,190
Net position - beginning of year					<u>250,254,184</u>
Net position - end of year					<u>\$ 268,770,374</u>

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	<u>General</u>	<u>Road and Bridge</u>	<u>Health and Human Services</u>
ASSETS			
Cash and pooled investments	\$ 43,490,517	\$ 10,738,278	\$ 144,867
Petty cash and change funds	5,900	-	8,150
Taxes receivable			
Delinquent	417,587	71,056	204,393
Special assessments			
Noncurrent	-	-	-
Accounts receivable	46,935	5,425	1,588,982
Accrued interest receivable	294,433	-	-
Loans receivable	-	-	-
Due from other funds	291,596	24,174	-
Due from other governments	440,138	3,522,235	2,989,132
Lease receivable - current	272,378	-	-
Prepaid items	71,270	39,825	-
Supplies	-	1,323,471	-
Lease receivable - noncurrent	436,264	-	-
Total assets	<u>\$ 45,767,018</u>	<u>\$ 15,724,464</u>	<u>\$ 4,935,524</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 296,251	\$ 407,639	\$ 1,511,146
Salaries payable	903,754	142,498	711,977
Contracts payable	-	526,497	-
Due to other funds	13,265	35,190	291,596
Due to other governments	865,212	7,543	73,170
Total liabilities	2,078,482	1,119,367	2,587,889
Deferred inflows of resources			
Unavailable taxes and special assessments	323,735	55,523	159,930
Unavailable grants	48,000	667,862	-
Unavailable timber contracts	-	-	-
Other unavailable revenue	708,642	-	1,071,541
Advanced allotments	-	1,079,130	-
Total deferred inflows of resources	1,080,377	1,802,515	1,231,471
Fund balances			
Nonspendable	71,270	1,363,296	-
Restricted	3,130,444	2,313,997	771,160
Committed	188,370	-	-
Assigned	8,103,643	9,125,289	345,004
Unassigned	31,114,432	-	-
Total fund balances	42,608,159	12,802,582	1,116,164
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,767,018</u>	<u>\$ 15,724,464</u>	<u>\$ 4,935,524</u>

See accompanying notes to the financial statements.

<u>Forfeited Tax</u>	<u>Solid Waste</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,541,899	\$ 3,053,235	\$ 686,759	\$ 37,560,719	\$ 2,406,797	\$ 99,623,071
100	800	-	-	-	14,950
-	-	28,189	-	2,266	723,491
-	381,311	-	-	-	381,311
1,373,742	182,430	-	-	-	3,197,514
-	-	-	-	-	294,433
-	-	-	-	181,167	181,167
35,190	-	-	-	-	350,960
13,862	103,630	1,297,137	-	10,536	8,376,670
5,280	-	-	-	-	277,658
-	17,700	-	-	-	128,795
-	-	-	-	-	1,323,471
43,496	-	-	-	-	479,760
<u>\$ 3,013,569</u>	<u>\$ 3,739,106</u>	<u>\$ 2,012,085</u>	<u>\$ 37,560,719</u>	<u>\$ 2,600,766</u>	<u>\$ 115,353,251</u>
\$ 4,397	\$ 57,811	\$ -	\$ -	\$ 66,838	\$ 2,344,082
32,279	55,085	-	-	-	1,845,593
-	-	-	385,215	-	911,712
1,199	5,592	-	-	4,118	350,960
25	185,435	-	-	9,434	1,140,819
<u>37,900</u>	<u>303,923</u>	<u>-</u>	<u>385,215</u>	<u>80,390</u>	<u>6,593,166</u>
-	343,154	22,288	-	1,937	906,567
-	-	-	-	6,000	721,862
931,358	-	-	-	-	931,358
48,776	-	-	-	153,333	1,982,292
-	-	-	-	-	1,079,130
<u>980,134</u>	<u>343,154</u>	<u>22,288</u>	<u>-</u>	<u>161,270</u>	<u>5,621,209</u>
-	17,700	-	-	-	1,452,266
1,995,535	-	1,989,797	35,601,326	1,208,966	47,011,225
-	3,074,329	-	-	1,150,140	4,412,839
-	-	-	1,574,178	-	19,148,114
-	-	-	-	-	31,114,432
<u>1,995,535</u>	<u>3,092,029</u>	<u>1,989,797</u>	<u>37,175,504</u>	<u>2,359,106</u>	<u>103,138,876</u>
<u>\$ 3,013,569</u>	<u>\$ 3,739,106</u>	<u>\$ 2,012,085</u>	<u>\$ 37,560,719</u>	<u>\$ 2,600,766</u>	<u>\$ 115,353,251</u>

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024**

Fund balances - total governmental funds		\$	103,138,876
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets and right-of-use, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			230,872,870
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	\$	(13,195,865)	
Deferred outflows of resources - pension related		7,596,233	
Deferred inflows of resources - pension related		<u>(14,110,640)</u>	(19,710,272)
The County's other postemployment benefit liability and related deferred inflows and outflows of resources are recorded on the statement of net position. Balances at year-end are:			
Other postemployment benefit liability	\$	(2,767,203)	
Deferred outflows of resources - OPEB related		409,890	
Deferred inflows of resources - OPEB related		<u>(424,148)</u>	(2,781,461)
Other long-term assets (deferred inflows of resources) are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.			3,784,661
Internal service funds are used by management to account for the management of short-term disability self-insurance to individual funds. The assets and liabilities that are included in governmental activities in statement of net position are:			294,498
The loss on refunding is reported as a deferred outflow of resources on the statement of net position and amortized over the life of the bonds.			15,403
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
General obligation bonds - including issuance premium	(42,829,419)		
Compensated absences	(3,062,945)		
Loans payable	(92,000)		
Finance purchase payable	(96,233)		
Post closure liability	(254,642)		
Lease payable	(168,772)		
SBITA payable	(183,196)		
Accrued interest payable	<u>(156,994)</u>		(46,844,201)
Net position of governmental activities		\$	<u><u>268,770,374</u></u>

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	General	Road and Bridge	Health and Human Services
REVENUES			
Taxes	\$ 19,844,977	\$ 7,470,790	\$ 8,354,799
Special assessments	-	170,106	-
Licenses and permits	290,581	16,575	-
Intergovernmental	9,756,486	15,065,030	23,283,284
Charges for services	3,468,570	623,060	2,375,412
Fines and forfeits	67,749	-	-
Gifts and contributions	123,860	-	-
Interest on investments	3,146,433	-	-
Miscellaneous	1,423,262	28,346	1,092,019
Total revenues	38,121,918	23,373,907	35,105,514
EXPENDITURES			
Current			
General government	14,459,288	-	-
Public safety	16,919,577	151,531	-
Highways and streets	-	17,547,616	-
Sanitation	-	-	-
Human services	-	-	34,928,027
Health	-	-	2,194,131
Culture and recreation	891,869	-	-
Conservation	-	-	-
Economic development	-	-	-
Capital outlay			
General government	54,408	-	-
Public safety	-	-	-
Debt service			
Principal	126,362	72,229	40,244
Interest	6,327	4,442	3,350
Bond issuance costs	-	-	-
Administrative (fiscal) charges	-	-	-
Total expenditures	32,457,831	17,775,818	37,165,752
Excess of revenues over (under) expenditures	5,664,087	5,598,089	(2,060,238)
Other financing sources (uses)			
Transfers in	1,886,619	77,479	1,340,644
Transfers out	(1,451,097)	(36,200)	-
Lease issuance	-	3,728	33,007
Bonds issued	-	-	-
Premium on bonds issued	-	-	-
Subscription issuance	54,408	41,522	47,755
Proceeds from sale of assets	83,214	27,517	-
Compensation for loss of general capital assets	126,271	16,554	-
Total other financing sources (uses)	699,415	130,600	1,421,406
Net change in fund balances	6,363,502	5,728,689	(638,832)
Fund balance - beginning of year	36,244,657	7,073,893	1,754,996
Fund balance - end of year	<u>\$ 42,608,159</u>	<u>\$ 12,802,582</u>	<u>\$ 1,116,164</u>

See accompanying notes to the financial statements.

Forfeited Tax	Solid Waste	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total
\$ 345,482	\$ -	\$ 3,738,174	\$ -	\$ 151,442	\$ 39,905,664
-	3,364,043	-	-	47,311	3,581,460
-	2,120	-	-	37	309,313
148,290	162,734	10,635	280,000	503,638	49,210,097
1,598,746	2,461,534	-	-	60,743	10,588,065
-	-	-	-	44,415	112,164
1,478	-	-	-	-	125,338
9,955	-	-	-	17,811	3,174,199
10	670,424	-	-	40,354	3,254,415
2,103,961	6,660,855	3,748,809	280,000	865,751	110,260,715
-	-	-	-	175,680	14,634,968
-	-	-	-	9,860	17,080,968
-	-	-	-	80,169	17,627,785
-	5,835,066	-	-	-	5,835,066
-	-	-	-	-	34,928,027
-	-	-	-	-	2,194,131
153,378	-	-	-	-	1,045,247
1,722,100	-	-	-	106,796	1,828,896
-	-	-	-	308,951	308,951
-	-	-	-	-	54,408
-	-	-	2,849,059	-	2,849,059
-	-	1,255,000	-	12,236	1,506,071
-	-	1,164,238	-	512	1,178,869
-	-	-	292,881	-	292,881
-	-	2,525	-	-	2,525
1,875,478	5,835,066	2,421,763	3,141,940	694,204	101,367,852
228,483	825,789	1,327,046	(2,861,940)	171,547	8,892,863
5,320	27,654	273,129	-	-	3,610,845
(156,130)	(273,129)	-	(1,552,732)	(141,557)	(3,610,845)
-	-	-	-	-	36,735
-	-	-	38,195,000	-	38,195,000
-	-	-	2,100,998	-	2,100,998
-	-	-	-	58,093	201,778
4,853	67,249	-	-	-	182,833
-	21,372	-	-	-	164,197
(145,957)	(156,854)	273,129	38,743,266	(83,464)	40,881,541
82,526	668,935	1,600,175	35,881,326	88,083	49,774,404
1,913,009	2,423,094	389,622	1,294,178	2,271,023	53,364,472
<u>\$ 1,995,535</u>	<u>\$ 3,092,029</u>	<u>\$ 1,989,797</u>	<u>\$ 37,175,504</u>	<u>\$ 2,359,106</u>	<u>\$ 103,138,876</u>

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net change in fund balances - total governmental funds \$ 49,774,404

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

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

Expenditures for general capital assets, infrastructure, and other related capital asset adjustments	\$ 16,078,552	
Net book value of capital assets disposed	(69,044)	
Current year depreciation/amortization	<u>(8,290,707)</u>	7,718,801

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (537,542)

Pension expenditures on the governmental funds are measured by current-year employer contributions. Pension expenses on the statement of activities are measured by the change in net pension asset, net pension liability, deferred inflows and deferred outflows of resources. 1,010,000

Other postemployment (OPEB) expenditures on the governmental funds are measured by current-year employer contributions. OPEB expenses on the statement of activities are measured by the change in OPEB liability and the related deferred inflows and outflows of resources. (160,656)

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

Bonds issued	(38,195,000)	
Premiums issued	(2,100,998)	
Lease issued	(36,735)	
SBITA issued	<u>(201,778)</u>	(40,534,511)

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

Principal repayments		
General obligation bonds	1,255,000	
Leases	55,072	
SBITAs	158,033	
Loans	8,000	
Finance purchase	<u>29,966</u>	1,506,071

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

Change in accrued interest payable	(134,321)	
Amortization of discounts, premiums, and loss on refunding	62,894	
Change in post closure liability	(42,191)	
Change in compensated absences	<u>(198,200)</u>	(311,818)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities. 51,441

Change in net position of governmental activities \$ 18,516,190

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
DECEMBER 31, 2024**

	<u>Short-Term Disability</u>
ASSETS	
Cash and pooled investments	<u>\$ 296,759</u>
LIABILITIES	
Accounts payable	<u>2,261</u>
NET POSITION	
Unrestricted	<u>\$ 294,498</u>

See accompanying notes to the financial statements.

BELTRAMI COUNTY
BEMIDJI, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2024

	Short-Term Disability
Operating revenues	
Premiums	\$ 120,600
Operating expenses	
Claims paid	49,939
Administrative and fiscal services	21,285
Total operating expenses	71,224
Operating income (loss)	49,376
Nonoperating revenues (expenses)	
Interest income	2,065
Change in net position	51,441
Total net position - beginning of year	243,057
Total net position - end of year	\$ 294,498

See accompanying notes to the financial statements.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>Short-Term Disability</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from internal services provided	\$ 120,600
Payments to suppliers	(21,285)
Payments for claims	<u>(52,503)</u>
Net cash provided by (used) operating activities	46,812
 CASH FLOWS FROM INVESTING ACTIVITIES	
Investment earnings received	<u>2,065</u>
Net increase (decrease) in cash and cash equivalents	48,877
Cash and cash equivalents - beginning of year	<u>247,882</u>
Cash and cash equivalents - end of year	<u><u>\$ 296,759</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 49,376
 ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Increase (decrease) in accounts payable	<u>(2,564)</u>
Net cash provided by (used) operating activities	<u><u>\$ 46,812</u></u>

See accompanying notes to the financial statements.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024**

	Private Purpose Trust	Custodial
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 133,623	\$ 4,892,100
Taxes receivable	-	766,051
Accounts receivable	-	3,262
Due from other governments	-	988,413
Interest receivable	-	12,008
Depreciable capital assets (net)	-	89,138
	<u> </u>	<u> </u>
Total assets	<u>\$ 133,623</u>	<u>\$ 6,750,972</u>
LIABILITIES		
Accounts payable	\$ -	\$ 143,021
Due to other governments	-	1,197,376
Due to other governments - City of Bemidji	-	20,580
	<u> </u>	<u> </u>
Total liabilities	<u>\$ -</u>	<u>\$ 1,360,977</u>
NET POSITION		
Restricted For:		
Individuals, organizations, and other governments	<u>\$ 133,623</u>	<u>\$ 5,389,995</u>

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2024**

	Private Purpose Trust	Custodial
	<u>Trust</u>	<u>Custodial</u>
ADDITIONS		
Property tax collection	\$ -	\$ 31,875,305
Intergovernmental	-	3,237,596
Charges for services	-	6,942,659
Interest	-	29,343
Miscellaneous	<u>653,668</u>	<u>629,970</u>
Total additions	653,668	42,714,873
DEDUCTIONS		
Property tax allocation	-	31,580,453
Miscellaneous allocations	644,448	1,957,894
Operating expenses	<u>-</u>	<u>8,227,827</u>
Total deductions	<u>\$ 644,448</u>	<u>\$ 41,766,174</u>
Change in net position	9,220	948,699
Total net position - beginning of year	<u>124,403</u>	<u>4,441,296</u>
Total net position - end of year	<u><u>\$ 133,623</u></u>	<u><u>\$ 5,389,995</u></u>

See accompanying notes to the financial statements.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Beltrami County's (the County) financial statements are prepared in accordance with generally accepted accounting principles (GAAP) for the year ended December 31, 2024. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

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

Joint Ventures

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

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the Primary Government. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

1. Government-Wide Statements (Continued)

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

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

2. Fund Financial Statements

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

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

The County reports the following fiduciary fund types:

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

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

The County reports the following major governmental funds:

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

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

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

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

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

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

The County reports the following internal service fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

1. Cash and Cash Equivalents

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor-Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value based on market prices at December 31, 2024, with the exception of the investments in the external investment pool which are valued at amortized cost. Pursuant to Minnesota Statutes §385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants.

3. 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).

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

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

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

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

4. Supplies and Prepaid Items

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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)

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 column in the government-wide financial statements. In the case of the initial capitalization of infrastructure, the County retroactively implemented the reporting of this item when GASB Statement 34 was implemented. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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. The County has three items that qualify for reporting in this category which are all reported in the government-wide statement of net position. A refunding loss on bonds results from the difference in the carrying value of refunded debt and its re-acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. More detailed information about pension related deferred outflows of resources can be found in Note 4 to the financial statements. More detailed information about OPEB related deferred outflows can be found in Note 6 to the financial statements.

7. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid accumulated annual vacation and sick leave balances. The liability has been calculated based on whether it is more-likely-than-not that leave balances will be taken or paid out. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. Long-Term Obligations

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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. 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.

10. Other Postemployment Benefits Liability (OPEB Liability)

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

11. Deferred Inflows of Resources

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

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.). The County reports \$4,993,495 of restricted fund balance on governmental funds balance sheet due to enabling legislation.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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)

13. Fund Balance (Continued)

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

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

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

14. Net Position

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position - Is reported when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grants, laws or regulations of other governments.

Unrestricted Net Position - Is the amount of net position that does not meet the definition of the two preceding categories.

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.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Use of Estimates

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

16. Adoption of New Accounting Standards

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures.

The County adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over Budget

The following major funds had expenditures in excess of budget for the year ended December 31, 2024:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Final Excess</u>
Health and Human Services	\$ 37,165,752	\$ 35,052,678	\$ 2,113,074
Forfeited Tax	1,875,478	1,830,514	44,964

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

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

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

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

Custodial Credit Risk – Deposits

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Custodial Credit Risk – Deposits (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, 2024, the County had the following investments:

Investment Type	Fair Value	Maturity		
		< 1 Year	1-5 Years	6-10 Years
Federal Home Loan Bank	\$ 984,330	\$ -	\$ 984,330	\$ -
Federal Home Loan Mortgage	8,241,310	-	8,241,310	-
Federal Farm Credit Bank	97,030	-	97,030	-
US Treasury	37,452,334	37,452,334	-	-
Municipal Bonds	588,132	-	588,132	-
Negotiable Certificates of Deposit	3,108,074	-	3,108,074	-
Magic Fund - Portfolio	12,759,820	12,759,820	-	-
Magic Fund - Term	5,000,000	5,000,000	-	-
Total	<u>\$ 68,231,030</u>	<u>\$ 55,212,154</u>	<u>\$ 13,018,876</u>	<u>\$ -</u>

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Following is a summary of the County's deposits and investments at December 31, 2024:

Statement of Net Position	
Cash and Pooled Investments	\$ 99,919,830
Petty Cash	14,950
Statement of Fiduciary Net Position	
Custodial Funds Cash and Pooled Investments	4,892,100
Social Welfare Private Purpose Trust	133,623
Total Cash and Investments	<u>\$ 104,960,503</u>
Deposits	\$ 36,729,473
Investments	68,231,030
Total	<u>\$ 104,960,503</u>

Interest Rate Risk

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

Credit Risk

Minnesota Statutes restrict the types of investments in which the County may invest. The County investment policy further limits its investment choices to exclude repurchase agreements, securities lending agreements, and guaranteed investment contracts. As of December 31, 2024, the County's investments in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and Federal Farm Credit Bank bonds were rated AAA by Moody's; investments in negotiable certificates of deposit and the MAGIC fund were not rated.

Concentration of Credit Risk

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

Federal Home Loan Mortgage	12.10 %
----------------------------	---------

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Custodial Credit Risk – Investments

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

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

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

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.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Custodial Credit Risk – Investments (Continued)

Assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Investments by fair value level				
Government Bonds	\$ -	\$ 47,363,136	\$ -	\$ 47,363,136
Negotiable Certificates of Deposit	-	3,108,074	-	3,108,074
Investments measured at amortized cost				
MAGIC Portfolio				12,759,820
Investments measured at Net Asset Value				
MAGIC Term				5,000,000
Total Investments				68,231,030
Deposits and Cash on Hand				36,729,473
Total Cash and Investments				<u>\$ 104,960,503</u>

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

2. Receivables

Receivables as of December 31, 2024, for the County are as follows:

	County Receivable
Delinquent Taxes	\$ 723,491
Special Assessments	381,311
Accounts	3,197,514
Interest	294,433
Due from other Governments	8,376,670
Lease	757,418
Loans	181,167
Total	<u>\$ 13,912,004</u>

All amounts listed except the loans balance and lease receivables are scheduled to be collected during the subsequent year. As of December 31, 2024, \$17,774 of the loans balance is scheduled to be collected in 2025, the remaining \$163,393 is scheduled to be collected through 2036.

Beltrami County, acting as lessor, leases land and office space under long-term lease agreements. The leases expire at various dates through 2031. During the year ended December 31, 2024, the County recognized \$174,459 and \$19,010 in lease revenue and interest revenue respectively, pursuant to these contracts.

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

Year Ending December 31,	Lease Receivable		
	Principal	Interest	Total
2025	\$ 277,658	\$ 22,626	\$ 300,284
2026	229,124	12,700	241,824
2027	134,370	6,233	140,603
2028	77,027	2,785	79,812
2029	22,254	861	23,115
2030-2031	16,985	520	17,505
Total	<u>\$ 757,418</u>	<u>\$ 45,725</u>	<u>\$ 803,143</u>

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 3,180,770	\$ -	\$ -	\$ 3,180,770
Right of Way	3,102,804	3,500	-	3,106,304
Construction-in-Progress	8,295,539	13,909,521	14,615,627	7,589,433
Total Capital Assets, not being Depreciated	14,579,113	13,913,021	14,615,627	13,876,507
Capital Assets being Depreciated				
Land Improvements	582,689	-	-	582,689
Buildings	57,404,765	1,219,676	-	58,624,441
Machinery, Vehicles, Furniture, and Equipment	26,946,057	2,010,148	1,632,475	27,323,730
Infrastructure	223,222,656	13,312,821	-	236,535,477
Total Capital Assets being Depreciated	308,156,167	16,542,645	1,632,475	323,066,337
Less: Accumulated Depreciation for				
Land Improvements	267,000	20,609	-	287,609
Buildings	22,327,305	1,238,284	-	23,565,589
Machinery, Vehicles, Furniture, and Equipment	18,042,504	2,268,362	1,563,431	18,747,435
Infrastructure	59,277,762	4,561,860	-	63,839,622
Total Accumulated Depreciation	99,914,571	8,089,115	1,563,431	106,440,255
Total Capital Assets, Depreciated, Net	208,241,596	8,453,530	69,044	216,626,082
Right-to-use Assets				
Leased Equipment	271,672	36,735	9,970	298,437
SBITA Assets	248,578	201,778	51,299	399,057
Less Accumulated Amortization	(186,890)	(201,592)	(61,269)	(327,213)
Net Right-to-Use Assets	333,360	36,921	-	370,281
Governmental Activities Capital Assets, Net	\$ 223,154,069	\$ 22,403,472	\$ 14,684,671	\$ 230,872,870

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets (Continued)

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

Governmental Activities

General Government	\$ 1,028,162
Public Safety	949,750
Highways and Streets, Including Depreciation of Infrastructure Assets	5,622,499
Sanitation	601,287
Human Services	52,341
Conservation of Natural Resources	36,668
Depreciation/Amortization Expense - Governmental Activities	<u>\$ 8,290,707</u>

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2024, is as follows:

1. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	Description
General	Health and Human Services	\$ 291,596	4th Quarter Services
Road and Bridge	General	13,265	Fuel
	Forfeited Tax	1,199	Fuel and Road Maintenance
	Solid Waste Nonmajor Governmental Funds	5,592	Fuel and Road Maintenance
		<u>4,118</u>	Road Maintenance
Total Due to Road and Bridge		<u>24,174</u>	
Forfeited Tax	Road and Bridge	<u>35,190</u>	Gravel
Total Due To/From Other Funds		<u>\$ 350,960</u>	

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

B. Interfund Receivables Payable, and Transfers (Continued)

2. Interfund Transfer

Interfund transfers for the year ended December 31, 2024, consisted of the following:

Transfers To:	Transfers From:	Amount	Description
General Fund	Road and Bridge Fund	\$ 36,200	E911 Signage
	Forfeited Tax Fund	156,130	Forfeited Tax Transfer
	Capital Projects Fund	1,552,732	Replenish Reserves
	Nonmajor		
	Governmental Funds	<u>141,557</u>	Fund Northern Deputy
Total Transfers to General Fund		1,886,619	
Road and Bridge Fund	General Fund	77,479	Use of Unallocated Funds
Debt Service Fund	Solid Waste Fund	273,129	Fund Solid Waste Debt Service
			Jail Discharge Planner, Use of
			Unallocated Funds, and Use of
Health and Human Services Fund	General Fund	1,340,644	Reserves
Forfeited Tax Fund	General Fund	5,320	Use of Unallocated Funds
Solid Waste Fund	General Fund	<u>27,654</u>	Use of Unallocated Funds
Total Interfund Transfers		<u><u>\$ 3,610,845</u></u>	

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

C. Liabilities

1. Long-Term Debt

Governmental Activities

Types of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (%)	Original Issue Amount	Outstanding Balance December 31, 2024
General Obligation Bonds					
2013 G.O. Capital Improvement Refunding Bonds	2025	\$65,000 - \$665,000	2.00%	\$ 6,375,000	\$ 665,000
2015 G.O. Jail Bonds	2027	\$200,000 - \$425,000	0.60 - 2.40%	3,700,000	1,200,000
2017 G.O. Solid Waste Bonds	2027	\$250,000	1.40 - 3.00%	2,500,000	750,000
2024A G.O. Jail Bonds	2049	\$825,000 - \$2,420,000	4.00 - 5.00%	38,195,000	38,195,000
Plus: Unamortized Premium					2,019,419
Total General Obligation Bonds, Net				<u>\$ 50,770,000</u>	<u>\$ 42,829,419</u>
2022 Financed Purchase Snowblower	2027	\$28,968 - \$34,311	3.39%	<u>\$ 189,479</u>	<u>\$ 96,233</u>
Leases Payable	2029	\$59 - \$19,502	2.00 - 3.72%	<u>\$ 216,903</u>	<u>\$ 168,772</u>
SBITAs Payable	2027	\$11,923 - \$49,500	3.72 - 4.30%	<u>\$ 248,578</u>	<u>\$ 183,196</u>
2021 Loans Payable	2036	\$8,000	0.00%	<u>\$ 120,000</u>	<u>\$ 92,000</u>

2. Debt Service Requirements

Debt service requirements at December 31, 2024, were as follows:

Governmental Activities

Year Ending December 31,	General Obligation Bonds		Finance Purchase		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,090,000	\$ 1,743,238	\$ 30,998	\$ 3,313	\$ 8,000	\$ -
2026	1,540,000	1,673,981	32,065	2,246	8,000	-
2027	1,585,000	1,613,850	33,170	1,142	8,000	-
2028	955,000	1,559,500	-	-	8,000	-
2029	1,005,000	1,511,750	-	-	8,000	-
2030-2034	5,820,000	6,753,750	-	-	40,000	-
2035-2039	7,425,000	5,146,250	-	-	12,000	-
2040-2044	9,195,000	3,371,000	-	-	-	-
2045-2049	11,195,000	1,378,800	-	-	-	-
Total	<u>\$ 40,810,000</u>	<u>\$ 24,752,119</u>	<u>\$ 96,233</u>	<u>\$ 6,701</u>	<u>\$ 92,000</u>	<u>\$ -</u>

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

C. Liabilities (Continued)

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2024, was as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation	\$ 3,870,000	\$ 38,195,000	\$ 1,255,000	\$ 40,810,000	\$ 2,090,000
Unamortized Premiums	27,525	2,100,998	109,104	2,019,419	-
Total Bonds Payable	3,897,525	40,295,998	1,364,104	42,829,419	2,090,000
Lease Payable	187,109	36,735	55,072	168,772	54,680
SBITA Payable	139,451	201,778	158,033	183,196	122,354
Loans Payable	100,000	-	8,000	92,000	8,000
Finance Purchase	126,199	-	29,966	96,233	30,998
Compensated Absences*	2,864,745	198,200	-	3,062,945	306,295
Governmental Activity Long-Term Liabilities	<u>\$ 7,315,029</u>	<u>\$ 40,732,711</u>	<u>\$ 1,615,175</u>	<u>\$ 46,432,565</u>	<u>\$ 2,612,327</u>

* This row is presented net of additions and retirements, as allowed under GASB 101

In 2024, the County issued \$38,195,000 in general obligation bonds to provide funds for the acquisition and construction of a new county jail. The bonds carry an interest rate of 5.00% and will mature in 2049.

4. Leases Payable

The County holds various lease agreements for equipment under long-term, noncancelable lease agreements. The leases expire at various dates through 2029.

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

Year Ending December 31,	Lease Liability	
	Principal	Interest
2025	\$ 54,680	\$ 3,713
2026	51,919	2,374
2027	45,708	1,076
2028	12,087	317
2029	4,378	40
	<u>\$ 168,772</u>	<u>\$ 7,520</u>

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

C. Liabilities (Continued)

5. SBITAs Payable

The entity has entered into subscription-based information technology arrangements (SBITAs) for various software programs. The SBITAs expire at various dates through 2027 and provide for renewal options, which the County is not anticipating to exercise.

The future subscription payments under SBITAs are as follows:

Year Ending December 31,	SBITA Liability	
	Principal	Interest
2025	\$ 122,354	\$ 2,956
2026	43,631	1,080
2027	17,211	241
	<u>\$ 183,196</u>	<u>\$ 4,277</u>

6. Loans Payable

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

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

At December 31, 2024, portions of the County's fund balance are not available for appropriation due to legal restrictions (Restricted), County Board action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED ON ALL FUNDS (CONTINUED)

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

	General Fund	Road and Bridge Fund	Health and Human Services Fund	Forfeited Tax Fund	Solid Waste Fund	Debt Service Fund	Capital Project Fund	Other Governmental Funds
Nonspendable:								
Prepays	\$ 71,270	\$ 1,363,296	\$ -	\$ -	\$ 17,700	\$ -	\$ -	\$ -
Restricted:								
Missing Heirs	3,366	-	-	-	-	-	-	-
Sheriff Seizures	15,711	-	-	-	-	-	-	-
Recorder Equipment	146,500	-	-	-	-	-	-	-
Aquatic Invasive Species	105,893	-	-	-	-	-	-	-
E911	1,137,869	-	-	-	-	-	-	-
Sheriff Contingency	5,000	-	-	-	-	-	-	-
Public Safety Aid	1,206,620	-	-	-	-	-	-	-
Riparian Protection	395,093	-	-	-	-	-	-	-
Natural Resource Development	114,392	-	-	1,981,688	-	-	-	-
Headwaters Shooting Sports	-	-	-	13,847	-	-	-	-
Debt Service	-	-	-	-	-	1,989,797	-	-
Consolidated Conservation	-	-	-	-	-	-	-	1,073,460
Economic Development	-	-	-	-	-	-	-	77,603
Sales and Use Tax	-	2,313,997	-	-	-	-	-	-
Opioid Settlement	-	-	771,160	-	-	-	-	-
Jail Construction	-	-	-	-	-	-	35,601,326	-
Law Library	-	-	-	-	-	-	-	57,903
Total Restricted	3,130,444	2,313,997	771,160	1,995,535	-	1,989,797	35,601,326	1,208,966
Committed For:								
Demolition	188,370	-	-	-	-	-	-	-
Solid Waste Operations	-	-	-	-	3,074,329	-	-	-
Ditch Repairs	-	-	-	-	-	-	-	556,831
Technology Updates	-	-	-	-	-	-	-	322,193
Unorganized Townships	-	-	-	-	-	-	-	271,116
Total Committed	188,370	-	-	-	3,074,329	-	-	1,150,140
Assigned:								
Worker's Compensation	32,739	-	-	-	-	-	-	-
E911 Signage	420,159	-	-	-	-	-	-	-
K-9	23,479	-	-	-	-	-	-	-
Probation	551,350	-	-	-	-	-	-	-
Elections	28,360	-	-	-	-	-	-	-
Jail Canteen	349,421	-	-	-	-	-	-	-
Motor Pool	51,601	-	-	-	-	-	-	-
Employee Wellness and Recognition	39,155	-	-	-	-	-	-	-
Equipment Purchases	314,882	-	-	-	-	-	-	-
Strategic Aligned Mgmt (SAM)	851,941	-	-	-	-	-	-	-
Aerial Photography	20,000	-	-	-	-	-	-	-
Gun Permits	235,731	-	-	-	-	-	-	-
Public Safety Upgrades	138,958	-	-	-	-	-	-	-
General Tech Upgrades	300,000	-	-	-	-	-	-	-
County-Wide Wellness Program	71,354	-	-	-	-	-	-	-
Officer Wellness Program	41,951	-	-	-	-	-	-	-
SSTS Program	62,230	-	-	-	-	-	-	-
Human Resource Contingency	4,088,555	-	-	-	-	-	-	-
Attorney Forfeitures	4,804	-	-	-	-	-	-	-
ARMER Radio Upgrade	16,732	-	-	-	-	-	-	-
Project LifeSaver	8,241	-	-	-	-	-	-	-
Health & Human Services Operations	-	-	345,004	-	-	-	-	-
Road & Bridge Operations	-	9,125,289	-	-	-	-	-	-
27th Payroll	452,000	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	1,574,178	-
Total Assigned	8,103,643	9,125,289	345,004	-	-	-	1,574,178	-
Unassigned	31,114,432	-	-	-	-	-	-	-
Total Fund Balances	\$ 42,608,159	\$ 12,802,582	\$ 1,116,164	\$ 1,995,535	\$ 3,092,029	\$ 1,989,797	\$ 37,175,504	\$ 2,359,106

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS

A. Plan Description

The County participates in the following cost-sharing multiple-employer defined benefit 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, 353D, 353E, 353G, 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 (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets the exclusion criteria.

2. Public Employees Police and Fire Retirement Plan (Police and Fire Plan)

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

3. Public Employees Local Government Correctional Service Retirement Plan (Correctional Plan)

Membership in the Correctional Plan includes correctional officers serving in county and regional adult and juvenile corrections facilities. 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. When a member is "vested", they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Plan Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989, or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years of service. After five years, vesting increases by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. Police and Fire Plan Benefits (Continued)

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

3. Correctional Plan Benefits

Benefits for Correctional Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increases by 10% each full year of service until members are 100% vested after ten years. Correctional Plan members receive 1.9% of highest average salary for each year of service. Correctional Plan members receive a full retirement benefit when they are age 55 and vested or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement begins at age 50 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of 1% and a maximum of 2.5%. The 2024 annual increase was 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

C. Contributions

Minnesota Statutes Chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the County was required to contribute 7.50% for General Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2024, were \$1,684,110. The County's contributions were equal to the required contributions as set by state statute.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Contributions (Continued)

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2024 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$630,117. The County's contributions were equal to the required contributions as set by state statute.

3. Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2024 and the County was required to contribute 8.75% for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2024, were \$196,886. 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, 2024, the County reported a liability of \$9,606,606 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$248,407.

County's proportionate share of net pension liability	\$ 9,606,606
State of Minnesota's proportionate share of the net pension liability associated with the County	248,407
Total	<u><u>\$ 9,855,013</u></u>

The net pension liability was measured as of June 30, 2024, 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.2599% at the end of the measurement period and 0.2610% for the beginning of the period.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

For the year ended December 31, 2024, the County recognized pension expense of \$1,042,479 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$3,078 as pension expense for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$441,993 for the year ended December 31, 2024 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 General Employees Fund.

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 903,273	\$ -
Changes in Actuarial Assumptions	46,903	3,635,942
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	2,789,680
Changes in Proportion and Differences Between		
County Contributions and Proportionate Share of		
Contributions	73,674	135,572
County Contributions Subsequent to the		
Measurement Date	846,902	-
Total	<u>\$ 1,870,752</u>	<u>\$ 6,561,194</u>

The \$846,902 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2025	\$ (3,024,704)
2026	(581,324)
2027	(1,195,027)
2028	(736,289)

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs

At December 31, 2024, the County reported a liability of \$3,305,156 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.2512% at the end of the measurement period and 0.2466% for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$125,991.

County's proportionate share of net pension liability	\$ 3,305,156
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>125,991</u>
Total	<u><u>\$ 3,431,147</u></u>

For the year ended December 31, 2024, the County recognized pension expense of \$587,234 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$49,531 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$71,341 for the year ended December 31, 2024 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.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Pension Costs (Continued)

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,288,048	\$ -
Changes in Actuarial Assumptions	3,633,223	4,866,927
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,074,674
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	159,066	251,660
County Contributions Subsequent to the Measurement Date	327,418	-
Total	<u>\$ 5,407,755</u>	<u>\$ 6,193,261</u>

The \$327,418 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2025	\$ (164,618)
2026	827,393
2027	(531,918)
2028	(1,333,499)
2029	89,718

3. Correctional Plan Pension Costs

At December 31, 2024, the County reported a liability of \$284,103 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.9322% at the end of the measurement period and 0.9311% for the beginning of the period.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

3. Correctional Plan Pension Costs (Continued)

For the year ended December 31, 2024 the County recognized pension expense of \$442,414 for its proportionate share of the Correctional Plan's pension expense.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$5.3 million to the Correctional Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the Correctional Plan pension allocation schedules for the \$5.3 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$48,994 for the year ended December 31, 2024 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 Correctional Employees Fund.

At December 31, 2024, the County reported 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	\$ 201,383	\$ -
Changes in Actuarial Assumptions	-	961,200
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	394,495
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	16,487	490
County Contributions Subsequent to the Measurement Date	99,856	-
Total	<u>\$ 317,726</u>	<u>\$ 1,356,185</u>

The \$99,856 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2025	\$ (1,048,279)
2026	166,448
2027	(150,295)
2028	(106,189)

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Summary

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

	General Employees Plan	Police and Fire Plan	Correctional Plan	Total
Net Pension Liability	\$ 9,606,606	\$ 3,305,156	\$ 284,103	\$ 13,195,865
Deferred Outflows of Resources Related to Pension	1,870,752	5,407,755	317,726	7,596,233
Deferred Inflows of Resources Related to Pensions	6,561,194	6,193,261	1,356,185	14,110,640
Pension Expense (Revenue)	1,045,557	636,765	442,414	2,124,736

F. Long-Term Expected Return on Investments

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
	<u>100.0 %</u>	

F. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Actuarial Assumptions (Continued)

- Inflation is assumed to be 2.25% for the General Employees Plan, Police and Fire Plan, and the Correctional Plan.
- Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan, 1% for the Police and Fire Plan, and 2% for the Correctional Plan.

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

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan and Correctional Plan were reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

1. General Employees Fund

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Actuarial Assumptions (Continued)

2. Police and Fire Fund

Changes in Actuarial Assumptions

- There were no changes since the previous valuation.

Changes in Plan Provisions

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048, if earlier).

3. Correctional Fund

Changes in Actuarial Assumptions

- There were no changes since the previous valuation.

Changes in Plan Provisions

- Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.
- Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.
- The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire, and Correctional Plans 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.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

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

	General Employees Fund		Proportionate Share of the Police and Fire Fund		Correctional Fund	
	Discount	Net Pension	Discount	Net Pension	Discount	Net Pension
	Rate	Liability	Rate	Liability (Asset)	Rate	Liability (Asset)
1% Decrease	6.00 %	\$ 20,982,374	6.00 %	\$ 810,728	6.00 %	\$ 2,308,691
Current	7.00	9,606,606	7.00	3,305,156	7.00	284,103
1% Increase	8.00	249,000	8.00	(394,862)	8.00	(1,328,794)

H. 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.

NOTE 5 PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN (DEFINED CONTRIBUTION PLAN)

Five commissioners of Beltrami County are covered by the 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 and 356, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by the County for the year ending December 31, 2024 were:

Contribution Amount		Percentage of Covered Payroll	
Employee	Employer	Employee	Employer
\$9,030	\$9,030	5 %	5 %

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Plan Description

The county operates a single-employer retiree benefit plan (the Plan) that provides health and dental insurance to eligible employees and their spouses through the County's health insurance plan. There are 356 active participants and 11 retired participants. There are no inactive participants. Benefit and eligibility provisions are established through negotiations between the agency and the Agency's employees. The Plan does not issue a publicly available financial report.

B. Funding Policy

The County does not have assets designated to pay for the OPEB related costs held in trust. Contribution requirements are negotiated between the County and the County's employees. The eligibility for, amount of, duration of, and the County's contribution to the cost of the benefits provided varies by contract and date of retirement. The County is funding this liability on a pay-as-you-go basis. For the year ended December 31, 2024, the County contributed \$232,437 to the plan.

C. Actuarial Methods and Assumptions

The County's OPEB Liability was measured as of January 1, 2024, as was determined by an actuarial valuation as of January 1, 2024.

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

Inflation	2.50%
Salary Increases	varied, based on MN PERA rates
Medical Trend Rates	6.50% decreasing to 5.00% then to 4.00%

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

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2023 to December 31, 2023.

The discount rate used to measure the total OPEB liability was 3.70%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

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

- The health care trend rates were updated
- The discount rate was changed from 4.00% to 3.70%.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

D. Changes in the OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2023	\$ 2,543,928
Changes for the Year:	
Service Cost	204,797
Interest Cost	105,346
Assumption Changes	122,641
Difference in Expected and Actual Experience	22,928
Benefit Payments	<u>(232,437)</u>
Net Change in Total OPEB Liability	<u>223,275</u>
Balances at December 31, 2024	<u><u>\$ 2,767,203</u></u>

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

	<u>1% Decrease (2.70%)</u>	<u>Discount Rate (3.70%)</u>	<u>1% Increase (4.70%)</u>
OPEB Liability	\$ 2,991,890	\$ 2,767,203	\$ 2,560,765

The following present the OPEB liability of the County, as well as what the County's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.5% decreasing to 4.0%, then 3.0%) or 1% higher (7.5% decreasing to 6.0%, then 5.0%) than the current healthcare cost trend rates:

	<u>1% Decrease (5.5% decreasing to 4.0%, then 3.0%)</u>	<u>Current Trend Rates (6.5% decreasing to 5.0%, then 4.0%)</u>	<u>1% Increase (7.5% decreasing to 6.0%, then 5.0%)</u>
OPEB Liability	\$ 2,494,060	\$ 2,767,203	\$ 3,088,180

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

D. Changes in the OPEB Liability (Continued)

For the year ended December 31, 2024, the County recognized OPEB expense of \$160,656. At December 31, 2024, the County reported deferred inflow of resources of and deferred outflows of resources relating to the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Gains/Losses	\$ 57,846	\$ 151,899
Change of Assumptions	222,046	272,249
Contributions Subsequent to the Measurement Date	129,998	-
Total	<u>\$ 409,890</u>	<u>\$ 424,148</u>

\$129,998 reported as deferred outflows of resources relating to the County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense Amount
2025	\$ (19,489)
2026	(19,489)
2027	(10,281)
2028	(35,927)
2029	(54,810)
Thereafter	(4,260)

NOTE 7 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters for which the County carries commercial insurance. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Insurance Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. The County is self-insured for short-term disability coverage. For other risk, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 RISK MANAGEMENT (CONTINUED)

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 2024. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

The short-term disability plan was effective January 1, 1987. The County has contracted with Hartford Life, to process claims submitted against the plan. The County contributes \$0.83 per payroll period for the employee for \$200 basic monthly benefit. For 2024, the employee may purchase additional coverage to a maximum of \$3,000 per month provided it does not exceed 60% of the employee's regular monthly salary. The employee may collect on the insurance for eligible claims up to a maximum of six months per incident. Premiums are paid into the Short-Term Disability Self-Insurance Internal Services Fund.

The County has not had an actuarial study of the self-insured disability coverage; it has concluded that the risk of any major losses not covered by the short-term disability self-insurance plan is covered by the general taxing powers of the County. At December 31, 2024, there is \$2,261 accrued benefits payable. Claims activity for 2023 and 2024 were:

Year	Balance January 1,	Current Year Claims	Claim Payments	Balance December 31,
2024	\$ 4,825	\$ 47,375	\$ 49,939	\$ 2,261
2023	3,956	89,543	88,674	4,825

NOTE 8 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS

A. Contingent Liabilities

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

A. Contingent Liabilities (Continued)

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

B. Related Organizations

Beltrami County Housing and Redevelopment Authority

The Beltrami County Housing and Redevelopment Authority (HRA) is a five-member board created by Beltrami County Board of Commissioners under Minnesota Statutes Chapter 469. The five-member board contracts with the Bemidji HRA to administer rent assistance for low-income tenants throughout the County. Beltrami County did not contribute to the HRA for the year ended December 31, 2024. Beltrami County HRA administers loans and grants to assist qualified individuals with the down payment to purchase a principal residence. Beltrami County HRA has served as issuing agent on the County's lease revenue bonds for the Jail Building and the Community Service Center. Complete financial information can be obtained from:

Beltrami County HRA
619 America Avenue NW
Bemidji, Minnesota 56601

C. Joint Ventures

Grygla Television Broadcast Association

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

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

The Grygla Television Broadcast Association has no long-term debt. Financing is provided from appropriations from member counties. Beltrami County did not contribute to the Grygla Television Broadcast Association for the year ended December 31, 2024. There is no accumulation of significant financial resources or fiscal stress for this entity.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

C. Joint Ventures (Continued)

Grygla Television Broadcast Association (Continued)

Complete financial information can be obtained from:

Northwest Regional Development
115 South Main
Warren, Minnesota 56762

Joint County Natural Resources Board

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

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

In the event of dissolution of the Joint County Natural Resources Board, the net position of the Natural Resources Board at that time shall be distributed to the representative member counties in proportion to the contribution of each. Beltrami County contributed \$1,000 to the Natural Resources Board for the year ended December 31, 2024. There is no accumulation of significant financial resources or fiscal stress for this entity.

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

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

Mississippi Headwaters Board

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

C. Joint Ventures (Continued)

Mississippi Headwaters Board (Continued)

Financing is provided by federal, state, and local grants, and appropriations from member counties. Beltrami County contributed \$1,500 to the Mississippi Headwaters Board for the year ended December 31, 2024. There is no accumulation of significant financial resources or fiscal stress for this entity. Cass County maintains the accounting records of the Board. Complete financial information can be obtained from:

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

North Central Minnesota Soil and Water Conservation District Joint Powers Board

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

Control of the Joint Powers Board is vested in the board of supervisors which is composed of representatives from each member Soil and Water Conservation Districts. Financing is provided by state grants. Crow Wing County, in an agent capacity, reports the cash transactions of the Joint Powers Board as an agency fund on its financial statements. Beltrami County did not contribute to the NCJPB for the year ended December 31, 2024. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from the Crow Wing Soil and Water Conservation District office.

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

C. Joint Ventures (Continued)

Northwest Minnesota Household Hazardous Waste Management Group

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

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

The Northwest Minnesota Household Hazardous Waste Management Group has no long-term debt. Beltrami County contributed \$28,002 to the Household Hazardous Waste Management Group for the year ended December 31, 2024. Clearwater County, in an agent capacity, reports the cash transactions of the Household Hazardous Waste Management Group as a custodial fund on its financial statements. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from either the:

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

Northwest Minnesota Six County Joint Powers Board

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

C. Joint Ventures (Continued)

Northwest Minnesota Six County Joint Powers Board (Continued)

The Northwest Minnesota Six County Joint Powers Board has no long-term debt. Financing is provided by grants from the State of Minnesota or from other lawful source specifically including contributions from the respective member counties. Beltrami County did not contribute to the Joint Powers Board for the year ended, December 31, 2024. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from:

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

Northwestern Counties Data Processing Security Association

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

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

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

Beltrami County did not contribute to the Association for the year ended, December 31, 2024. There is no accumulation of significant financial resources or fiscal stress for this entity. Clearwater County, in a fiduciary capacity, reports the transactions of the Association as a custodial fund on its financial statements. Complete financial information can be obtained from:

Clearwater County Auditor
213 Main Ave
Bagley, Minnesota 56621

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

C. Joint Ventures (Continued)

Northwestern Minnesota Juvenile Center

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

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

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

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

Northwest Regional Emergency Communications Board

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

C. Joint Ventures (Continued)

Northwest Regional Emergency Communications Board (Continued)

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

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

Beltrami County did not contribute to the Northwest Regional Emergency Communications Board for the year ended December 31, 2024. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from:

Headwaters Regional Development Commission
PO Box 906
Bemidji, Minnesota 56619

Paul Bunyan Task Force

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

C. Joint Ventures (Continued)

Paul Bunyan Task Force (Continued)

The Paul Bunyan Task Force has no long-term debt. Beltrami County did not contribute to the Paul Bunyan Task Force for the year ended, December 31, 2024. Financing is provided by the profits from forfeitures and seizures pursuant to Minnesota Statutes §609.531 in addition to grants from the State of Minnesota. Beltrami County, in a fiduciary capacity, reports the cash transactions of the Paul Bunyan Task Force on its financial statements as a custodial fund. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from:

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

Pine Tree Park

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

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

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

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

Public Transit System

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

C. Joint Ventures (Continued)

Public Transit System (Continued)

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

Financing is provided by appropriations from the two member bodies and other lawful sources such as the Minnesota Department of Transportation. Beltrami County did not contribute to the Public Transit system for the year ended December 31, 2024. There is no accumulation of significant financial resources or fiscal stress for this entity. The Joint Powers Board contracts with a vendor in providing public transportation and the Joint Powers Board does not own equipment or assets used in providing public transportation. A Public Transit Fund was established in the City accounts and treasury to account for financial transactions of the Joint Powers Board. There is no accumulation of significant financial resources or fiscal stress for this county. Complete financial information may be obtained from:

City of Bemidji
317 4th Street NW
Bemidji, Minnesota 56601

Prime West Central County-Based Purchasing Initiative

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

Control of the Prime West Central County-Based Purchasing Initiative is vested in a Joint Powers Board. The board consists of one Commissioner from each member county. Each member of the board is appointed by the County Commissioners of the county he or she represents.

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

C. Joint Ventures (Continued)

Prime West Central County-Based Purchasing Initiative (Continued)

Financing is provided by medical assistance and general assistance medical care payments from the Minnesota Department of Human Services; initial start-up loans from the member counties; and by proportional contributions from member counties, if necessary, to cover operational costs. Beltrami County did not contribute any funds to the Prime West Central County-Based Purchasing Initiative during 2024. There is no accumulation of significant financial resources or fiscal stress for this entity.

Complete financial information can be obtained from:

Prime West Health System
3905 Dakota St
Alexandria, Minnesota 56308

Region 2 Adult Mental Health Initiative

The Region 2 Adult Mental Health Initiative was established in January 2024 by a joint powers agreement between Beltrami County and three other counties under the authority of Minnesota Statutes § 471.59. The purpose of this agreement is to provide adult mental health initiative services pursuant to § 245.4661 and the Comprehensive Adult Mental Health act.

The Region 2 Adult Mental Health Initiative Joint Powers Board consists of the Human/Social Services Directors of the member counties and the Adult Mental Health Initiative Coordinator.

In the event of termination of the joint powers agreement, any property purchased pursuant to this and any surplus money will be returned to the member counties in equal shares.

Beltrami County did not contribute to the Region 2 Adult Mental Health Initiative for the year ended December 31, 2024. There is no accumulation of significant financial resources or fiscal stress for this entity. Complete financial information can be obtained from:

Director of Hubbard County Social Services
Hubbard County Social Services
205 Court Avenue
Park Rapids, MN 56470

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

D. Jointly-Governed Organizations

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

Bemidji-Beltrami County Airport Commission

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

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

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

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

Blackduck Emergency Medical Services

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

D. Jointly-Governed Organizations (Continued)

Blackduck Emergency Medical Services (Continued)

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

The Blackduck Emergency Medical Services District has no long-term debt. Financing is provided by the Blackduck Emergency Medical Services Board's statutory authority to levy property taxes for the district, not to exceed a formula stipulated in Minnesota Statutes §144F.01. Use of the property tax levy is the responsibility of the Joint Powers Board. Upon creation of the district, the primary concern was for providing ambulance services in the rural district, done through contracting for service. Beltrami County, in an agent capacity, reports the cash transactions of the Blackduck Emergency Services Special Taxing District as a custodial fund on its financial statements. In 2024, as home county, Beltrami County calculated the tax rate for a total levy of \$400,000, spread to properties in the three counties containing the EMS boundaries. Complete financial information can be obtained from:

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

Kitchigami Regional Library

The Kitchigami Regional Library was formed pursuant to Minnesota Statutes §§ 134.11, 134.12, and 134.13, effective January 1, 1992, and includes Beltrami, Cass, Crow Wing, Hubbard, and Wadena Counties and nine cities. Control of the Library is vested in the Kitchigami Regional Library Board which is composed of 19 members with three-year terms made up of the following: one member appointed by each city council and two members appointed by each county board consisting of one county commissioner and one lay person. Beltrami County appropriated and contributed \$437,917 to the Library for the year ended December 31, 2024.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

D. Jointly-Governed Organizations (Continued)

Minnesota Counties Computer Consortium

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

Red Lake Watershed District

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

Roseau River Watershed District

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

Saint Paul Port Authority

The Saint Paul Port Authority was established in January 2016 pursuant of Minnesota State Statutes §216C.435 and §216C.436 between the Port Authority of the City of Saint Paul and Beltrami County. The Port Authority has created a program under the Act known as Property Assessed Clean Energy Program (PACE OF MN) for the purpose of implementing and administering the activities described in the Act. The control of the Port Authority is vested in the Saint Paul Port Authority which is composed of seven board members who are appointed by the Mayor of the City of Saint Paul in six-year terms. Beltrami County appropriated \$7,843 to the Port Authority for the year ended December 31, 2024.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

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

Measurement Date June 30,	County's Proportion of the Net Pension Liability (Asset)	County's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability and the State's Share of the Net Pension Liability (Asset)	County's Covered Employee Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
General Employee Retirement Fund							
2015	0.2308%	\$ 11,961,254	\$ -	\$ 11,961,254	\$ 13,566,459	88.17%	78.20%
2016	0.2310%	18,756,054	244,943	19,000,997	14,333,454	130.86%	68.90%
2017	0.2408%	15,372,513	193,293	15,565,806	15,512,608	99.10%	75.90%
2018	0.2411%	13,375,239	438,717	13,813,956	16,206,517	82.53%	79.53%
2019	0.2436%	13,468,098	418,648	13,886,746	17,242,942	78.11%	80.23%
2020	0.2466%	14,784,797	455,903	15,240,700	17,584,793	84.08%	79.06%
2021	0.2584%	11,034,838	336,992	11,371,830	18,603,060	59.32%	87.00%
2022	0.2637%	20,885,127	612,445	21,497,572	19,643,013	106.32%	76.67%
2023	0.2610%	14,594,828	402,336	14,997,164	20,700,606	70.50%	83.10%
2024	0.2599%	9,606,606	248,407	9,855,013	21,992,844	43.68%	89.08%
Public Employees Police and Fire Fund							
2015	0.2460%	\$ 2,795,136	\$ -	\$ 2,795,136	\$ 2,254,331	123.99%	86.60%
2016	0.2450%	9,832,276	-	9,832,276	2,364,946	415.75%	63.90%
2017	0.2510%	3,388,799	-	3,388,799	2,574,639	131.62%	85.40%
2018	0.2566%	2,735,092	-	2,735,092	2,704,319	101.14%	88.84%
2019	0.2454%	2,709,410	-	2,709,410	2,687,349	100.82%	89.26%
2020	0.2598%	3,424,442	24,818	3,449,260	2,930,842	116.84%	87.19%
2021	0.2654%	2,048,607	92,122	2,140,729	3,136,871	65.31%	93.66%
2022	0.2719%	11,832,014	516,928	12,348,942	3,167,083	373.59%	70.53%
2023	0.2466%	4,258,461	171,578	4,430,039	3,238,833	131.48%	86.50%
2024	0.2512%	3,305,156	125,991	3,431,147	3,478,829	95.01%	90.17%
Public Employees Correctional Fund							
2015	0.8200%	\$ 126,772	\$ -	\$ 126,772	\$ 1,466,207	8.65%	96.90%
2016	0.8300%	3,032,106	-	3,032,106	1,571,895	192.89%	58.20%
2017	0.7800%	223,008	-	2,223,008	1,565,244	14.25%	67.90%
2018	0.8342%	137,201	-	137,201	1,703,666	8.05%	97.64%
2019	0.8460%	117,129	-	117,129	1,804,445	6.49%	98.17%
2020	0.8700%	236,120	-	236,120	1,893,455	12.47%	96.67%
2021	0.9140%	(150,086)	-	(150,086)	2,020,066	(7.43)%	101.61%
2022	0.9050%	3,009,217	-	3,009,217	2,116,307	142.19%	74.58%
2023	0.9311%	420,904	-	420,904	2,183,228	19.28%	95.90%
2024	0.9322%	284,103	-	284,103	2,294,204	12.38%	97.55%

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

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

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
General Employee Retirement Fund					
2015	\$ 1,043,471	\$ 1,043,471	\$ -	\$ 13,913,015	7.50%
2016	1,115,092	1,115,092	-	14,867,915	7.50%
2017	1,191,651	1,191,651	-	15,888,691	7.50%
2018	1,261,420	1,261,420	-	16,818,939	7.50%
2019	1,295,792	1,295,792	-	17,277,235	7.50%
2020	1,415,367	1,415,367	-	18,871,571	7.50%
2021	1,411,847	1,411,847	-	18,824,637	7.50%
2022	1,473,226	1,473,226	-	19,643,013	7.50%
2023	1,612,800	1,612,800	-	21,504,000	7.50%
2024	1,684,110	1,684,110	-	22,454,800	7.50%
Public Employees Police and Fire Fund					
2015	\$ 372,553	\$ 372,553	\$ -	\$ 2,299,714	16.20%
2016	398,799	398,799	-	2,461,725	16.20%
2017	434,030	434,030	-	2,679,196	16.20%
2018	440,958	440,958	-	2,721,963	16.20%
2019	462,258	462,258	-	2,727,188	16.95%
2020	563,146	563,146	-	3,181,612	17.70%
2021	567,479	567,479	-	3,206,095	17.70%
2022	560,574	560,574	-	3,167,083	17.70%
2023	598,749	598,749	-	3,382,763	17.70%
2024	630,116	630,116	-	3,559,977	17.70%
Public Employees Correctional Fund					
2015	\$ 132,765	\$ 132,765	\$ -	\$ 1,517,307	8.75%
2016	138,631	138,631	-	1,584,352	8.75%
2017	144,035	144,035	-	1,646,107	8.75%
2018	152,294	152,294	-	1,740,500	8.75%
2019	162,724	162,724	-	1,859,698	8.75%
2020	178,192	178,192	-	2,036,448	8.75%
2021	166,921	166,921	-	1,907,663	8.75%
2022	185,177	185,177	-	2,116,307	8.75%
2023	196,805	196,805	-	2,249,200	8.75%
2024	196,886	196,886	-	2,250,126	8.75%

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

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

	Measurement Date - January 1,						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 204,797	\$ 168,867	\$ 224,436	\$ 233,204	\$ 196,556	\$ 166,815	\$ 175,698
Interest Cost	105,346	58,546	63,609	84,932	97,727	83,325	80,187
Changes of Assumptions	122,641	(325,197)	(15,866)	151,141	104,457	(73,752)	-
Difference in Expected and Actual Experience	22,928	-	(243,039)	-	100,764	-	-
Benefit Payments	(232,437)	(232,308)	(221,181)	(196,023)	(162,280)	(156,725)	(147,160)
Net Change in Total OPEB Liability	223,275	(330,092)	(192,041)	273,254	337,224	19,663	108,725
Total OPEB Liability - Beginning	2,543,928	2,874,020	3,066,061	2,792,807	2,455,583	2,435,920	2,327,195
Total OPEB Liability - Ending	\$ 2,767,203	\$ 2,543,928	\$ 2,874,020	\$ 3,066,061	\$ 2,792,807	\$ 2,455,583	\$ 2,435,920
Covered-employee Payroll	\$ 24,557,037	\$ 21,339,820	\$ 20,718,272	\$ 19,763,973	\$ 19,188,323	\$ 18,777,715	\$ 18,230,791
County's OPEB Liability as a Percentage of Covered Payroll	11.27%	11.92%	13.87%	15.51%	14.55%	13.08%	13.36%

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

Note 2: No assets are accumulated in a trust.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 19,241,943	\$ 19,241,943	\$ 19,844,977	\$ 603,034
Licenses and permits	242,925	242,925	290,581	47,656
Intergovernmental	9,138,955	9,143,055	9,756,486	613,431
Charges for services	3,334,077	3,334,077	3,468,570	134,493
Fines and forfeits	65,650	65,650	67,749	2,099
Gifts and contributions	6,500	6,500	123,860	117,360
Investment earnings (loss)	300,000	300,000	3,146,433	2,846,433
Miscellaneous	1,368,276	1,368,276	1,423,262	54,986
Total revenues	33,698,326	33,702,426	38,121,918	4,419,492
Expenditures				
Current				
General government				
Commissioners	339,897	339,897	310,436	29,461
Courts	1,570	1,570	264	1,306
Courts service	39,200	39,200	59,686	(20,486)
Public defender	298,494	298,494	280,128	18,366
County administration	396,594	396,594	456,702	(60,108)
County auditor-treasurer	3,694,149	3,694,149	2,454,877	1,239,272
License bureau	663,039	663,039	673,353	(10,314)
GIS	364,184	368,284	325,881	42,403
County assessor	826,931	826,931	772,448	54,483
Elections	196,668	196,668	232,755	(36,087)
Central service and supply	2,988,000	2,988,000	329,292	2,658,708
Safety	8,100	8,100	6,045	2,055
Auditing	75,600	75,600	117,278	(41,678)
Information systems	1,389,521	1,389,521	1,297,397	92,124
Risk	993,745	993,745	982,738	11,007
Human resources	366,753	366,753	369,350	(2,597)
Wellness center	14,390	14,390	12,289	2,101
Attorney	2,092,462	2,092,462	2,044,118	48,344
Recorder	285,406	285,406	260,449	24,957
Environmental services	1,088,333	1,088,333	807,876	280,457
Maintenance	2,557,755	2,557,755	2,416,241	141,514
Veterans service	278,657	278,657	249,685	28,972
Total general government	18,959,448	18,963,548	14,459,288	4,504,260

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (continued)				
Public safety				
Sheriff	\$ 6,031,179	\$ 6,031,179	\$ 6,409,500	\$ (378,321)
Boat and water safety	156,221	156,221	75,217	81,004
E-911 system	247,331	247,331	34,658	212,673
Emergency services	1,718,008	1,718,008	1,787,020	(69,012)
Coroner	115,000	115,000	66,225	48,775
County jail	6,116,097	6,116,097	6,142,557	(26,460)
County jail canteen	102,600	102,600	33,291	69,309
Law enforcement center	503,940	503,940	500,581	3,359
Victim assistance	92,490	92,490	67,226	25,264
Civil defense	117,568	117,568	117,491	77
Probation and parole	584,847	584,847	528,445	56,402
Bailiff	1,168,888	1,168,888	1,157,366	11,522
Total public safety	16,954,169	16,954,169	16,919,577	34,592
Culture and recreation				
Parks	300,000	300,000	324,650	(24,650)
Regional library	437,725	437,725	437,917	(192)
Other	142,268	142,268	129,302	12,966
Total culture and recreation	879,993	879,993	891,869	(11,876)
Capital Outlay				
General Government	-	-	54,408	(54,408)
Debt service				
Principal	18,000	18,000	126,362	(108,362)
Interest	2,000	2,000	6,327	(4,327)
Total debt service	20,000	20,000	132,689	(112,689)
Total expenditures	36,813,610	36,817,710	32,457,831	4,359,879
Excess of revenues over (under) expenditures	(3,115,284)	(3,115,284)	5,664,087	8,779,371
Other financing sources (uses)				
Transfers in	292,974	292,974	1,886,619	1,593,645
Transfers out	-	-	(1,451,097)	(1,451,097)
Proceeds from sale of assets	-	-	83,214	83,214
Subscription issuance	-	-	54,408	54,408
Compensation for loss of general capital assets	20,000	20,000	126,271	106,271
Total other financing sources (uses)	312,974	312,974	699,415	386,441
Net change in fund balance	<u>\$ (2,802,310)</u>	<u>\$ (2,802,310)</u>	6,363,502	<u>\$ 9,165,812</u>
Fund balance - beginning of year			36,244,657	
Fund balance - end of year			<u>\$ 42,608,159</u>	

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 6,378,761	\$ 6,378,761	\$ 7,470,790	\$ 1,092,029
Special assessments	205,000	205,000	170,106	(34,894)
Licenses and permits	30,000	30,000	16,575	(13,425)
Intergovernmental	12,759,000	12,759,000	15,065,030	2,306,030
Charges for services	773,000	773,000	623,060	(149,940)
Miscellaneous	-	-	28,346	28,346
Total revenues	20,145,761	20,145,761	23,373,907	3,228,146
Expenditures				
Current				
Public safety				
E-911 system	213,000	213,000	151,531	61,469
Highways and streets				
Administration	3,916,361	3,916,361	3,636,471	279,890
Engineering	11,402,500	11,402,500	8,813,384	2,589,116
Maintenance	2,498,200	2,498,200	2,731,113	(232,913)
Equipment and maintenance shops	2,983,179	2,983,179	2,366,648	616,531
Total highways and streets	20,800,240	20,800,240	17,547,616	3,252,624
Debt service				
Principal	30,000	30,000	72,229	(42,229)
Interest	5,000	5,000	4,442	558
Total debt service	35,000	35,000	76,671	(41,671)
Total expenditures	21,048,240	21,048,240	17,775,818	3,272,422
Excess of revenues over (under) expenditures	(902,479)	(902,479)	5,598,089	6,500,568
Other financing sources (uses)				
Transfers in	-	-	77,479	77,479
Transfers out	-	-	(36,200)	(36,200)
Lease issuance	-	-	3,728	3,728
Subscription issuance	-	-	41,522	41,522
Proceeds from sale of assets	-	-	27,517	27,517
Compensation for loss of general capital assets	-	-	16,554	16,554
Total other financing	-	-	130,600	130,600
Sources (uses)	-	-	130,600	130,600
Net change in fund balance	\$ (902,479)	\$ (902,479)	5,728,689	\$ 6,631,168
Fund balance - beginning of year			7,073,893	
Fund balance - end of year			\$ 12,802,582	

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 8,339,234	\$ 8,339,234	\$ 8,354,799	\$ 15,565
Intergovernmental	22,355,286	22,355,286	23,283,284	927,998
Charges for services	2,392,818	2,392,818	2,375,412	(17,406)
Miscellaneous	1,363,764	1,363,764	1,092,019	(271,745)
Total revenues	34,451,102	34,451,102	35,105,514	654,412
Expenditures				
Current				
Human services				
Income maintenance	9,802,436	9,802,436	9,473,621	328,815
Social services	23,516,182	23,516,182	25,454,406	(1,938,224)
Total human services	33,318,618	33,318,618	34,928,027	(1,609,409)
Health				
Nursing service	1,734,060	1,734,060	2,194,131	(460,071)
Debt service				
Principal	-	-	40,244	(40,244)
Interest	-	-	3,350	(3,350)
Total debt service	-	-	43,594	(43,594)
Total expenditures	35,052,678	35,052,678	37,165,752	(2,113,074)
Excess of revenues over (under) expenditures	(601,576)	(601,576)	(2,060,238)	(1,458,662)
Other Financing Sources (uses)				
Transfers in	-	-	1,340,644	1,340,644
Lease issuance	-	-	33,007	33,007
Subscription issuance	-	-	47,755	47,755
Total Other Financing Sources (Uses)	-	-	1,421,406	1,421,406
Change in Fund Balance	<u>\$ (601,576)</u>	<u>\$ (601,576)</u>	(638,832)	<u>\$ (37,256)</u>
Fund balance - beginning of year			1,754,996	
Fund balance - end of year			<u>\$ 1,116,164</u>	

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
FORFEITED TAX SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 365,000	\$ 365,000	\$ 345,482	\$ (19,518)
Intergovernmental	148,450	148,450	148,290	(160)
Charges for services	1,258,900	1,258,900	1,598,746	339,846
Gifts and contributions	1,000	1,000	1,478	478
Interest on investments	1,000	1,000	9,955	8,955
Miscellaneous	-	-	10	10
Total revenues	1,774,350	1,774,350	2,103,961	329,611
Expenditures				
Current				
Culture and recreation				
Parks	196,900	196,900	153,378	43,522
Conservation of natural resources				
Land use	1,633,614	1,633,614	1,722,100	(88,486)
Total expenditures	1,830,514	1,830,514	1,875,478	(44,964)
Excess of revenues over (under) Expenditures	(56,164)	(56,164)	228,483	284,647
Other financing sources (uses)				
Transfers in	-	-	5,320	5,320
Transfers out	(100,000)	(100,000)	(156,130)	(56,130)
Proceeds from sale of assets	3,500	3,500	4,853	1,353
Total other financing sources (uses)	(96,500)	(96,500)	(145,957)	(49,457)
Net change in fund balance	\$ (152,664)	\$ (152,664)	82,526	\$ 235,190
Fund balance - beginning of year			1,913,009	
Fund balance - end of year			\$ 1,995,535	

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
SOLID WASTE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Special assessments	\$ 3,250,000	\$ 3,250,000	\$ 3,364,043	\$ 114,043
Licenses and permits	750	750	2,120	1,370
Intergovernmental	160,648	160,648	162,734	2,086
Charges for services	2,092,200	2,092,200	2,461,534	369,334
Miscellaneous	645,000	645,000	670,424	25,424
Total revenues	6,148,598	6,148,598	6,660,855	512,257
Expenditures				
Current				
Sanitation				
Solid waste	6,590,310	6,675,310	5,835,066	840,244
Excess of revenues over (under) expenditures	(441,712)	(526,712)	825,789	1,352,501
Other Financing Sources (Uses)				
Transfers in	-	-	27,654	27,654
Transfers out	(272,750)	(272,750)	(273,129)	(379)
Proceeds from sale of assets	-	-	67,249	67,249
Compensation for loss of general capital assets	-	-	21,372	21,372
Total other financing Sources (uses)	(272,750)	(272,750)	(156,854)	115,896
Net change in fund balance	<u>\$ (714,462)</u>	<u>\$ (799,462)</u>	668,935	<u>\$ 1,468,397</u>
Fund balance - beginning of year			2,423,094	
Fund balance - end of year			<u>\$ 3,092,029</u>	

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 1 BUDGETARY INFORMATION

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

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

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

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

NOTE 2 EXCESS OF EXPENDITURES OVER BUDGET

The following major funds had expenditures in excess of budget for the year ended December 31, 2024:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
Health and Human Services	37,165,752	35,052,678	2,113,074
Forfeited Tax	1,875,478	1,830,514	44,964

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 3 OTHER POSTEMPLOYMENT BENEFITS

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

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

2024

- The health care trend rates were updated
- The discount rate was changed from 4.00% to 3.70%.

2023

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

2022

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

2021

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

2020

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

2019

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

2018

- The discount rate changed from 3.50% to 3.30%

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

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

A. General Employees Fund

2024

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024 was eliminated.
- A one-time non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

A. General Employees Fund (Continued)

2021

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2020

Changes in Actuarial Assumptions

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

A. General Employees Fund (Continued)

2020 (Continued)

Changes in Plan Provisions

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

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

A. General Employees Fund (Continued)

2017

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2016

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

B. Police and Fire Fund

2024

Changes in Actuarial Assumptions

- There have been no changes since the previous valuation.

Changes in Plan Provisions

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048, if earlier).

2023

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

B. Police and Fire Fund (Continued)

2021

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

B. Police and Fire Fund (Continued)

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.0% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019 and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

B. Police and Fire Fund (Continued)

2017 (Continued)

Changes in Actuarial Assumptions (Continued)

- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

C. Correctional Fund

2024

Changes in Actuarial Assumptions

- There have been no changes since the previous valuation.

Changes in Plan Provisions

- Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.
- Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.
- The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

2023

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2022

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

C. Correctional Fund (Continued)

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85% to 75%.
- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

C. Correctional Fund (Continued)

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.5% per year with a provision to reduce to 1.0% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 2.50%, beginning January 1, 2019. If the funding status declines to 85% for two consecutive years or 80% for one year, the maximum increase will be lowered to 1.5%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

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

C. Correctional Fund (Continued)

2017

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions:

- There have been no changes since the prior valuation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

SUPPLEMENTARY INFORMATION

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
DESCRIPTIONS OF FUNDS
DECEMBER 31, 2024**

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
DESCRIPTIONS OF FUNDS (CONTINUED)
DECEMBER 31, 2024**

CUSTODIAL FUNDS

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

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

The Development District Custodial Fund is used to account for the collection and payment of the funds due to the City of Bemidji for tax increment financing. There was no activity during 2024.

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

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

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

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

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

The Headwaters Shooting Sports Foundation is used to account for the collection and payment of grants related to the Headwaters Shooting Sports Foundation.

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

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

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

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
DESCRIPTIONS OF FUNDS (CONTINUED)
DECEMBER 31, 2024**

CUSTODIAL FUNDS (CONTINUED)

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Special Revenue Funds		
	Ditch	Technology	Unorganized Townships
<u>Assets</u>			
Cash and pooled investments	\$ 567,928	\$ 322,193	\$ 275,332
Taxes receivable			
Delinquent	2,266	-	-
Loans receivable	-	-	-
Due from other governments	1,053	-	6,000
Total assets	<u>\$ 571,247</u>	<u>\$ 322,193</u>	<u>\$ 281,332</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>			
Liabilities			
Accounts payable	\$ 3,045	\$ -	\$ 98
Due to other funds	-	-	4,118
Due to other governments	9,434	-	-
Total liabilities	12,479	-	4,216
Deferred inflows of resources			
Unavailable taxes and special assessments	1,937	-	-
Unavailable grants	-	-	6,000
Other unavailable revenue	-	-	-
Total deferred inflows of resources	1,937	-	6,000
Fund balances			
Restricted for			
Economic development	-	-	-
Law library	-	-	-
Consolidated conservation	-	-	-
Committed to			
Ditch repairs	556,831	-	-
Technology updates	-	322,193	-
Unorganized townships	-	-	271,116
Total fund balances	<u>556,831</u>	<u>322,193</u>	<u>271,116</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 571,247</u>	<u>\$ 322,193</u>	<u>\$ 281,332</u>

Consolidated Conservation	Law Library	Development	Total Nonmajor Governmental Funds
\$ 1,106,227	\$ 56,394	\$ 78,723	\$ 2,406,797
-	-	-	2,266
27,834	-	153,333	181,167
-	3,483	-	10,536
<u>\$ 1,134,061</u>	<u>\$ 59,877</u>	<u>\$ 232,056</u>	<u>\$ 2,600,766</u>
\$ 60,601	\$ 1,974	\$ 1,120	\$ 66,838
-	-	-	4,118
-	-	-	9,434
60,601	1,974	1,120	80,390
-	-	-	1,937
-	-	-	6,000
-	-	153,333	153,333
-	-	153,333	161,270
-	-	77,603	77,603
-	57,903	-	57,903
1,073,460	-	-	1,073,460
-	-	-	556,831
-	-	-	322,193
-	-	-	271,116
<u>1,073,460</u>	<u>57,903</u>	<u>77,603</u>	<u>2,359,106</u>
<u>\$ 1,134,061</u>	<u>\$ 59,877</u>	<u>\$ 232,056</u>	<u>\$ 2,600,766</u>

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	Special Revenue Funds		
	Ditch	Technology	Unorganized Townships
Revenues			
Taxes	\$ -	\$ 95,000	\$ 56,442
Special assessments	47,311	-	-
Licenses and permits	-	-	37
Intergovernmental	91,000	-	10,071
Charges for services	-	15,850	-
Fines and forfeits	-	-	-
Interest on investments	17,811	-	-
Miscellaneous	-	-	25,435
	<hr/>	<hr/>	<hr/>
Total revenues	156,122	110,850	91,985
Expenditures			
Current			
General government	-	96,263	-
Public safety	-	-	9,860
Highways and streets	-	-	80,169
Conservation of natural resources	106,796	-	-
Economic development	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	106,796	96,263	90,029
	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures	49,326	14,587	1,956
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Subscription issuance	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	49,326	14,587	1,956
Fund balance - beginning of year	507,505	307,606	269,160
	<hr/>	<hr/>	<hr/>
Fund balance - end of year	<u>\$ 556,831</u>	<u>\$ 322,193</u>	<u>\$ 271,116</u>

<u>Consolidated Conservation</u>	<u>Law Library</u>	<u>Development</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 151,442
-	-	-	47,311
-	-	-	37
402,567	-	-	503,638
-	-	44,893	60,743
-	44,415	-	44,415
-	-	-	17,811
1,586	-	13,333	40,354
<u>404,153</u>	<u>44,415</u>	<u>58,226</u>	<u>865,751</u>
-	79,417	-	175,680
-	-	-	9,860
-	-	-	80,169
-	-	-	106,796
262,821	-	46,130	308,951
-	4,236	8,000	12,236
-	512	-	512
<u>262,821</u>	<u>84,165</u>	<u>54,130</u>	<u>694,204</u>
<u>141,332</u>	<u>(39,750)</u>	<u>4,096</u>	<u>171,547</u>
-	58,093	-	58,093
(141,557)	-	-	(141,557)
<u>(141,557)</u>	<u>58,093</u>	<u>-</u>	<u>(83,464)</u>
(225)	18,343	4,096	88,083
<u>1,073,685</u>	<u>39,560</u>	<u>73,507</u>	<u>2,271,023</u>
<u>\$ 1,073,460</u>	<u>\$ 57,903</u>	<u>\$ 77,603</u>	<u>\$ 2,359,106</u>

Beltrami County
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	Beltrami County Soil & Water Conservation District	Bemidji Regional Airport	Emergency Services District
ASSETS			
Cash and pooled investments	\$ 1,615,817	\$ 18,491	\$ 73,390
Taxes receivable	-	-	5,518
Accounts receivable	1,500	-	-
Due from other governments	273,947	-	-
Interest receivable	-	-	-
Depreciable capital assets (net)	89,138	-	-
Total assets	<u>1,980,402</u>	<u>18,491</u>	<u>78,908</u>
LIABILITIES			
Accounts payable	46,314	-	-
Due to other governments	21,996	18,491	-
Due to other governments - City of Bemidji	-	-	-
Total liabilities	<u>68,310</u>	<u>18,491</u>	<u>-</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	1,912,092	-	78,908
Total net position	<u>\$ 1,912,092</u>	<u>\$ -</u>	<u>\$ 78,908</u>

Custodial Funds					
<u>Headwaters Regional Development Commission</u>	<u>Jail Custodial Fund</u>	<u>Medical Assistance Estate Recoveries</u>	<u>Northwest Minnesota Juvenile Center</u>	<u>Headwaters Shooting Sports Foundation</u>	<u>Other Custodial</u>
\$ 3,697	\$ 29,624	\$ 115,233	\$ 1,376,631	\$ 72,756	\$ 68,404
-	-	-	-	-	-
-	-	-	329	-	-
-	-	-	571,429	-	-
-	-	-	12,008	-	-
-	-	-	-	-	-
<u>3,697</u>	<u>29,624</u>	<u>115,233</u>	<u>1,960,397</u>	<u>72,756</u>	<u>68,404</u>
-	-	-	70,914	-	14,441
3,697	-	115,233	11,622	-	-
-	-	-	-	-	-
<u>3,697</u>	<u>-</u>	<u>115,233</u>	<u>82,536</u>	<u>-</u>	<u>14,441</u>
-	29,624	-	1,877,861	72,756	53,963
<u>\$ -</u>	<u>\$ 29,624</u>	<u>\$ -</u>	<u>\$ 1,877,861</u>	<u>\$ 72,756</u>	<u>\$ 53,963</u>

<u>Paul Bunyan Task Force</u>	<u>Red Lake Watershed District</u>	<u>Roseau Watershed District</u>	<u>School Districts</u>	<u>State Revenue</u>	<u>Townships and Cities</u>	<u>Total Custodial Funds</u>
\$ 531,965	\$ 23,029	\$ 601	\$ 514,017	\$ 36,197	\$ 412,248	\$ 4,892,100
-	-	-	306,459	44,015	410,059	766,051
1,425	-	-	-	8	-	3,262
143,037	-	-	-	-	-	988,413
-	-	-	-	-	-	12,008
-	-	-	-	-	-	89,138
<u>676,427</u>	<u>23,029</u>	<u>601</u>	<u>820,476</u>	<u>80,220</u>	<u>822,307</u>	<u>6,750,972</u>
11,352	-	-	-	-	-	143,021
60,817	23,029	601	514,017	36,205	391,668	1,197,376
-	-	-	-	-	20,580	20,580
<u>72,169</u>	<u>23,029</u>	<u>601</u>	<u>514,017</u>	<u>36,205</u>	<u>412,248</u>	<u>1,360,977</u>
604,258	-	-	306,459	44,015	410,059	5,389,995
<u>\$ 604,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 306,459</u>	<u>\$ 44,015</u>	<u>\$ 410,059</u>	<u>\$ 5,389,995</u>

Beltrami County
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2024

	<u>Beltrami Soil & Water Conservation District</u>	<u>Bemidji Regional Airport</u>	<u>Emergency Services District</u>
ADDITIONS			
Property tax collection	\$ -	\$ 595,861	\$ 398,087
Intergovernmental	1,387,598	338	481
Charges for services	101,816	-	-
Interest	-	-	-
Miscellaneous	3,132	-	-
Total additions	<u>1,492,546</u>	<u>596,199</u>	<u>398,568</u>
DEDUCTIONS			
Property tax allocation	-	595,861	400,000
Miscellaneous allocations	-	338	-
Operating expenses	1,083,647	-	-
Total deductions	<u>1,083,647</u>	<u>596,199</u>	<u>400,000</u>
 Net increase (decrease) in fiduciary net position	 408,899	 -	 (1,432)
Fiduciary net position - beginning of year	1,503,193	-	80,340
Fiduciary net position - Ending of year	<u>\$ 1,912,092</u>	<u>\$ -</u>	<u>\$ 78,908</u>

Headwaters Regional Development Commission	Jail Custodial Fund	Medical Assistance Estate Recoveries	Northwest Minnesota Juvenile Center	Custodial Funds	
				Headwaters Shooting Sports Foundation	Other Custodial
\$ 134,611	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	406,175	-	-	-
-	-	-	6,840,843	-	-
-	-	-	29,343	-	-
76	274,413	-	2,558	93,576	147,593
<u>134,687</u>	<u>274,413</u>	<u>406,175</u>	<u>6,872,744</u>	<u>93,576</u>	<u>147,593</u>
134,611	-	-	-	-	-
76	273,136	406,175	-	20,820	141,595
-	-	-	6,637,816	-	-
<u>134,687</u>	<u>273,136</u>	<u>406,175</u>	<u>6,637,816</u>	<u>20,820</u>	<u>141,595</u>
-	1,277	-	234,928	72,756	5,998
-	28,347	-	1,642,933	-	47,965
<u>\$ -</u>	<u>\$ 29,624</u>	<u>\$ -</u>	<u>\$ 1,877,861</u>	<u>\$ 72,756</u>	<u>\$ 53,963</u>

<u>Paul Bunyan Task Force</u>	<u>Red Lake Watershed District</u>	<u>Roseau Watershed District</u>	<u>School Districts</u>	<u>State Revenue</u>	<u>Townships and Cities</u>	<u>Total Custodial Funds</u>
\$ -	\$ 282,741	\$ 2,029	\$ 11,860,128	\$ 3,602,224	\$ 14,999,624	\$ 31,875,305
328,983	723	-	287,888	-	825,410	3,237,596
-	-	-	-	-	-	6,942,659
-	-	-	-	-	-	29,343
106,889	-	-	-	-	1,733	629,970
<u>435,872</u>	<u>283,464</u>	<u>2,029</u>	<u>12,148,016</u>	<u>3,602,224</u>	<u>15,826,767</u>	<u>42,714,873</u>
-	282,741	2,029	11,742,051	3,583,874	14,839,286	31,580,453
-	723	-	287,888	-	827,143	1,957,894
506,364	-	-	-	-	-	8,227,827
<u>506,364</u>	<u>283,464</u>	<u>2,029</u>	<u>12,029,939</u>	<u>3,583,874</u>	<u>15,666,429</u>	<u>41,766,174</u>
(70,492)	-	-	118,077	18,350	160,338	948,699
674,750	-	-	188,382	25,665	249,721	4,441,296
<u>\$ 604,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 306,459</u>	<u>\$ 44,015</u>	<u>\$ 410,059</u>	<u>\$ 5,389,995</u>

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUES
YEAR ENDED DECEMBER 31, 2024**

	Governmental Funds
Shared Revenue	
State	
Highway users tax	\$ 12,218,584
PERA rate reimbursement	86,797
Disparity reduction aid	294
Police aid	387,814
County program aid	7,296,127
Emergency protective care hearings	6,489
Out of home placements	376,390
Local homeless prevention	509,559
Statewide affordable housing	131,410
Market value credit - agriculture	275,444
Enhanced 911	253,513
Local government cannabis aid	2,114
Riparian protection aid	65,516
Aquatic invasive species	204,382
Red Lake reimbursements	483,064
Total Shared Revenue	22,297,497
Reimbursement for Services	
State	
Minnesota department of administration	260,637
Minnesota department of human services	3,608,608
Minnesota department of health	75,810
Total State Reimbursement for Services	3,945,055
Payments	
Local	
City of Bemidji	1,198,279
Townships	463,987
Counties	12,336
BI-CAP	131,548
Payments in lieu of taxes	3,166,652
Total Payments	4,972,802
Grants	
State	
Minnesota department/board of	
Secretary of state	41,122
Public safety	352,367
Veterans affairs	10,000
Transportation	30,000
Health	812,177
Natural resources	398,816
Human services	5,627,668
Soil and water resources	101,200
Pollution control	162,734
Total State	7,536,084

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Governmental Funds
Grants (Continued)	
Federal	
Department of	
Agriculture	\$ 1,236,115
Justice	84,061
Interior	140,470
Transportation	1,440,986
Homeland security	62,573
Health and human services	7,494,454
	<hr/>
Total Federal	10,458,659
	<hr/>
Total State and Federal Grants	17,994,743
	<hr/>
Total Intergovernmental Revenues	\$ 49,210,097
	<hr/> <hr/>

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



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

Board of County Commissioners
Beltrami County
Bemidji, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beltrami County (the County), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 15, 2025.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be significant deficiencies.

Report on Compliance and Other Matters

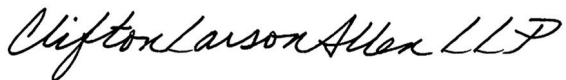
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Beltrami County's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Brainerd, Minnesota
July 15, 2025



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

Board of County Commissioners
Beltrami County
Bemidji, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Beltrami County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Beltrami County's major federal programs for the year ended December 31, 2024. Beltrami County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Beltrami County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and is described in the accompanying schedule of findings and questioned costs as item 2024-004. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-004 and 2024-005, to be significant deficiencies.

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

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

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



CliftonLarsonAllen LLP

Brainerd, Minnesota
July 15, 2025

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

Section I – Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
93.563	Child Support Enforcement
93.778	Medical Assistance Program (Medical Cluster)

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 yes X no

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings

2024-001 AUDIT ADJUSTMENTS

Type of Finding Material Weakness in Internal Control over Financial Reporting

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

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

Cause: The County has a limited number of personnel.

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

Repeat Finding: Yes – 2023-001.

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings (Continued)

2024-002 SEGREGATION OF DUTIES – VARIOUS DEPARTMENTS

Type of Finding Significant Deficiency in Internal Control over Financial Reporting

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

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

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

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

Repeat Finding: Yes – 2023-002.

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings (Continued)

2024-003 TIMELY HIGHWAY PROJECT REIMBURSEMENT REQUESTS

Type of Finding Significant Deficiency in Internal Control over Financial Reporting

Criteria or Specific Requirement: County management should be aware of the need to have adequate policies and procedures in place for timely reimbursement requests for highway projects.

Condition: Policies and procedures in place for timely reimbursement requests will ensure that the County is receiving funds it is owed. In addition, this will ensure there are no cash flow shortages and increase opportunities for investment earnings.

Cause: The County had two highway projects for which costs were incurred from October to November 2023, and the related reimbursement request was submitted and approved in June 2024.

Possible Effect: By submitting untimely reimbursement requests, the County is not receiving funds it is owed in a timely manner, which has the potential to cause cash flow shortages.

Repeat Finding: No.

Recommendation: We recommend management review internal controls currently in place and design and implement procedures to request reimbursements in a timelier fashion and to submit requests for reimbursements on at least a quarterly basis.

Views of Responsible Officials: There is no disagreement with the audit finding. The County will implement procedures to ensure timely submission of reimbursement requests.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section III – Major Program Findings and Compliance

ELIGIBILITY DETERMINATION INCOME AND ASSET VERIFICATION (2024–004)

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

Federal Program Name: Medical Assistance (Medicaid Cluster)

Assistance Listing Number: 93.778

Pass-Through Agency: Minnesota Department of Human Services

Federal Award Identification and Pass-Through Numbers: 2405MN5ADM and 2405MN5MAP

Award Period: Year Ended December 31, 2024

Compliance Requirement: Eligibility (Medical Assistance)

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

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

Condition and Context: During our testing of compliance over eligibility, we noted 1 of 60 Medical Assistance case files tested did not have proper documentation to support that a redetermination was done after 12 months. The sample sizes were based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Questioned Costs: None noted.

Cause: There were changes in State policies and staffing challenges.

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

Repeat Finding: Yes – 2023-004.

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

Views of responsible officials: There is no disagreement with the audit finding. There is an effort to maintain a strong healthcare processing leadership team. In addition, training will be provided to health and human services staff regarding proper documentation and entry into METS and staff will be reminded to perform reviews.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section III – Major Program Findings and Compliance (Continued)

CASE FILE REVIEWS (2024–005)

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

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

Assistance Listing Number: 93.778, 93.558, and 10.561

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

Federal Award Identification and Pass-Through Numbers: 2405MN5ADM, 2405MN5MAP, 2401MNTANF, 2405MN5021

Award Period: Year Ended December 31, 2024

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

Type of Finding: Significant Deficiency in Internal Control over Compliance

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

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

Questioned Costs: None noted.

Cause: Lack of staffing.

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

Repeat Finding: Yes – 2023-005.

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

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section IV – Other Item for Consideration – Minnesota Legal Compliance

PUBLISHING OF CLAIMS (2024-006)

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

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

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

Cause: Past practice.

Repeat Finding: Yes - 2023-006.

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

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

CLIENT'S RESPONSE:

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section V – Previously Reported Items Resolved

**2023-003 ELIGIBILITY CITIZENSHIP AND TERMINATION OF BENEFITS DOCUMENTATION
(93.558)**

Resolution: The County implemented procedures to verify that all casefiles include all required documentation for eligibility of clients.

**2023-004 ELIGIBILITY DETERMINATION INCOME AND ASSET – STATE ADMINISTRATIVE
MATCHING GRANTS FOR SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
(SNAP CLUSTER 10.561)**

Resolution: The County implemented procedures to verify that that all casefiles include all required documentation for eligibility of clients.

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024**

Federal Grantor Pass-Through Agency Grant Program Title or Cluster Name	Assistance Listing Number	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Health WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	242MN0004W1003	\$ 362,415	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for Supplemental Nutrition Assistance Program (Part of SNAP Cluster Total \$867,444)	10.561	2405MN5021	867,444	-
Passed Through Minnesota Department of Finance Schools and Roads Grants to States (Part of Forest Service Schools & Roads Cluster Total \$6,256)	10.665	G9RUSDFORESTRY	6,256	-
Total U.S. Department of Agriculture			1,236,115	-
U.S. Department of Interior				
Direct Payments in Lieu of Taxes	15.226	N/A	140,470	-
U.S. Department of Justice				
Direct Bulletproof Vest Partnership Program	16.607	N/A	3,600	-
Project Safe Neighborhoods	16.609	N/A	20,862	-
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	A-CVS-2024-BELTRAAO-163	59,599	-
Total U.S. Department of Justice			84,061	-
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation Highway Planning and Construction Total Highway Planning and Construction	20.205	HSIP 0423(277) HSIP 0424(249)	\$ 1,238,387 101,000	- 1,339,387
Passed Through the Minnesota Department of Public Safety State and Community Highway Safety (Part of Highway Safety Cluster Total \$46,730)	20.600	A-OFFICR24-2024-BELTRASO	40,010	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (AL 20.608 total \$90,867)	20.608	A-OFFICR24-2024-BELTRASO	86,324	-
Passed Through the City of Bemidji State and Community Highway Safety (Part of Highway Safety Cluster Total \$46,730)	20.600	A-ENFRC24-2024BEMIDJPD	4,946	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (AL 20.608 total \$90,867)	20.608	A-ENFRC24-2024BEMIDJPD	4,543	-
Safety Belt Performance Grants (Part of Highway Safety Cluster Total \$46,730)	20.609	A-ENFRC24-2024BEMIDJPD	1,255	-
National Priority Safety Programs (Highway Safety Cluster Total \$46,730)	20.616	A-ENFRC24-2024BEMIDJPD	519	-
Total U.S. Department of Transportation			1,476,984	-

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Federal Grantor Pass-Through Agency Grant Program Title or Cluster Name	Assistance Listing Number	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	H12H675N	54,917	-
Universal Newborn Hearing Screening	93.251	H12H671N	525	-
Early Hearing Detection Intervention Information System	93.314	75D301118C01380	600	-
COVID-19 Immunization Cooperative Agreements	93.268	H12H715J	163,437	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	H12H717H	308,792	-
Temporary Assistance for Needy Families (Total AL 93.558 \$903,948)	93.558	2401MNTANF	32,555	-
Maternal and Child Health Services Block Grant to the States	93.994	H12H301N	55,921	-
Passed Through Minnesota Department of Human Services				
Promoting Safe and Stable Families	93.556	2401MNFFTA	4,474	-
Temporary Assistance for Needy Families (Total AL 93.558 \$903,948)	93.558	2401MNTANF	871,393	-
Child Support Enforcement	93.563	2401MNCSES	1,168,228	-
Refugee & Entrance Assistance State Administered Programs	93.566	2401MNRDMA	6,023	-
Child Care and Development Block Grant (Part of Child Care Cluster)	93.575	2401MNCCDF	12,072	-
Community-Based Child Abuse Prevention Grants	93.590	2402MNBCAP	1,420	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2401MNCWSS	1,914	-
Foster Care-Title IV-E	93.658	2401MNFOST	950,174	-
Social Services Block Grant	93.667	2401MNSOSR	324,093	-
John H. Chafee Foster Care Program for Successful Transition into Adulthood	93.674	2401MNCILP	14,342	-
Children's Health Insurance Program	93.767	2405MN5021	1,306	-
Medical Assistance Program (Medicaid Cluster Total \$2,846,990)	93.778	2405MN5ADM	2,846,990	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	NE110E000048	53,601	-
Block Grants for Community Mental Health Services	93.958	H55213980C	160,894	-
Passed Through Sanford Health				
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	CY23-133-BCHHS	26,408	-
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	CY21-172-BCHHS	171,246	-
Child Abuse and Neglect State Grants	93.669	HSD-2019-004	89,714	-
Total U.S. Department of Health and Human Services			7,321,039	-
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	R29CG70CBLA22 R29CG70CBLA23	\$ 5,495 5,000	- -
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	F-EMPG-2022- BELTRACO-4393	26,533	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EMGP-20241011-7558	21,545	-
Total U.S. Department of Homeland Security			58,573	-
Total Federal Expenditures			\$ 10,317,242	\$ -

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

**BELTRAMI COUNTY
BEMIDJI, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024**

Notes to Schedule of Expenditures of Federal Awards

1. The Schedule of Expenditures of Federal Awards presents the activity of federal award programs expended by Beltrami County (the County). The County's reporting entity is defined in Note 1 to the financial statements.
2. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Beltrami County under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) from the Office of Management and Budget (OMB). Because the schedule presents only a selected portion of the operations of Beltrami County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Beltrami County.
3. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* for all awards. Under these principles certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10% de minimus indirect cost rate allowed under Uniform Guidance.

4. Reconciliation to the Schedule of Intergovernmental Revenue

Federal Grant Revenue per Schedule of Intergovernmental Revenue	\$ 10,458,659
Expenditures in the Schedule of Expenditures of Federal Awards, not included as revenues reported in the Schedule of Intergovernmental Revenue	89,998
Revenues included on the Schedule of Intergovernmental Revenue that are not considered Federal Grant Expenditures	<u>(231,415)</u>
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 10,317,242</u>



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of County Commissioners
Beltrami County
Bemidji, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beltrami County (the County), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 15, 2025.

In connection with our audit, we noted that the County failed to comply with provisions of the miscellaneous provisions of *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, in so far as they relate to accounting matters as described in the schedule of findings and questioned costs as item 2024-006. Also, in connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, and claims and disbursements sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to findings identified in our audit. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

CliftonLarsonAllen LLP

Brainerd, Minnesota
July 15, 2025



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.