PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 1, 2022

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

In the opinion of Kennedy & Graven, Chartered, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect) and, assuming compliance with certain covenants set forth in the resolutions approving the issuance of the Bonds, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and, to the same extent, is excluded from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, estates, and trusts. However, such interest is included in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such applicable corporations for tax years beginning after December 31, 2022 and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding the other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "TAX EXEMPTION" herein.

The County will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue **Rating Application Made: S&P Global Ratings**

BIG STONE COUNTY, MINNESOTA
(Big Stone County)

$1,640,000* GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2022A

PROPOSAL OPENING: December 12, 2022, 12:00 P.M. (Noon), C.T.
CONSIDERATION: December 13, 2022, 9:00 A.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $1,640,000* General Obligation Capital Improvement Plan Bonds, Series 2022A (the "Bonds") are being issued by Big Stone County, Minnesota (the "County"), pursuant to Minnesota Statutes, Section 373.40 and Chapter 475, as amended, for the purpose of financing various capital improvements in the County. The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and taxing powers. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: December 29, 2022

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2025	$80,000	2030	$100,000	2035	$120,000
2026	85,000	2031	105,000	2036	130,000
2027	85,000	2032	105,000	2037	135,000
2028	90,000	2033	110,000	2038	140,000
2029	95,000	2034	115,000	2039	145,000

MATURITY ADJUSTMENTS: * The County reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2023 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2033 and thereafter are subject to call for prior optional redemption on February 1, 2032 and any date thereafter, at a price of par plus accrued interest.

MINIMUM PROPOSAL: $1,620,320.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $32,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation

BOND COUNSEL: Kennedy & Graven, Chartered

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the County. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the County and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the County, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over $1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the County for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over $1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the County is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the County nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the County which indicates that the County does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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BIG STONE COUNTY
BOARD OF COMMISSIONERS

		Term Expires
Wade Athey	County Commissioner	January 2023*
Jay Backer	County Commissioner	January 2023*
Jeff Klages	County Commissioner	January 2023*
Brent Olson	County Commissioner	January 2023*
Roger Sandberg	County Commissioner	January 2023*

*All County Commissioners were required to run in the November 2022 election due to redistricting.

ADMINISTRATION

Michelle Knutson, County Auditor - Treasurer

Heather Henrich, Deputy Auditor

Pam Rud, County Coordinator

PROFESSIONAL SERVICES

Kennedy & Graven, Chartered, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(*Other office located in Waukesha, Wisconsin*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding Big Stone County, Minnesota (the "County") and the issuance of its $1,640,000* General Obligation Capital Improvement Plan Bonds, Series 2022A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution").

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the County's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 29, 2022. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2025 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The County has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The County will pay the charges for Paying Agent services. The County reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the County, the Bonds maturing on or after February 1, 2033 shall be subject to optional redemption prior to maturity on February 1, 2032 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the County. If only part of the Bonds having a common maturity date are called for redemption, then the County or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued by the County pursuant to Minnesota Statutes, Section 373.40 and Chapter 475, as amended, for the purpose of financing various capital improvements, including the renovation of and improvements to the courthouse, law enforcement center, County park and storage building among other facilities in the County.

Minnesota Statutes, Section 373.40, allows counties to plan for and finance the acquisition and betterment of public lands, buildings, and other improvements within the County. Annual principal and interest payments on general obligation capital improvement bonds are limited to 0.12% of the County's estimated market value. The estimated market value of the County for taxes payable in 2022 is $1,571,479,200. This results in a maximum annual debt service allowable of $1,885,775 for general obligation capital improvement bonds outstanding at any time.

ESTIMATED SOURCES AND USES*

Sources			
	Par Amount of Bonds	$1,640,000	
	Planned Issuer Equity contribution	209,000	
	DNR Grant	300,000	
	Total Sources		**$2,149,000**
Uses			
	Total Underwriter's Discount (1.200%)	$19,680	
	Costs of Issuance	41,000	
	Deposit to Capitalized Interest (CIF) Fund	78,998	
	Deposit to Project Construction Fund	2,009,000	
	Rounding Amount	322	
	Total Uses		**$2,149,000**

*Preliminary, subject to change.

SECURITY

The Bonds are general obligations of the County for which its full faith, credit and taxing powers are pledged without limitation as to rate or amount. In accordance with Minnesota Statutes, the County will levy each year an amount not less than 105% of the debt service requirements on the Bonds. In the event funds on hand for payment of principal and interest are at any time insufficient, the County is required to levy an ad valorem tax upon all taxable properties within its boundaries without limit as to rate or amount to make up any deficiency.

RATING

General obligation debt of the County, with the exception of any outstanding credit enhanced issues, is currently rated "AA-" by S&P Global Ratings ("S&P").

The County has requested a rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating, if any, reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the County nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the County shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the County shall execute and deliver a Continuing Disclosure Certificate, under which the County will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the County are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the County to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the County believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The County has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the County.

TAX EXEMPTION

On the date of issuance of the Bonds, Bond Counsel will render an opinion that, at the time of issuance and delivery of the Bonds to the original purchaser, based on present federal and State of Minnesota laws, regulations, rulings and decisions which exclude any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants set forth in the Award Resolution, interest on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is not excludable from the taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, interest on the Bonds is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations for tax years beginning after December 31, 2022 and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Section 59(k) of the Code defines “applicable corporation” as any corporation (other than an S corporation), a regulated investment company, or a real estate investment trust which meets the average annual adjusted financial statement income test set forth in Section 59(k) of the Code in one or more taxable years. No opinion will be expressed by Kennedy & Graven, Chartered regarding other federal or State of Minnesota tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals on alternative minimum taxable income.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Legislative proposals

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status on municipal bonds. For example, legislation has been proposed that would, among other things, limit the amount of exclusions (including tax-exempt interest) or deductions that certain higher-income taxpayers could use to reduce their tax liability. The likelihood of adoption of this or any other such legislative proposal relating to tax-exempt bonds cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt bonds (including the Bonds). Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such change in law.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The County will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the County in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the County, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the County under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the County for the fiscal year ended December 31, 2021 have been audited by Abdo, Minneapolis, Minnesota), independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the County, the ultimate payment of which rests in the County's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the County in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the County, the taxable value of property within the County, and the ability of the County to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the County and to the Bonds. The County can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the County or the taxing authority of the County.

Ratings; Interest Rates: In the future, the County's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the County to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the County to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the County, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the County may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The County is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the County will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and the declaration of a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the County and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the County, including the duration of the outbreak and measures taken to address the outbreak.

On March 13, 2020, Minnesota Governor Tim Walz signed Emergency Executive Order 20-01 and declared a peacetime emergency. In subsequent executive orders, the Governor extended the peacetime emergency by 30 days. On May 14, 2021, the Governor signed Executive Order 21-23 to end the statewide mask requirement and align with new Centers for Disease Control and Prevention (CDC) guidance on face coverings. The Minnesota Legislature ended the peacetime emergency declaration on July 1, 2021.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional $130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2019/20	2020/21	2021/22
Residential homestead[1]	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%
Agricultural homestead[1]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,880,000 - 0.50% [2] Over $1,880,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,900,000 - 0.50% [2] Over $1,900,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,890,000 - 0.50% [2] Over $1,890,000 - 1.00% [2]
Agricultural non-homestead	Land - 1.00% [2]	Land - 1.00% [2]	Land - 1.00% [2]
Seasonal recreational residential	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]
Residential non-homestead:	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: First $150,000 - .75% Over $150,000 - .25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: First $162,000 - .75% Over $162,000 - .25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: First $174,000 - .75% Over $174,000 - .25%
Industrial/Commercial/Utility[5]	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%	First $100,000 - 1.50% Over $150,000 - 2.00%

[1] A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

[2] Applies to land and buildings. Exempt from referendum market value tax.

[3] Exempt from referendum market value tax.

[4] Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

[5] The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2021/22 Economic Market Value	$1,807,318,973[1]

	2021/22 Assessor's Estimated Market Value	2021/22 Net Tax Capacity
Real Estate	$1,564,818,100	$12,917,697
Personal Property	6,661,100	115,036
Total Valuation	$1,571,479,200	$13,032,733
Less: Captured Tax Increment Tax Capacity[2]		(18,186)
Taxable Net Tax Capacity		$13,014,547

2021/22 NET TAX CAPACITY BY CLASSIFICATION

	2021/22 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$1,407,763	10.80%
Agricultural	9,507,794	72.95%
Commercial/industrial	614,421	4.71%
Public utility	73,957	0.57%
Railroad operating property	206,060	1.58%
Non-homestead residential	450,317	3.46%
Commercial & residential seasonal/rec.	651,773	5.00%
Other	5,612	0.04%
Personal property	115,036	0.88%
Total	$13,032,733	100.00%

1 According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the County is about 87.03% of the actual selling prices of property most recently sold in the County. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the County of $1,807,318,973.

2 The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the County.

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity[1]	Taxable Net Tax Capacity[2]	Percent Increase/Decrease in Estimated Market Value
2017/18	$1,485,652,300	$1,443,528,410	$11,982,375	$11,970,953	-1.03%
2018/19	1,494,335,200	1,452,039,347	12,140,477	12,125,114	0.58%
2019/20	1,500,993,500	1,458,581,051	12,274,327	12,258,786	0.45%
2020/21	1,527,873,200	1,485,655,087	12,594,971	12,577,829	1.79%
2021/22	1,571,479,200	1,529,428,169	13,032,733	13,014,547	2.85%

LARGER TAXPAYERS

Taxpayer	Type of Property	2021/22 Net Tax Capacity	Percent of County's Total Net Tax Capacity
Burlington Northern Railroad	Railroad Land / Buildings	$206,831	1.59%
Wheaton Dumont Coop Elevator	Commercial Land / Buildings	184,972	1.42%
Individual	Agriculture	141,652	1.09%
Individual	Agriculture	133,966	1.03%
Individual	Agriculture	118,047	0.91%
Individual	Residential	112,549	0.86%
Individual	Agriculture	87,360	0.67%
Individual	Residential	87,355	0.67%
Individual	Residential	82,206	0.63%
Individual	Residential	80,787	0.62%
Total		$1,235,725	9.48%

County's Total 2021/22 Net Tax Capacity $13,032,733

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Big Stone County.

1 Net Tax Capacity includes tax increment values.

2 Taxable Net Tax Capacity does not include tax increment values.

DEBT

DIRECT DEBT

General Obligation Debt (see schedules following)

Total G.O. debt secured by state aids	$2,845,000
Total G.O. debt secured by tax abatement revenues	3,395,000
Total G.O. debt secured by taxes (includes the Bonds)*	4,380,000
Total General Obligation Debt*	$10,620,000

*Preliminary, subject to change.

Big Stone County, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by State Aids
(As of 12/29/2022)

	State Aid Bonds 1) Series 2019A							
Dated	11/13/2019							
Amount	$2,965,000							
Maturity	02/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2023	70,000	72,744	70,000	72,744	142,744	2,775,000	2.46%	**2023**
2024	70,000	70,644	70,000	70,644	140,644	2,705,000	4.92%	**2024**
2025	75,000	68,469	75,000	68,469	143,469	2,630,000	7.56%	**2025**
2026	75,000	66,219	75,000	66,219	141,219	2,555,000	10.19%	**2026**
2027	80,000	63,894	80,000	63,894	143,894	2,475,000	13.01%	**2027**
2028	80,000	61,494	80,000	61,494	141,494	2,395,000	15.82%	**2028**
2029	85,000	59,019	85,000	59,019	144,019	2,310,000	18.80%	**2029**
2030	85,000	56,894	85,000	56,894	141,894	2,225,000	21.79%	**2030**
2031	90,000	55,144	90,000	55,144	145,144	2,135,000	24.96%	**2031**
2032	90,000	53,288	90,000	53,288	143,288	2,045,000	28.12%	**2032**
2033	90,000	51,375	90,000	51,375	141,375	1,955,000	31.28%	**2033**
2034	95,000	49,350	95,000	49,350	144,350	1,860,000	34.62%	**2034**
2035	95,000	47,213	95,000	47,213	142,213	1,765,000	37.96%	**2035**
2036	100,000	44,956	100,000	44,956	144,956	1,665,000	41.48%	**2036**
2037	100,000	42,581	100,000	42,581	142,581	1,565,000	44.99%	**2037**
2038	105,000	40,147	105,000	40,147	145,147	1,460,000	48.68%	**2038**
2039	105,000	37,588	105,000	37,588	142,588	1,355,000	52.37%	**2039**
2040	110,000	34,900	110,000	34,900	144,900	1,245,000	56.24%	**2040**
2041	110,000	32,150	110,000	32,150	142,150	1,135,000	60.11%	**2041**
2042	115,000	29,266	115,000	29,266	144,266	1,020,000	64.15%	**2042**
2043	115,000	26,247	115,000	26,247	141,247	905,000	68.19%	**2043**
2044	120,000	23,163	120,000	23,163	143,163	785,000	72.41%	**2044**
2045	120,000	19,938	120,000	19,938	139,938	665,000	76.63%	**2045**
2046	125,000	16,569	125,000	16,569	141,569	540,000	81.02%	**2046**
2047	130,000	13,063	130,000	13,063	143,063	410,000	85.59%	**2047**
2048	135,000	9,419	135,000	9,419	144,419	275,000	90.33%	**2048**
2049	135,000	5,706	135,000	5,706	140,706	140,000	95.08%	**2049**
2050	140,000	1,925	140,000	1,925	141,925	0	100.00%	**2050**
	2,845,000	1,153,360	2,845,000	1,153,360	3,998,360			

1) This represents the $2,965,000 State Aid portion of the $5,765,000 General Obligation Capital Improvement Plan and State Aid Bonds, Series 2019A.

Big Stone County, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 12/29/2022)

	Taxable Abatement Bonds Series 2015A		Taxable Abatement Refunding Bonds Series 2021A							
Dated	06/25/2015		05/13/2021							
Amount	$4,000,000		$3,070,000							
Maturity	02/01		02/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2023	195,000	8,925	55,000	44,719	250,000	53,644	303,644	3,145,000	7.36%	**2023**
2024	200,000	3,000	40,000	44,520	240,000	47,520	287,520	2,905,000	14.43%	**2024**
2025			245,000	43,594	245,000	43,594	288,594	2,660,000	21.65%	**2025**
2026			250,000	41,673	250,000	41,673	291,673	2,410,000	29.01%	**2026**
2027			255,000	39,081	255,000	39,081	294,081	2,155,000	36.52%	**2027**
2028			255,000	35,894	255,000	35,894	290,894	1,900,000	44.04%	**2028**
2029			260,000	32,223	260,000	32,223	292,223	1,640,000	51.69%	**2029**
2030			265,000	28,153	265,000	28,153	293,153	1,375,000	59.50%	**2030**
2031			265,000	23,714	265,000	23,714	288,714	1,110,000	67.30%	**2031**
2032			265,000	19,010	265,000	19,010	284,010	845,000	75.11%	**2032**
2033			275,000	14,013	275,000	14,013	289,013	570,000	83.21%	**2033**
2034			280,000	8,600	280,000	8,600	288,600	290,000	91.46%	**2034**
2035			290,000	2,900	290,000	2,900	292,900	0	100.00%	**2035**
	395,000	11,925	3,000,000	378,091	3,395,000	390,016	3,785,016			

Big Stone County, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/29/2022)

	Capital Improvement Plan Bonds 1) Series 2019A		Capital Improvement Plan Bonds Series 2022A							
Dated	11/13/2019		12/29/2022							
Amount	$2,800,000		$1,640,000*							
Maturity	02/01		02/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2023	30,000	67,794	0	42,816	30,000	110,610	140,610	4,350,000	.68%	**2023**
2024	35,000	66,819	0	72,365	35,000	139,184	174,184	4,315,000	1.48%	**2024**
2025	35,000	65,769	80,000	70,745	115,000	136,514	251,514	4,200,000	4.11%	**2025**
2026	120,000	63,444	85,000	67,383	205,000	130,826	335,826	3,995,000	8.79%	**2026**
2027	120,000	59,844	85,000	63,876	205,000	123,720	328,720	3,790,000	13.47%	**2027**
2028	125,000	56,169	90,000	60,223	215,000	116,391	331,391	3,575,000	18.38%	**2028**
2029	130,000	52,344	95,000	56,314	225,000	108,658	333,658	3,350,000	23.52%	**2029**
2030	130,000	49,094	100,000	52,145	230,000	101,239	331,239	3,120,000	28.77%	**2030**
2031	135,000	46,444	105,000	47,711	240,000	94,155	334,155	2,880,000	34.25%	**2031**
2032	140,000	43,606	105,000	43,118	245,000	86,724	331,724	2,635,000	39.84%	**2032**
2033	140,000	40,631	110,000	38,388	250,000	79,019	329,019	2,385,000	45.55%	**2033**
2034	145,000	37,513	115,000	33,409	260,000	70,921	330,921	2,125,000	51.48%	**2034**
2035	145,000	34,250	120,000	28,150	265,000	62,400	327,400	1,860,000	57.53%	**2035**
2036	150,000	30,838	130,000	22,493	280,000	53,330	333,330	1,580,000	63.93%	**2036**
2037	155,000	27,216	135,000	16,430	290,000	43,646	333,646	1,290,000	70.55%	**2037**
2038	155,000	23,534	140,000	10,070	295,000	33,604	328,604	995,000	77.28%	**2038**
2039	160,000	19,694	145,000	3,408	305,000	23,101	328,101	690,000	84.25%	**2039**
2040	165,000	15,631			165,000	15,631	180,631	525,000	88.01%	**2040**
2041	170,000	11,444			170,000	11,444	181,444	355,000	91.89%	**2041**
2042	175,000	7,022			175,000	7,022	182,022	180,000	95.89%	**2042**
2043	180,000	2,363			180,000	2,363	182,363	0	100.00%	**2043**
	2,740,000	821,460	1,640,000	729,041	4,380,000	1,550,501	5,930,501			

* Preliminary, subject to change.

1) This represents the $2,800,000 Capital Improvement Plan portion of the $5,765,000 General Obligation Capital Improvement Plan and State Aid Bonds, Series 2019A.

DEBT LIMIT

The statutory limit on debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" (Minnesota Statutes, Section 475.51, subd. 4) is the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of the following: (1) obligations issued for improvements payable wholly or partly from special assessments levied against benefitted property; (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any public revenue producing convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations to repay energy conservation investment loans under Minnesota Statutes, Section 216C.37; (8) obligations issued to pay judgments against the County; and other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance.

2021/22 Assessor's Estimated Market Value	$1,571,479,200
Multiply by 3%	0.03
Statutory Debt Limit	$47,144,376
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Bonds)*	(4,380,000)
Unused Debt Limit*	$42,764,376

*Preliminary, subject to change.

UNDERLYING DEBT[1]

Taxing District	2021/22 Taxable Net Tax Capacity	% In County	Total G.O. Debt[2]	County's Proportionate Share
Cities of:				
Beardsley	$114,652	100.0000%	$335,988[3]	$335,988
Clinton	112,310	100.0000%	1,106,000[3]	1,106,000
Graceville	244,921	100.0000%	1,210,000[3]	1,210,000
School Districts of:[4]				
I.S.D. No. 2853 (Lac Qui Parle Valley)	17,853,496	5.3627%	40,325,000	2,162,509
I.S.D. No. 2888 (Clinton-Graceville-Beardsley)	10,171,122	74.8145%	2,185,000	1,634,697
I.S.D. No. 2903 (Ortonville)	7,005,461	61.3506%	2,063,000	1,265,663
County's Share of Total Underlying Debt				$7,714,856

[1] Underlying debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does ***not*** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

[2] Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

[3] Outstanding debt is as of December 31, 2021.

[4] Minnesota School Districts may qualify for aid from the State of Minnesota through the Debt Service Equalization Formula, School Building Bond Agricultural Credit and Long Term Facilities Maintenance Revenue programs. While some of the districts listed may receive these aids, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by state aids for the purposes of the Bonds.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value $1,807,318,973	Debt/ Per Capita 5,233[1]
Direct G.O. Debt Secured By:			
State Aids	$2,845,000		
Tax Abatement Revenues	3,395,000		
Taxes*	4,380,000		
Total General Obligation Debt (includes the Bonds)*	$10,620,000		
Less: G.O. Debt Paid Entirely from State Aids[2]	(2,845,000)		
Tax Supported General Obligation Debt*	$7,775,000	0.43%	$1,485.76
County's Share of Total Underlying Debt	$7,714,856	0.43%	$1,474.27
Total*	$15,489,856	0.86%	$2,960.03

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

The County has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The County has no current plans for additional financing in the next 12 months.

1 Estimated 2021 population.

2 Debt service on the County's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy[1]	Total Collected Following Year	Collected to Date[2]	% Collected
2017/18	$4,786,734	$4,769,315	$4,784,741	99.96%
2018/19	4,860,167	4,826,502	4,857,355	99.94%
2019/20	5,069,075	5,051,078	5,064,697	99.91%
2020/21	5,072,124	5,059,111	5,059,111	99.74%
2021/22	5,103,855	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.[3] Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. Certain states have announced extended deadlines for payment of property taxes, although as of this date Minnesota has not taken such measures. The County cannot predict whether and how much payment of property taxes will be impacted. Any delays or reduction in the receipt of property taxes may materially adversely impact the County's finances and payment of debt obligations, including the Bonds.

LEVY LIMITS

The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. For taxes levied in 2013, payable in 2014, only, the Legislature imposed a one year levy limit on all counties with a population greater than 5,000, and all cities with a population greater than 2,500. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

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1 This reflects the Final Levy Certification of the County after all adjustments have been made.

2 Collections are through December 31, 2021.

3 Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES[1]

	2017/18	2018/19	2019/20	2020/21	2021/22
Big Stone County	42.498%	42.378%	43.633%	42.530%	41.523%
City of Barry	28.710%	29.381%	29.342%	28.519%	27.930%
City of Beardsley	41.151%	34.099%	33.719%	32.776%	66.637%
City of Clinton	53.650%	61.493%	65.237%	84.088%	130.746%
City of Correll	81.311%	89.746%	69.251%	65.748%	63.097%
City of Graceville	96.363%	96.173%	101.494%	100.274%	95.951%
City of Johnson	41.265%	45.665%	46.787%	61.205%	59.519%
City of Odessa	132.825%	137.147%	132.567%	125.685%	131.119%
City of Ortonville	85.335%	87.912%	93.895%	86.675%	99.997%
I.S.D. No. 771 (Chokio-Alberta)	2.035%	1.957%	2.087%	2.181%	1.893%
I.S.D. No. 2853 (Lac Qui Parle Valley)	7.316%	5.890%	20.608%	20.191%	21.199%
I.S.D. No. 2888 (Clinton-Graceville-Beardsley)	4.642%	4.932%	4.480%	4.528%	6.670%
I.S.D. No. 2903 (Ortonville)	7.210%	6.744%	8.351%	10.535%	9.737%
Town of Artichoke[2]	5.261%	5.357%	5.550%	5.820%	5.878%
Bois de Sioux Watershed	5.871%	6.121%	4.659%	4.588%	4.717%
Upper Minnesota River Watershed	2.221%	2.231%	2.383%	2.079%	2.032%
Referendum Market Value Rates:					
I.S.D. No. 771 (Chokie-Alberta)	0.72156%	0.67818%	0.65279%	0.64211%	0.45511%
I.S.D. No. 2853 (Lac Qui Parle Valley)	0.20709%	0.20712%	0.19505%	0.19840%	0.19152%
I.S.D. No. 2888 (Clinton-Graceville-Beardsley)	0.35096%	0.35174%	0.27080%	0.27114%	0.27063%
I.S.D. No. 2903 (Ortonville)	0.20633%	0.22949%	0.20642%	0.20911%	0.19376%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Big Stone County.

1 After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

2 Representative town rate.

THE ISSUER

COUNTY GOVERNMENT

The County was organized as a municipality in 1881, and is governed by an elected five-member Board of County Commissioners. Decisions are made by a majority vote of a quorum. The County Auditor-Treasurer is appointed.

EMPLOYEES; PENSIONS; UNIONS

The County has 69 full-time and seven (6) part-time employees. All full-time and certain part-time employees of the County are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Family Services - AFSME	December 31, 2024
Highway - AFSME	December 31, 2024
Sheriff Deputies - LELS	December 31, 2024

POST EMPLOYMENT BENEFITS

The County has obligations for some post-employment benefits for the majority of its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The County's most recent Annual Financial Report (Audit) shows a total OPEB liability of $2,759,483 as of January 1, 2021. The County has been funding these obligations on a pay-as-you-go basis.

Source: The County's most recent Audit.

FUNDS ON HAND (as of October 31, 2022)

Fund	Total Cash and Investments
General	$6,983,760
Highway	2,116,305
Family Services	1,724,490
Debt Service	112,961
Ditch	210,145
Total Funds on Hand	$11,147,661

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the County or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, Section 471.831, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the County's General Fund. These summaries are not purported to be the complete audited financial statements of the County, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the County. Copies of the complete statements are available upon request. Appendix A includes the 2021 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Adopted Budget 1)
Revenues					
Property taxes	$2,978,848	$2,982,143	$2,939,340	$3,028,518	$2,996,456
Special assessments	117,532	18,715	9,139	47,707	17,000
Licenses and permits	21,101	22,557	20,328	33,261	19,975
Intergovernmental	1,463,976	1,439,319	2,191,849	1,793,610	1,830,041
Charges for services	197,075	323,458	321,963	360,945	301,963
Fine and forfeitures	0	0	0	0	325
Investment earnings	114,801	166,947	132,729	14,124	100,000
Other miscellaneous revenues	395,335	318,181	301,680	393,777	192,839
Total Revenues	$5,288,668	$5,271,320	$5,917,028	$5,671,942	$5,458,599
Expenditures					
Current:					
General government	$2,326,253	$2,076,259	$2,203,645	$2,270,267	$2,590,493
Public safety	1,193,143	1,187,625	1,272,093	1,259,903	1,286,091
Sanitation	203,788	205,642	226,320	227,340	250,105
Health	73,717	71,842	71,342	72,467	73,467
Culture and recreation	155,574	161,576	163,773	157,914	167,487
Conservation of natural resources	372,069	395,548	422,228	460,754	440,822
Economic development	46,613	96,320	432,168	390,659	145,568
Intergovernmental	67,402	68,413	135,947	72,518	72,518
Debt service	309,093	308,943	308,618	133,183	324,692
Capital outlay	213,009	237,664	243,410	379,456	368,300
Total Expenditures	$4,960,661	$4,809,832	$5,479,544	$5,424,461	$5,719,543
Excess of revenues over (under) expenditures	$328,007	$461,488	$437,484	$247,481	($260,944)
Other Financing Sources (Uses)					
Bonds issued	$0	$0	$0	$3,070,000	$0
Proceeds from the sale of capital assets	1,550	12,527	0	5,803	0
Total Other Financing Sources (Uses)	$1,550	$12,527	$0	$3,075,803	$0
Net changes in Fund Balances	$329,557	$474,015	$437,484	$3,323,284	($260,944)
General Fund Balance January 1	$8,747,795	$9,077,352	$9,579,019	$10,016,503	$13,339,787
Change in accounting principles	0	27,652	0	0	0
Residual Equity Transfer in (out)	0	0	0	0	0
General Fund Balance December 31	$9,077,352	$9,579,019	$10,016,503	$13,339,787	$13,078,843
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	$3,828,577	$3,558,539	$3,341,439	$3,452,100	
Restricted	575,766	611,440	711,313	3,707,514	
Committed	932,774	973,054	1,012,282	1,060,450	
Assigned	232,398	515,165	229,552	355,495	
Unassigned	3,507,837	3,920,821	4,721,917	4,764,228	
Total	$9,077,352	$9,579,019	$10,016,503	$13,339,787	

1) The 2022 budget was adopted on December 21, 2021.

GENERAL INFORMATION

LOCATION

The County, with a 2020 U.S. Census population of 5,166 and a 2021 population estimate of 5,233 and comprising an area of 522 square miles, is located approximately 167 miles west of the Minneapolis-St. Paul metropolitan area. The City of Ortonville is the County seat.

LARGER EMPLOYERS[1]

Larger employers in the County include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Ortonville Area Health Services	Municipal hospital and nursing home	294
Essentia-Graceville Health Center	Hospital, nursing home, clinic	204
I.S.D. No. 2888 (Clinton-Graceville-Beardsley)	Elementary and secondary education	110
I.S.D. No. 2903 (Ortonville)	Elementary and secondary education	110
Bituminous Paving	Road construction	85
Big Stone County	County government and services	75
Rausch Brothers	Monument manufacturing	60
Hartman's Super Value	Grocery store	51
Divine House	Skilled nursing care facility	45
Hasslen Construction Co.	General contractors	40

Source: *Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.*

[1] This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

U.S. CENSUS DATA

Population Trend: The County

2010 U.S. Census population	5,269
2020 U.S. Census population	5,166
2021 State Demographer Population Estimate	5,233
Percent of Change 2010 - 2020	-1.95%

Income and Age Statistics

	The County	**State of Minnesota**	**United States**
2020 per capita income	$30,588	$38,881	$35,384
2020 median household income	$55,909	$73,382	$64,994
2020 median family income	$75,792	$92,692	$80,069
2020 median gross rent	$606	$1,010	$1,096
2020 median value owner occupied units	$108,900	$235,700	$229,800
2020 median age	48.5 yrs.	38.1 yrs.	38.2 yrs.

	State of Minnesota	**United States**
County % of 2020 per capita income	78.67%	86.45%
County % of 2020 median family income	81.77%	94.66%

Housing Statistics

	The County		
	2010	**2020**	**Percent of Change**
All Housing Units	3,115	2,982	-4.27%

Source: *2010 and 2020 Census of Population and Housing, and 2020 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov/cedsci).*

EMPLOYMENT/UNEMPLOYMENT DATA

	Average Employment	**Average Unemployment**	
Year	**Big Stone County**	**Big Stone County**	**State of Minnesota**
2018	2,412	4.1%	3.1%
2019	2,404	4.4%	3.4%
2020	2,430	4.9%	6.3%
2021	2,312	3.5%	3.4%
2022, October	2,366	1.5%	1.7%

Source: *Minnesota Department of Employment and Economic Development.*

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the County's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The County has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the County requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the County since the date of the financial statements, in connection with the issuance of the Bonds, the County represents that there have been no material adverse change in the financial position or results of operations of the County, nor has the County incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

Annual Financial Report

Big Stone County

Ortonville, Minnesota

For the year ended December 31, 2021

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Lighting the path forward

Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090
F 952.835.3261

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727
F 507.388.9139

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INTRODUCTORY SECTION

BIG STONE COUNTY
ORTONVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

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Big Stone County
Ortonville, Minnesota
Organization
For the Year Ended December 31, 2021

Name	Title	Term Expires
	Elected Commissioners	
Jay Backer	Board Chair	January 2023
Jeff Klages	Commissioner (2022 Chair)	January 2025
Brent Olson	Commissioner	January 2025
Roger Sandberg	Commissioner	January 2023
Wade Athey	Commissioner	January 2025
	Elected Officers	
Joseph Glasrud	Attorney	January 2023
Michelle Knutson	Auditor-Treasurer	January 2023
Mark Brown	Sheriff	January 2023
Elaine Martig	Recorder	January 2023
	Appointed Officials	
Sandra Vold	Assessor	December 2024
Pam Rud	Coordinator	December 2026
Quinn Strobl, M.E.	Coroner	January 2023
Darren Wilke	Environmental Director	Indefinite
Dona Greiner	Emergency Management Director	Indefinite
Todd Larson	Highway Engineer	December 2025
Dawn Gregoire	Human Resources Director	Indefinite
Matt Anderson	Information Technologies Director	Indefinite
Ward Odom	Veterans Service Officer	Indefinite
	Family Services (January - June)	
Jeff Klages	Chair	January 2025
Brent Olson	Vice Chair	January 2025
Kathy Morrill	Secretary	July 2021
Wade Athey	Board Member	January 2025
Roger Sandberg	Board Member	January 2023
Jay Backer	Board Member	January 2023
Alice Stielow	Board Member	July 2022
Laura Laub	Director	Indefinite

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FINANCIAL SECTION

BIG STONE COUNTY
ORTONVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Big Stone County
Ortonville, Minnesota

Report on 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 Big Stone County, Minnesota (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedules, Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the related note disclosures, the Schedule of Changes in the County's OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Other 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 introductory section, combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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

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Minneapolis, Minnesota
March 28, 2022

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Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) provides an overview and analysis of the Big Stone County's financial activities for the fiscal year ended December 31, 2021. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the County's basic financial statements that follow this section.

Financial Highlights

- Governmental activities' total net position is $37,604,844, of which $29,174,034 is net investment in capital assets, and $4,434,881 is restricted to specific purposes. The $3,995,929 remaining net position may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's net position increased by $1,723,543 for the year ended December 31, 2021, mainly due to American Rescue Plan and COVID-19 business relief funds received during the year. There was also additional revenue related to the refunding bonds issued.
- The net cost of governmental activities for the current fiscal year was $4,581,412. The net cost was funded by general revenues and other items totaling $6,304,955.
- The fund balances of the governmental funds increased by $1,884,237 due to refunding bonds issued but not due to pay off refunded bond until 2024. This was offset by the spending down of bond proceeds on the highway building project.

For the year ended December 31, 2021, the unrestricted fund balance of the General Fund was $6,180,173 or 113.9 percent of the total General Fund expenditures for the year.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the basic financial statements. The basic financial statements consist of three parts: (1) government-wide financial statements, (2) fund level financial statements, and (3) notes to the financial statements. This report also contains other required supplementary information.

Government-wide Financial Statements

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

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the County using the accrual basis of accounting, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating. It is important to consider other nonfinancial factors, such as changes in the County's property tax base and the condition of County roads and other capital assets, to assess the overall health of the County.

The *statement of activities* presents the County's governmental activities. Most of the basic services are reported here, including general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development. Property taxes and state and federal grants finance most of these activities. The County has no business-type activities or discretely presented component units for which the County is legally accountable.

The government-wide statements start on page 26 of this report.

Fund Financial Statements. Fund level financial statements provide detailed information about the significant funds--not the County as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Board establishes some funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting. Such information may be useful in evaluating a government's near-term financial requirements.

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

The County adopts an annual appropriated budget for its General Fund, Highway Special Revenue Fund, Family Services Special Revenue Fund, Ditch Special Revenue Fund and Debt Service Fund. Budgetary comparison schedules have been provided for each of these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 30 of this report.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside of the County. Fiduciary funds are not reflected in the government-wide statements because the resources of these funds are not available to support the County's own programs or activities. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 34 of this report.

Notes to the Financial Statements. The Notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 37 of this report.

Required Supplementary Information. Governments have an option of including the budgetary comparison statements for the General fund and major special revenue funds as either part of the fund financial statements within the basic financial statements, or as required supplementary information after the footnotes. The County has chosen to present these budgetary statements as part of the required supplementary information. Additionally, this report also presents certain *required supplementary information* beginning on page 75 concerning the County's share of net pension liabilities (assets) for defined benefits plans, schedules of contributions, and progress in funding its obligation to provide pension and other postemployment benefits to its employees. The County has disclosed this information in Notes 4 and 7 to the financial statements and as separate required supplementary information.

Other Information. Other information is provided as supplementary information regarding Big Stone County's individual fund financial statements and schedules.

Government-wide Financial Analysis

Over time, net position serves as a useful indicator of the County's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $37,604,844 at the close of 2021. The largest portion of the net position (77.6 percent) reflects the County's net investment in capital assets (land, buildings, equipment, and infrastructure such as roads and bridges), less any related outstanding debt used to acquire those assets. However, it should be noted that these assets are not available for future spending or for liquidating any remaining debt. Comparative data with 2020 is presented.

Big Stone County's Summary of Net Position

	Governmental Activities		
	2021	2020	Increase (Decrease)
Current and Other Assets	$ 22,377,052	$ 19,620,568	$ 2,756,484
Capital Assets	35,128,586	33,496,414	1,632,172
Total Assets	57,505,638	53,116,982	4,388,656
Deferred Outflows of Resources	2,248,903	849,641	1,399,262
Long-term Liabilities Outstanding	18,204,164	16,522,541	1,681,623
Other Liabilities	929,931	558,159	371,772
Total Liabilities	19,134,095	17,080,700	2,053,395
Deferred Inflows of Resources	3,015,602	1,004,622	2,010,980
Net Position			
Net Investment in Capital Assets	29,174,034	28,726,488	447,546
Restricted	4,434,881	4,086,023	348,858
Unrestricted	3,995,929	3,068,790	927,139
Total Net Position	$ 37,604,844	$ 35,881,301	$ 1,723,543

Unrestricted net position - the part of net position that may be used to meet the County's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements was 10.6 percent of the net position.

Governmental Activities. The County's activities increased net position by 4 8 percent ($37,604,844 for 2021 compared to $35,881,301 for 2020) Key elements of this increase in net position are as follows:

Big Stone County's Changes in Net Position

	Governmental Activities 2021	2020	Increase (Decrease)
Revenues			
Program Revenues			
Charges for services, fees and other	$ 2,086,104	$ 1,428,601	$ 657,503
Operating grants and contributions	6,065,563	6,789,377	(723,814)
Capital grants and contributions	124,385	97,620	26,765
General Revenues			
Property taxes	5,050,467	5,037,015	13,452
Other taxes	296,782	313,714	(16,932)
Grants and contributions not restricted to specific programs	812,433	784,145	28,288
Unrestricted investment earnings	8,205	161,802	(153,597)
Miscellaneous	137,068	133,740	3,328
Total Revenues	14,581,007	14,746,014	(165,007)
Expenses			
General government	2,303,960	2,280,488	23,472
Public safety	1,222,685	1,337,841	(115,156)
Highways and streets	4,767,709	4,341,680	426,029
Sanitation	225,377	224,988	389
Human services	2,715,198	2,576,835	138,363
Health	144,985	207,289	(62,304)
Culture and recreation	175,994	183,249	(7,255)
Conservation of natural resources	533,613	566,408	(32,795)
Economic development	390,659	432,168	(41,509)
Interest and other costs	377,284	288,833	88,451
Total Expenses	12,857,464	12,439,779	417,685
Changes in Net Position	1,723,543	2,306,235	(582,692)
Net Position, January 1	35,881,301	33,575,066	2,306,235
Net Position, December 31	$ 37,604,844	$ 35,881,301	$ 1,723,543

Financial Analysis of the County's Funds

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

At the end of the current fiscal year, governmental funds reported combined ending fund balances of $17,947,704, a decrease of $1,884,237 in comparison with the prior year. Of the combined ending fund balances, $9,734,520 represents unrestricted (committed, assigned, and unassigned) fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is classified as either nonspendable or restricted to indicate that it is not available for new spending because it has already been restricted for various reasons either by state law, grant agreements, or bond covenants, or is nonspendable.

The General Fund is the main operating fund for the County. At the end of the current fiscal year, it had an unrestricted fund balance of $6,180,173. As a measure of the General Fund's liquidity, it may be useful to compare unrestricted fund balance to total expenditures. The General Fund unrestricted fund balance represents 113.9 percent of total General Fund expenditures. During 2021, the ending fund balance increased by $3,323,284 mainly due to refunding bonds issued that will pay off the 2015A G.O. Abatement Bond in 2024.

The Highway Special Revenue Fund had an unrestricted fund balance of $1,835,021 at fiscal year-end, representing 28.3 percent of its annual expenditures. The ending fund balance decreased $1,606,298 during 2021 due to the spending down of bond proceeds on the highway building project.

The Family Services Special Revenue Fund had an unrestricted fund balance of $1,823,310 at fiscal year-end, representing 63.9 percent of its annual expenditures. The ending fund balance increased $49,342 during 2021 due to a decrease in capital outlay expenditures and unbudgeted intergovernmental revenue.

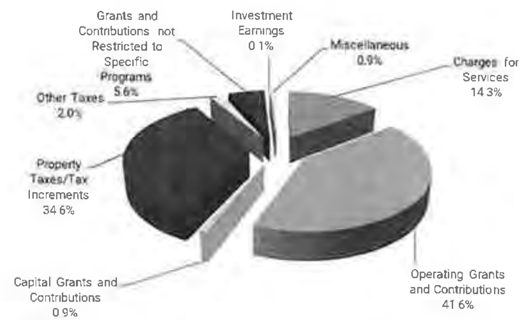
The Ditch Special Revenue Fund had $167,874 in restricted fund balance at fiscal year-end. The ending fund balance increased $66,486 during 2021 due to decreased expenditures and an increase in special assessment revenue.

The Debt Service Fund had a restricted fund balance of $336,110 at fiscal year-end, representing 106.1 percent of its annual expenditures. The ending fund balance increased $51,423 during 2021 which was higher than budgeted due to an unbudgeted transfer from the Highway fund.

A13

Governmental Activities. The County's total revenues were $14,581,007. The following graph presents the percent of total County revenues by source for the year ended December 31, 2021

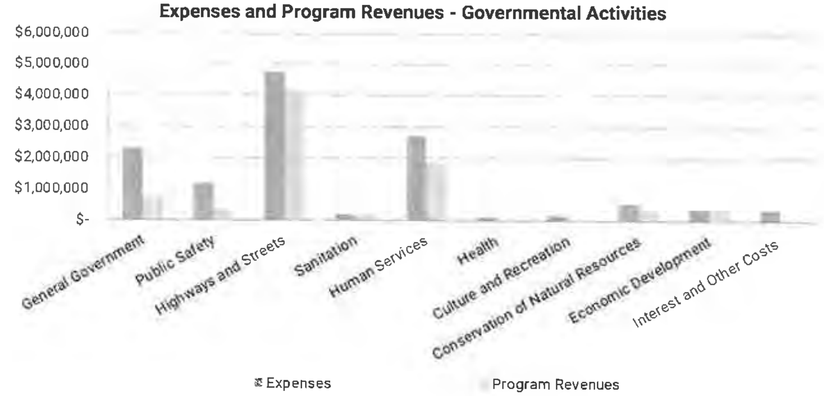
Revenues by Source - Governmental Activities



The following graph presents the cost and revenue of each program, as well as the County's general revenues

Total program and general revenues for the County were $14,581,007, while total expenses were $12,857,464. This reflects a $1,723,543 increase in net position for the year ended December 31, 2021.

Expenses and Program Revenues - Governmental Activities



The following table presents the cost of each of the County's four largest program functions, as well as each function's net cost (total cost, less revenues generated by the activity). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions

Total and Net Cost of Services - Governmental Activities

	Governmental Activities	
	Total Cost of Services 2021	Net Cost of Services 2021
Highways and Streets	$ 4,767,709	$ 554,176
Human Services	2,715,198	863,786
General Government	2,303,960	1,515,611
Public Safety	1,222,685	842,527
All Others	1,847,912	805,312
Total	$ 12,857,464	$ 4,581,412

General Fund Budgetary Highlights

The actual charges to appropriations (expenditures) were $198,882 over the final budget amounts due to grant programs in the economic development program.

Resources available for appropriation were $609,866 above the final budgeted amount due to unexpected revenues, including a State COVID grant and insurance proceeds for hail damage sustained.

Capital Asset and Debt Administration

Capital Assets. The County's capital assets for its governmental activities at December 31, 2021, totaled $35,128,586 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and intangibles. The investment in capital assets increased $1,632,172, or 4.9 percent, from the previous year.

Big Stone County's Capital Assets
(Net of Depreciation)

	Governmental Activities		
	2021	2020	Increase (Decrease)
Land	$ 350,856	$ 350,856	$ -
Gravel Pits	326,919	326,919	-
Right-of-way	284,592	284,592	-
Construction in Progress	-	4,358,811	(4,358,811)
Intangible Assets	16,920	16,983	(63)
Buildings	8,204,716	2,167,580	6,037,136
Land Improvements	235,089	252,848	(17,759)
Machinery and Equipment	2,874,760	2,884,979	(10,219)
Infrastructure	22,834,734	22,852,846	(18,112)
Total	$ 35,128,586	$ 33,496,414	$ 1,632,172

Additional information about the County's capital assets can be found in Note 3C starting on page 49 of this report.

A14

Long-term Debt. At the end of the current fiscal year, the County had total outstanding debt of $12,370,000 which was backed by the full faith and credit of the government

Big Stone County's Outstanding Debt

	Governmental Activities		
	2021	2020	Increase (Decrease)
G O Capital Improvement Bonds	$ 3,095,000	$ 3,200,000	$ (105,000)
G O Tax Abatement Bonds	6,360,000	3,475,000	2,885,000
G O State Aid Bonds	2,915,000	2,965,000	(50,000)
Total	$ 12,370,000	$ 9,640,000	$ 2,730,000

The County's debt related to general obligation bonds increased by $2,730,000 (28.3 percent) during the fiscal year due to the issuance of 2021A G O. Abatement Refunding Bonds These bonds are set to pay off the 2015A G.O Abatement Bonds in 2024.

Minnesota statutes limit the amount of debt a county may carry to 3 0 percent of its total market value At the end of 2021, the County's outstanding debt was 0.79 percent of its total estimated market value

Additional information on the County's long-term debt can be found in Note 3E starting on page 50 of this report

Economic Factors and Next Year's Budgets and Rates

The County's elected and appointed officials considered many factors when setting the 2022 budget, tax rates, and fees that will be charged for the year.

- The average unemployment rate for Big Stone County for 2021 was 3.7 percent. This is higher in comparison with the state unemployment rate of 3.64 percent and shows a decrease from the County's 4.3 percent rate of one year ago. This could impact the level of services requested by County residents.
- The County's General fund expenditures for 2022 are budgeted to increase 9.3 percent ($488,964) over the 2021 original budget. The 2022 anticipated revenues, other than tax levy, state aid, and special assessments, are budgeted to increase by 28.8 percent ($395,639) over the 2021 original budget.
- The gross property tax levy for the County increased 0.97 percent ($56,868) from 2021 and the net tax levy (the amount spread to taxpayers) increased 1.0 percent ($53,433) from 2021

County Tax Rate and Levy History

2022	41 523%	$5,394,311
2021	42 530	5,340,878
2020	43 633	5,340,878
2019	42.378	5,130,650
2018	42 499	5,079,851
2017	43.607	5,079,851
2016	41.279	4,826,290
2015	42.088	4,694,531
2014	42.654	4,602,481
2013	49.597	4,386,372
2012	57.299	4,342,943

Requests for Information

This financial report is designed to provide a general overview of Big Stone County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor-Treasurer, Michelle R. Knutson, Big Stone County Courthouse, 20 - 2nd Street Southeast, Ortonville, Minnesota 56278

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BIG STONE COUNTY
ORTONVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

Big Stone County
Ortonville, Minnesota
Statement of Net Position
December 31, 2021

	Governmental Activities
Assets	
Cash and pooled investments	$ 5,980,183
Cash held by fiscal agent	2,918,900
Investments	6,305,378
Receivables	
Delinquent taxes	22,098
Special assessments	114,663
Accounts	55,530
Loans	3,345,000
Accrued interest	7,072
Intergovernmental	3,382,961
Inventories	245,267
Capital assets	
Nondepreciable	979,287
Depreciable, net of accumulated depreciation	34,149,299
Total Assets	57,505,638
Deferred Outflows of Resources	
Deferred pension outflows	1,879,078
Deferred other postemployment benefit outflows	369,825
Total Deferred Outflows of Resources	2,248,903
Liabilities	
Accounts payable	119,970
Contracts payable	15,000
Salaries payable	103,088
Flexible benefits payable	16,289
Due to other governments	67,863
Accrued interest payable	144,021
Unearned revenue	463,700
Noncurrent liabilities	
Due within one year	
Long-term liabilities	520,761
Due in more than one year	
Long-term liabilities	12,742,451
Net pension liability	2,181,469
Other postemployment benefits liability	2,759,483
Total Liabilities	19,134,095
Deferred Inflows of Resources	
Property taxes levied for subsequent year	21,840
Deferred pension inflows	2,457,865
Deferred other postemployment benefit inflows	535,897
Total Deferred Inflows of Resources	3,015,602
Net Position	
Net investment in capital assets	29,174,034
Restricted	
Debt service	301,802
Highways and streets	2,888,478
Public safety	57,371
Conservation of natural resources	1,083,486
Other purposes	103,744
Unrestricted	3,995,929
Total Net Position	$ 37,604,844

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

Big Stone County
Ortonville, Minnesota
Statement of Activities
For the Year Ended December 31, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Fees, Charges for Services and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General government	$ 2,303,960	$ 334,897	$ 453,452	$ -	$ (1,515,611)
Public safety	1,222,685	134,926	245,232	-	(842,527)
Highways and streets	4,767,709	437,191	3,651,957	124,385	(554,176)
Sanitation	225,377	129,023	74,666	-	(21,688)
Human services	2,715,198	458,186	1,393,226	-	(863,786)
Health	144,985	625	-	-	(144,360)
Culture and recreation	175,994	12,730	33,034	-	(130,230)
Conservation of natural resources	533,613	129,709	213,996	-	(189,908)
Economic development	390,659	448,817	-	-	58,158
Interest and other costs	377,284	-	-	-	(377,284)
Total Governmental Activities	$ 12,857,464	$ 2,086,104	$ 6,065,563	$ 124,385	(4,581,412)
General Revenues					
Property taxes					5,050,467
Gravel taxes					101,410
Mortgage registry and deed tax					9,980
Payments in lieu of tax					116,283
Wheelage taxes					69,109
Grants and contributions not restricted to specific programs					812,433
Unrestricted investment earnings					8,205
Miscellaneous					137,068
Total General Revenues					6,304,955
Change in Net Position					1,723,543
Net Position, January 1					35,881,301
Net Position, December 31					$ 37,604,844

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

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FUND FINANCIAL STATEMENTS

BIG STONE COUNTY
ORTONVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

Big Stone County
Ortonville, Minnesota
Balance Sheet
Governmental Funds
December 31, 2021

	General	Highway	Family Services	Ditch	Debt Service	Total
Assets						
Cash and pooled investments	$ 2,878,727	$ 575,632	$ 1,884,182	$ 170,990	$ 336,110	$ 5,845,641
Cash held by fiscal agent	2,918,900	-	-	-	-	2,918,900
Undistributed cash in agency funds	21,328	105,341	4,368	-	655	131,692
Petty cash and change funds	550	-	2,300	-	-	2,850
Investments	5,035,129	1,270,249	-	-	-	6,305,378
Receivables						
Delinquent taxes	13,252	3,975	4,277	-	594	22,098
Special assessments	92,828	-	-	21,835	-	114,663
Accounts	17,003	220	38,307	-	-	55,530
Loans	3,345,000	-	-	-	-	3,345,000
Accrued interest	7,072	-	-	-	-	7,072
Intergovernmental	73,422	3,163,127	134,258	-	-	3,370,807
Advance to other funds	107,100	-	-	-	-	107,100
Advance to other governments	-	-	12,154	-	-	12,154
Inventories	-	245,267	-	-	-	245,267
Total Assets	$ 14,510,311	$ 5,363,811	$ 2,079,846	$ 192,825	$ 337,359	$ 22,484,152
Liabilities						
Accounts payable	$ 43,913	$ 11,307	$ 64,750	$ -	$ -	$ 119,970
Contracts payable	-	15,000	-	-	-	15,000
Salaries payable	47,235	28,292	27,561	-	-	103,088
Flexible benefits payable	7,555	300	8,434	-	-	16,289
Due to other governments	52,462	8,755	6,646	-	-	67,863
Unearned revenue	463,700	-	-	-	-	463,700
Advance from other funds	-	-	-	107,100	-	107,100
Total Liabilities	614,865	63,654	107,391	107,100	-	893,010
Deferred Inflows of Resources						
Property taxes levied for subsequent year	12,886	3,931	4,368	-	655	21,840
Unavailable revenue	542,773	2,911,619	144,777	21,835	594	3,621,598
Total Deferred Inflows of Resources	555,659	2,915,550	149,145	21,835	1,249	3,643,438
Fund Balances						
Nonspendable	3,452,100	245,267	-	-	-	3,697,367
Restricted	3,707,514	304,319	-	167,874	336,110	4,515,817
Committed	1,060,450	625,138	150,000	-	-	1,835,588
Assigned	355,495	1,209,883	1,673,310	-	-	3,238,688
Unassigned	4,764,228	-	-	(103,984)	-	4,660,244
Total Fund Balances	13,339,787	2,384,607	1,823,310	63,890	336,110	17,947,704
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 14,510,311	$ 5,363,811	$ 2,079,846	$ 192,825	$ 337,359	$ 22,484,152

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

Big Stone County
Ortonville, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2021

Total Fund Balances - Governmental Funds		$ 17,947,704
Amounts reported for governmental activities in the statement of net position are different because:		
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		35,128,586
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		3,621,598
Governmental funds do not report a liability for accrued interest until due and payable.		(144,021)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Compensated absences payable		(828,702)
Bonds payable		(12,370,000)
Bonds premium, net of accumulated amortization		(64,510)
Net pension liability		(2,181,469)
Other postemployment benefits liability		(2,759,483)
Governmental funds do not report long-term amounts related to pensions and other postemployment benefits.		
Deferred outflows of pension resources		1,879,078
Deferred inflows of pension resources		(2,457,865)
Deferred outflows of other postemployment benefits		369,825
Deferred inflows of other postemployment benefits		(535,897)
Total Net Position - Governmental Activities		$ 37,604,844

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

Big Stone County
Ortonville, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2021

	General	Highway	Family Services	Ditch	Debt Service	Total
Revenues						
Taxes	$ 3,028,518	$ 1,074,589	$ 988,237	$ -	$ 148,677	$ 5,240,021
Special assessments	47,707	-	-	145,180	-	192,887
Licenses and permits	33,261	8,605	-	-	-	41,866
Intergovernmental	1,793,610	3,658,570	1,447,808	-	8,212	6,908,200
Charges for services	360,945	187,639	418,690	-	-	967,274
Investment earnings	14,124	713	-	-	-	14,837
Miscellaneous	393,777	36,361	50,045	-	-	480,183
Total Revenues	5,671,942	4,966,477	2,904,780	145,180	156,889	13,845,268
Expenditures						
Current						
General government	2,270,267	-	-	-	-	2,270,267
Public safety	1,259,903	-	-	-	-	1,259,903
Highways and streets	-	2,373,820	-	-	-	2,373,820
Sanitation	227,340	-	-	-	-	227,340
Human services	-	-	2,832,238	-	-	2,832,238
Health	72,467	-	-	-	-	72,467
Culture and recreation	157,914	-	-	-	-	157,914
Conservation of natural resources	460,754	-	-	78,694	-	539,448
Economic development	390,659	-	-	-	-	390,659
Intergovernmental	72,518	222,336	-	-	-	294,854
Capital outlay						
General government	77,046	-	-	-	-	77,046
Public safety	49,658	-	-	-	-	49,658
Highways and streets	-	3,882,623	-	-	-	3,882,623
Culture and recreation	6,479	-	-	-	-	6,479
Human services	-	-	23,200	-	-	23,200
Debt service						
Principal	185,000	-	-	-	155,000	340,000
Interest and other costs	194,456	-	-	-	161,782	356,238
Total Expenditures	5,424,461	6,478,779	2,855,438	78,694	316,782	15,154,154
Revenues Over (Under) Expenditures	247,481	(1,512,302)	49,342	66,486	(159,893)	(1,308,886)
Other Financing Sources (Uses)						
Sale of capital assets	5,803	214,852	-	-	-	220,655
Bonds issued	3,070,000	-	-	-	-	3,070,000
Transfers in	-	-	-	-	211,316	211,316
Transfers out	-	(211,316)	-	-	-	(211,316)
Total Other Financing Sources (Uses)	3,075,803	3,536	-	-	211,316	3,290,655
Net Change in Fund Balance	3,323,284	(1,508,766)	49,342	66,486	51,423	1,981,769
Fund Balance, January 1	10,016,503	3,990,905	1,773,968	(2,596)	284,687	16,063,467
Increase (Decrease) in Inventories	-	(97,532)	-	-	-	(97,532)
Fund Balance, December 31	$ 13,339,787	$ 2,384,607	$ 1,823,310	$ 63,890	$ 336,110	$ 17,947,704

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

Big Stone County
Ortonville, Minnesota
Reconciliation of the Statement of
Revenues, Expenditures and Changes in Fund Balance
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2021

Net Change in Fund Balance - Governmental Funds	$ 1,981,769
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 the estimated useful lives and reported as depreciation expense	
Capital outlay	4,130,703
Depreciation expense	(2,420,926)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position	
Book value of disposed of capital assets	(77,605)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds Neither transaction, however, has any effect on net position Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Principal repayments	340,000
Debt issued or incurred	(3,070,000)
Amortization on bond premium	2,765
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(23,811)
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period	
Unavailable revenue - January 1	(3,102,672)
Unavailable revenue - December 31	3,621,598
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	(57,526)
Change in other postemployment benefits liability	157,808
Change in inventories	(97,532)
Long-term pension activity is not reported in governmental funds.	
Negative pension expense	329,152
Direct aid contributions	9,820
Change in Net Position - Governmental Activities	$ 1,723,543

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

Big Stone County
Ortonville, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	Social Services Private-Purpose Trust Fund	Custodial Funds	Total
Assets			
Cash and pooled investments	$ 6,248	$ 193,634	$ 199,882
Taxes for other governments	-	56,942	56,942
Prepaid taxes	-	5,634	5,634
Total Assets	6,248	256,210	262,458
Liabilities			
Accounts payable	-	17,478	17,478
Due to other governments	-	153,004	153,004
Total Liabilities	-	170,482	170,482
Deferred Inflows of Resources			
Taxes collected in advance of levy	-	5,634	5,634
Net Position			
Restricted			
Individuals, organizations and other governments	$ 6,248	$ 80,094	$ 86,342

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

Big Stone County
Ortonville, Minnesota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Social Services Private-Purpose Trust Fund	Custodial Funds	Total
Additions			
Contributions			
Individuals	$ 25,400	$ -	$ 25,400
Property tax collections for other governments	-	8,382,229	8,382,229
Fees collected for state	-	353,590	353,590
Interest	-	25	25
Miscellaneous	-	42,030	42,030
Total Additions	25,400	8,777,874	8,803,274
Deductions			
Beneficiary payments to individuals	23,203	45,900	69,103
Payments of property tax to other governments	-	8,439,593	8,439,593
Payments to state	-	353,590	353,590
Total Deductions	23,203	8,839,083	8,862,286
Net Increase (Decrease) in Fiduciary Net Position	2,197	(61,209)	(59,012)
Net Position, January 1	4,051	141,303	145,354
Net Position, December 31	$ 6,248	$ 80,094	$ 86,342

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

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Note 1: Summary of Significant Accounting Policies

Big Stone County's (the County) financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2021. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

Big Stone County was established February 20, 1862 and officially organized in 1881 having the powers, duties, and privileges granted counties by Minnesota Statute §373.01. As required by accounting principles generally accepted in the United States of America, these financial statements present Big Stone County. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year. The County Coordinator serves as the clerk of the Board of Commissioners, but has no vote.

Blended Component Unit

Blended component units are legally separate organizations that are so intertwined with the County that they are, in substance, the same as the County and, therefore, are reported as if they were part of the County. Big Stone County has one blended component unit reported as part of the General Fund.

Component Unit	Component Unit Included in Reporting Entity Because	Separate Financial Statements
Big Stone County Economic Development Authority (EDA) provides services pursuant to Minnesota Statutes §469.090-.1082	The County appoints all of the EDA Board members and is financially responsible for funding its projects.	Separate financial statements are not prepared.

Beginning in 2020, the County opted not to reappoint new members to the Board upon current member term expirations.

Joint Ventures and Related Organizations

The County participates in several joint ventures described in Note 7. The County also participates in a related organization described in Note 7.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) display information about Big Stone County. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of governmental fund financial statements is on major individual governmental funds, with each displayed as separate columns in the fund financial statements. The County reports all of its governmental funds as major funds.

The County reports the following major governmental funds:

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

The *Highway Special Revenue Fund* accounts for restricted revenues from the federal and state government, as well as assigned property tax revenues used for the construction and maintenance of roads, bridges, and other projects affecting County roadways.

The *Family Services Special Revenue Fund* accounts for restricted revenue resources from the federal, state, and other oversight agencies, as well as assigned property tax revenues used for economic assistance and community social services programs.

The *Ditch Special Revenue Fund* accounts for special assessment revenues levied against benefitted property to finance the cost of constructing and maintaining an agricultural drainage ditch system.

The *Debt Service Fund* is used to account for the accumulation of restricted resources used for, and the payment of, principal, interest, and related costs.

Additionally, the County reports the following fiduciary fund type:

Social Services Private-Purpose Trust Fund is used to account for the collection and disbursement of funds held on behalf of individuals in the Social Services program.

Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds or private-purpose trust funds. The County's Custodial Fund accounts for activities of Family Services Collaborative operations, Taxes & Penalties collections and State collections.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Big Stone County considers all revenues as available if collected within 30 days after the end of the current period. Property taxes are recognized as revenues in the year for which they are levied provided they are also available. Shared revenues are generally recognized in the period the appropriation goes into effect and the revenues are available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and are available. Property and other taxes, licenses, and interest are all considered susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on 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 are reported as other financing sources.

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

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

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. Pursuant to Minnesota Statute §385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts and bond covenants. Pooled investment earnings for 2021 were $119,570.

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

Receivables and Payables

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

Special assessments receivable consist of delinquent special assessments payable in the years 2017 through 2021 and deferred special assessments payable in 2022 and after. Unpaid special assessments at December 31 are classified in the financial statements as delinquent special assessments.

No allowance for uncollectible taxes/special assessments has been provided because such amounts are not expected to be material.

The County had no accounts receivable scheduled to be collected beyond one year.

Inventories and Prepaid Items

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

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (such as roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value (entry price) on the date of donation.

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

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

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

Assets	Years
Buildings	25 - 125
Land Improvements	15 - 35
Public Domain Infrastructure	15 - 70
Machinery and Equipment	3 - 20

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Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated vacation, sick leave, and comp time balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are accrued when incurred in the government-wide financial statements. The government-wide statement of net position reports both current and noncurrent portions of compensated absences. The current portion is calculated using a trend analysis of current usage of vacation. The resulting percentage is then used to determine the current portion for vacation, vested sick leave and comp time. The noncurrent portion consists of the remaining amount of vacation, total vested sick leave and comp time. Compensated absences are liquidated through the General Fund and other governmental funds that have personal services.

Long-term Obligations

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

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

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, except that PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value. The pension liability is liquidated through the General Fund and other governmental funds that have personal services.

The total pension expense for the GERP, PEPFP and DCP is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Total All
	GERP	PEPFP	DCP	Plans
Pension Expense	$ 17,754	$ (20,969)	$ 4,354	$ 1,139

Note 1: Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefits

Under Minnesota Statute §471.61, Subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees are able to add dependent coverage during open enrollment period or qualifying life event prior to retirement. All premiums are funded on a pay-as-you-go basis. The liability was determined, in accordance with GASB Statement No. 75, at January 1, 2021. The General Fund is typically used to liquidate governmental other postemployment benefits payable.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The County has two items which qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position. These items result from actuarial calculations and current year pension and OPEB contributions made subsequent to the measurement dates.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of deferred inflows. The governmental funds report unavailable revenue from delinquent taxes receivable, delinquent and deferred special assessments receivable, interest receivable, and grant monies receivable, for amounts that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. The unavailable revenue amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The County also has deferred pension inflows. These inflows arise only under the full accrual basis of accounting and consist of differences between expected and actual pension plan economic experience and also pension plan changes in proportionate share and, accordingly, are reported only in the statement of net position.

Unearned Revenue

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

Net Position

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

Net Investment in Capital Assets - the amount of net position representing capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets

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

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

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Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

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

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

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

Minimum Fund Balance

Big Stone County has adopted a minimum fund balance policy for its governmental funds. The General Fund, the Highway Special Revenue Fund, and the Family Services Special Revenue Fund are all heavily reliant on property tax revenues to fund current operations. However, current property tax revenues are not available for distribution until June. Therefore, the County Board has determined it needs to maintain a minimum unrestricted fund balance (committed, assigned, and unassigned) of no less than five months of operating expenditures. At December 31, 2021, the County's unrestricted fund balance was at or above the minimum fund balance level.

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 certain 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 during the reporting period. Actual results could differ from those estimates.

Note 2: Stewardship, Compliance and Accountability

Excess of Expenditures Over Appropriations

For the year ended December 31, 2021, expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	$ 5,225,579	$ 5,424,461	$ 198,882
Special Revenue			
Highway	5,444,710	6,478,779	1,034,069
Family Services	2,812,810	2,855,438	42,628
Ditch	35,113	78,694	43,581

Excess expenditures in the above funds were funded by actual revenues in excess of budgeted amounts and available fund balance.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

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Reconciliation of the County's total cash and investments to the basic financial statements follows:

Government-wide Statement of Net Position	
Governmental activities	
Cash and pooled investments	$ 5,980,183
Cash held by fiscal agent	2,918,900
Investments	6,305,378
Statement of Fiduciary Net Position	
Fiduciary funds	
Cash and pooled investments	199,882
Total	$ 15,404,343

Deposits

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

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

Note 3: Detailed Notes on All Funds (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. The County's policy is to minimize deposit custodial credit risk by obtaining collateral or bond for all uninsured amounts on deposit and obtaining necessary documentation to show compliance with state law and perfected security interest under federal law. As of December 31, 2021, the County's deposits in banks were entirely covered by federal depository insurance or by collateral in accordance with Minnesota Statutes.

Investments

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

1. securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota Statute §118A.04, subd. 6;

2. mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

3. general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;

4. bankers' acceptances of United States banks;

5. commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and

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

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County minimizes its exposure to interest rate risk by investing in both short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk

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

Note 3: Detailed Notes on All Funds (Continued)

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party.

The County's policy is to minimize investment custodial credit risk by permitting brokers that obtained investments for the County to hold them only to the extent Securities Investor Protection Corporation (SIPC) coverage and excess SIPC coverage are available. Securities purchased that exceed available SIPC coverage shall be transferred to the County's custodian. On December 31, 2021, the County's investments were not exposed to custodial credit risk

Concentration of Credit Risk

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

The following table presents the County's cash and deposit balances at December 31, 2021. The County has no investments subject to investment risks

Checking	$ 1,025,765
Savings	3,251,450
Non-negotiable Certificates of Deposits	1,900,000
Petty Cash	2,850
MAGIC Fund	1,846,198
Brokered Cash	187,073
Federal Government Securities	3,588,559
Fixed Income Securities	2,321,978
Negotiable Certificates of Deposits	1,280,470
Total	$ 15,404,343

Fair Value of Investments

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

The MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The MAGIC Fund's Board of Trustees can suspend the right 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.

Note 3: Detailed Notes on All Funds (Continued)

Brokered money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets and Level 2 inputs are significant other observable inputs. The County has the following recurring fair value measurements as of December 31, 2021:

- Brokered money market funds of $187,073 are valued using quoted market prices (Level 1 inputs).
- Negotiable certificates of deposits of $1,280,470 and securities of $5,910,537 are valued using a matrix pricing model (Level 2 inputs).

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs The County has the following recurring fair value measurements as of December 31, 2021:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using Level 1	Fair Value Measurement Using Level 2
Pooled investments at amortized costs					
Minnesota Association of Governments Investing for Counties (MAGIC) Fund	N/A	less than 1 year	$ 1,846,198		
Pooled investments at fair value					
Federal Government Securities	AA+	1 to 5 years	336,413	$	$ 336,413
Non-pooled investments at fair value					
Brokered Money Market	N/A	less than 1 year	187,073	187,073	-
Fixed Income Securities	Varies	less than 1 year	1,068,549	-	1,068,549
Fixed Income Securities	Varies	1 to 5 years	1,253,429	-	1,253,429
Federal Government Securities	AA+	1 to 5 years	3,252,146	-	3,252,146
Negotiable Certificates of Deposits	Varies	less than 1 year	243,000	-	243,000
Negotiable Certificates of Deposits	Varies	1 to 5 years	1,037,470	-	1,037,470
Total Investments			$ 9,224,278	$ 187,073	$ 7,191,007

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk
(2) Interest rate risk is disclosed using the segmented time distribution method
N/A Indicates not applicable or available
The County did not have any Level 3 investments

Note 3: Detailed Notes on All Funds (Continued)

B. Receivables

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

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Accrued interest	$ 7,072	$ -
Delinquent taxes	22,098	-
Special assessments	114,663	86,238
Accounts	55,530	-
Intergovernmental	3,382,961	-
Loans	3,345,000	3,095,000
Total	$ 6,927,324	$ 3,181,238

Loans Receivable

On June 2, 2015, the County Board approved a $3,921,139 loan to Federated Telephone Cooperative from the proceeds of the issuance of abatement bonds to assist with the financing of a portion of the cost of the acquisition, construction, and installation of a broadband communications network and related facilities in the County. The loan is to be repaid at 3.759 percent interest over 20 years. In May of 2021, an additional $388,861 was added to the loan due to the refunding of the related 2015A Abatement Bonds.

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

	Beginning Balance	Increase	Decrease	Ending Balance
Federated Telephone Loan	$ 3,211,139	$ 388,861	$ (255,000)	$ 3,345,000

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Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

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

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
Capital Assets not Depreciated				
Land	$ 350,856	$ -	$ -	$ 350,856
Gravel pits	326,919	-	-	326,919
Right-of-way	284,592	-	-	284,592
Construction in progress	4,358,811	1,797,084	(6,155,895)	-
Intangible assets	16,983	-	(63)	16,920
Total Capital Assets not Depreciated	5,338,161	1,797,084	(6,155,958)	979,287
Capital Assets Depreciated				
Buildings	4,619,462	6,211,955	(609,576)	10,221,841
Land improvements	461,724	-	-	461,724
Machinery and equipment	6,240,881	444,793	(239,530)	6,446,144
Infrastructure	57,142,241	1,832,766	-	58,975,007
Total Capital Assets Depreciated	68,464,308	8,489,514	(849,106)	76,104,716
Less Accumulated Depreciation for				
Buildings	(2,451,882)	(128,944)	563,701	(2,017,125)
Land improvements	(208,876)	(17,759)	-	(226,635)
Machinery and equipment	(3,355,902)	(423,345)	207,863	(3,571,384)
Infrastructure	(34,289,395)	(1,850,878)	-	(36,140,273)
Total Accumulated Depreciation	(40,306,055)	(2,420,926)	771,564	(41,955,417)
Total Capital Assets Depreciated, Net	28,158,253	6,068,588	(77,542)	34,149,299
Governmental Activities Capital Assets, Net	$ 33,496,414	$ 7,865,672	$ (6,233,500)	$ 35,128,586

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

Governmental Activities	
General government	$ 103,008
Public safety	65,944
Highways and streets, including depreciation of infrastructure assets	2,197,877
Sanitation	428
Human services	41,723
Culture and recreation	11,601
Conservation of natural resources	345
Total Depreciation Expense	$ 2,420,926

There was no depletion for the year ended December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

D. Interfund Receivables, Payables and Transfers

Advances To/From Other Funds

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

Receivable Fund	Payable Fund	Amount
General Fund	Ditch Fund	$ 107,100

The Ditch Special Revenue Fund advance is to provide working capital to ditch systems with low reserves and current operating costs in excess of its revenues This balance will be paid from future ditch special assessments.

Operating Transfers

The Highway Fund transferred $145,894 and $65,422, respectively, to the Debt Service Fund to make repayment on the County's 2019 G.O State Aid and 2019 G.O. Construction Bonds.

E. Liabilities and Deferred Inflows of Resources

Payables

Payables at December 31, 2021, were as follows:

	Governmental Activities
Governmental Activities	
Accounts Payable	$ 119,970
Contracts Payable	15,000
Salaries Payable	103,088
Flexible Benefits Payable	16,289
Due to Other Governments	67,863
Total	$ 322,210

Long-term Debt

On September 15, 2009, Big Stone County issued General Obligation Capital Improvement Bonds, Series 2009A, in the amount of $1,000,000, with interest rates of 1.5 percent to 4.0 percent, to finance capital improvements to County roads.

On June 2, 2015, Big Stone County issued General Obligation Abatement Bonds, Series 2015A, in the amount of $4,000,000, with interest rates of 3.0 percent to 4.0 percent, to assist with the financing of a portion of the cost of the acquisition, construction, and installation of a broadband communications network and related facilities in the County.

On November 13, 2019, Big Stone County issued General Obligation Capital Improvement Bonds, Series 2019A, in the amount of $2,800,000 and General Obligation State Aid Bonds, Series 2019A, in the amount of $2,965,000, with interest rates of 2.0 percent to 3.0 percent, to finance a portion of the acquisition, construction and equipping of the upcoming County highway maintenance facility.

Note 3: Detailed Notes on All Funds (Continued)

On May 13, 2021, Big Stone County issued General Obligation Abatement Refunding Bonds, Series 2021A, in the amount of $3,070,000, with interest rates of 0.2 percent to 2.0 percent, to refund the 2015A General Obligation Abatement Bonds. The refunding proceeds of the bonds were deposited in an escrow account and were used to pay issuance costs and purchase government obligations. The County will continue making principal payments on the 2015A G.O. Abatement Bonds until the call date of February 1, 2024. The escrow account will also provide debt service payments on the new bond until the crossover date. The old bonds are not considered defeased until the crossover date, and therefore will not be removed as liabilities. As a result of the refunding issue, the County will save $194,502 in debt service payments and achieve an economic gain (the present value of the difference between the old and the new debt service) of $172,870.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G O Bonds					
2009 G O Capital Improvement Bonds	$ 1,000,000	1 50 4 00 %	9/15/2019	2/1/2025	$ 325,000
2015 G O Abatement Bonds	4,000,000	3 00 4 00	6/25/2015	2/1/2024	3,290,000
2019 G O Capital Improvement Bonds	2,800,000	2 00 3 00	11/13/2019	2/1/2043	2,770,000
2019 G O State Aid Bonds	2,965,000	2 00 3 00	11/13/2019	2/1/2050	2,915,000
2021 G O Abatement Refunding Bonds	3,070,000	0 20 2 00	5/13/2021	2/1/2035	3,070,000
Total General Obligation Bonds					$ 12,370,000

Debt Service Requirements

Debt payments on the capital improvement bonds are made from the Debt Service Fund. Debt service requirements at December 31, 2021, were as follows:

Year Ending	General Obligation Capital Improvement Bonds		
	Governmental Activities		
December 31	Principal	Interest	Total
2022	$ 105,000	$ 80,100	$ 185,100
2023	110,000	76,194	186,194
2024	120,000	71,919	191,919
2025	120,000	67,469	187,469
2026	120,000	63,444	183,444
2027 - 2031	640,000	263,894	903,894
2032 - 2036	720,000	186,838	906,838
2037 - 2041	805,000	97,519	902,519
2042 - 2043	355,000	9,383	364,383
Total	$ 3,095,000	$ 916,760	$ 4,011,760

Note 3: Detailed Notes on All Funds (Continued)

Debt payments on the local agency bonds are made from the Debt Service Fund. Debt service requirements at December 31, 2021, were as follows:

Year Ending December 31	General Obligation State Aid Bonds – Governmental Activities – Principal	Interest	Total
2022	$ 70,000	$ 74,844	$ 144,844
2023	70,000	72,744	142,744
2024	70,000	70,644	140,644
2025	75,000	68,469	143,469
2026	75,000	66,219	141,219
2027 - 2031	420,000	296,444	716,444
2032 - 2036	470,000	246,181	716,181
2037 - 2041	530,000	187,366	717,366
2042 - 2046	595,000	115,181	710,181
2047 - 2050	540,000	30,111	570,111
Total	$ 2,915,000	$ 1,228,203	$ 4,143,203

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Debt payments on the abatement bonds are made from the General Fund. Debt service requirements at December 31, 2021, were as follows:

Year Ending December 31	General Obligation Abatement Bonds – Governmental Activities – Principal	Interest	Total
2022	$ 255,000	$ 171,709	$ 426,709
2023	250,000	156,136	406,136
2024	2,950,000	150,013	3,100,013
2025	245,000	43,594	288,594
2026	250,000	41,673	291,673
2027 - 2031	1,300,000	159,064	1,459,064
2032 - 2035	1,110,000	44,522	1,154,522
Total	$ 6,360,000	$ 766,711	$ 7,126,711

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

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

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
Capital improvement bonds	$ 3,200,000	$ -	$ (105,000)	$ 3,095,000	$ 105,000
Tax abatement bonds	3,475,000	3,070,000	(185,000)	6,360,000	255,000
State aid bonds	2,965,000	-	(50,000)	2,915,000	70,000
Premium on bonds	67,275	-	(2,765)	64,510	-
Total Bonds Payable	9,707,275	3,070,000	(342,765)	12,434,510	430,000
Compensated Absences Payable	771,176	459,016	(401,490)	828,702	90,761
Governmental Activities Long-term Liabilities	$ 10,478,451	$ 3,529,016	$ (744,255)	$ 13,263,212	$ 520,761

For the governmental activities, compensated absences are liquidated by the General Fund, the Highway Special Revenue Fund and the Family Services Special Revenue Fund.

Deferred Inflows of Resources - Unavailable Revenue

Deferred inflows of resources consist of special assessments, taxes, state grants, and interest not collected soon enough after year-end to pay liabilities of the current period, and other receivables received but not yet earned. Deferred inflows of resources at December 31, 2021, are summarized below by fund:

	Accrued Interest	Taxes	Special Assessments	Grants	Other	Total
Major Governmental Funds						
General	$ 7,007	$ 13,252	$ 92,828	$ 32,945	$ 396,741	$ 542,773
Highway	-	3,975	-	2,907,644	-	2,911,619
Family Services	-	4,277	-	140,500	-	144,777
Ditch	-	-	21,835	-	-	21,835
Debt Service	-	594	-	-	-	594
Total	$ 7,007	$ 22,098	$ 114,663	$ 3,081,089	$ 396,741	$ 3,621,598

Note 3: Detailed Notes on All Funds (Continued)

F. Fund Balance

	General	Highway	Family Services	Ditch	Debt Service	Total
Nonspendable						
Loans receivable	$ 3,345,000	$ -	$ -	$ -	$ -	$ 3,345,000
Advances to other funds	107,100	-	-	-	-	107,100
Inventories	-	245,267	-	-	-	245,267
Total Nonspendable	$ 3,452,100	$ 245,267	$ -	$ -	$ -	$ 3,697,367
Restricted						
Law library	$ 11,531	$ -	$ -	$ -	$ -	$ 11,531
Recorder's Technology Fund	37,103	-	-	-	-	37,103
Gravel pit restoration	-	304,319	-	-	-	304,319
Sheriff's activities	3,799	-	-	-	-	3,799
Permit to carry	53,572	-	-	-	-	53,572
Unspent grant monies	629,649	-	-	-	-	629,649
Federated	52,960	-	-	-	-	52,960
Debt service	2,918,900	-	-	-	336,110	3,255,010
Ditch maintenance and repairs	-	-	-	167,874	-	167,874
Total Restricted	$ 3,707,514	$ 304,319	$ -	$ 167,874	$ 336,110	$ 4,515,817
Committed						
Capital projects	$ 394,733	$ -	$ -	$ -	$ -	$ 394,733
Building maintenance	656,341	-	-	-	-	656,341
MSI equipment and repair	9,376	-	-	-	-	9,376
County road projects	-	617,816	-	-	-	617,816
Fuel pumps	-	7,322	-	-	-	7,322
Out-of-home placements	-	-	150,000	-	-	150,000
Total Committed	$ 1,060,450	$ 625,138	$ 150,000	$ -	$ -	$ 1,835,588
Assigned						
Library capital	$ 18,875	$ -	$ -	$ -	$ -	$ 18,875
Elections	20,000	-	-	-	-	20,000
Environmental vehicle	25,000	-	-	-	-	25,000
Assessor vehicle	20,000	-	-	-	-	20,000
Courthouse windows	126,548	-	-	-	-	126,548
Toqua Park	42,242	-	-	-	-	42,242
Economic development	66,567	-	-	-	-	66,567
27th payroll	20,000	-	-	-	-	20,000
Sheriff forfeitures	2,097	-	-	-	-	2,097
DARE	14,166	-	-	-	-	14,166
Highway activities	-	1,209,883	-	-	-	1,209,883
Family Services activities	-	-	1,673,310	-	-	1,673,310
Total Assigned	$ 355,495	$ 1,209,883	$ 1,673,310	$ -	$ -	$ 3,238,688

Note 4: Defined Benefit Pension Plans

A. Plan Description

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

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

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

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.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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

Note 4: Defined Benefit Pension Plans (Continued)

Police and Fire Plan Benefits

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

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

C. Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2021 and the County was required to contribute 7.5 percent for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2021, was $249,779. The County's contributions were equal to the contractually required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2021 and the County was required to contribute 17.70 percent for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2021 was $74,063. The County's contributions were equal to the contractually required contributions for each year as set by state statute.

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Note 4: Defined Benefit Pension Plans (Continued)

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2021, the County reported a liability of $1,925,972 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 $58,844. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.0451 percent at the end of the measurement period and 0.0443 percent for the beginning of the period.

County's Proportionate Share of the Net Pension Liability	$ 1,925,972
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the County	58,844
Total	$ 1,984,816

For the year ended December 31, 2021, the County recognized pension expense of $10,621 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional $7,133 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At December 31, 2021, the County reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 11,675	$ 58,817
Changes in Actuarial Assumptions	1,175,959	41,908
Net Collective Difference between Projected and Actual Investment Earnings	-	1,667,966
Changes in Proportion	70,645	5,528
Contributions Paid to PERA Subsequent to the Measurement Date	138,450	-
Total	$ 1,396,729	$ 1,774,219

Note 4: Defined Benefit Pension Plans (Continued)

The $138,450 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022 Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2022	$	(36,240)
2023		(20,589)
2024		(4,170)
2025		(454,941)

Police and Fire Fund Pension Costs

At December 31, 2021, the County reported a liability of $255,497 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers The County's proportionate share was 0.0331 percent at the end of the measurement period and 0.0346 percent for the beginning of the period.

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The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of $9 million in direct state aid that does meet the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation. The $9 million direct state was paid on October 1, 2020. 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 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the $9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2021, the County recognized negative pension revenue of $20,969 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized $2,093 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of $9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the $9 million in supplemental state aid. The County recognized $2,979 for the year ended December 31, 2021, 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

Note 4: Defined Benefit Pension Plans (Continued)

At December 31, 2021, the County reported its proportionate share of Police and Fire Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 50,300	$ -
Changes in Actuarial Assumptions	375,514	152,999
Net Collective Differences between Projected and Actual Investment Earnings	-	487,701
Changes in Proportion	17,490	42,946
Contributions Paid to PERA Subsequent to the Measurement Date	39,045	-
Total	$ 482,349	$ 683,646

The $39,045 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2022	$	(182,421)
2023		(35,727)
2024		(41,116)
2025		(59,989)
2026		78,911

Note 4: Defined Benefit Pension Plans (Continued)

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic 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 %
Private Markets	25 0	5 90
Fixed Income	25 0	0 75
International Equity	16 5	5 30
Total	100 0 %	

F. Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6 5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms The review provided a range of return investment return rates deemed to be reasonable by the actuary An investment return of 6 5 percent was deemed to be within that range of reasonableness for financial reporting purposes

Salary growth assumptions in the General Employees Plan range in annual increments from 10 25 percent after one year of service to 3.0 percent after 29 years of service and 6.0 percent per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service.

Inflation is assumed to be 2.25 percent for the General Employees Plan and 2 25 percent for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1 25 percent for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1 percent per year and that increase was used in the valuation.

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 is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019 The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation

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Note 4: Defined Benefit Pension Plans (Continued)

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7 50 percent to 6.50 percent, for financial reporting purposes
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020

Changes in Plan Provisions

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

Police and Fire Fund

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6 50 percent, for financial reporting purposes
- The inflation assumption was changed from 2 50 percent to 2 25 percent.
- The payroll growth assumption was changed from 3 25 percent to 3 00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table The mortality improvement scale was changed from MP-2019 to MN-2020
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the previous valuation.

G. Discount Rate

The discount rate used to measure the total pension liability in 2021 was 6 5 percent The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes Based on these assumptions, the fiduciary net position of the General Employees Fund and Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 4: Defined Benefit Pension Plans (Continued)

H. Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability 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:

	County Proportionate Share of NPL		
	1 Percent Decrease (5.5%)	Current (6.5%)	1 Percent Increase (7.5%)
General Employees Fund	$ 3,928,000	$ 1,925,972	$ 283,186
Police and Fire Fund	811,160	255,497	(200,009)

I. Pension Plan Fiduciary Net Position

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

Note 5: Public Employees Defined Contribution Plan (Defined Contribution Plan)

Five county commissioners of Big Stone 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.03 specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5.0 percent of salary, which is matched by the elected official's employer. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by Big Stone County during the year ended December 31, 2021, were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
$ 4,354	$ 4,354	5.0%	5.0%	5.0%

The County and Board member's contributions to the DCP plan for the year ended December 31, 2021 was $4,354

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Note 6: Other Postemployment Benefits

A. Plan Description

Big Stone County pays the health insurance for qualified retired employees and elected officials. This is a single-employer defined benefit health care plan. To be eligible, employees must have worked for Big Stone County on a full-time basis or been elected to office for a minimum of 10 years, be at least 55 years old, and retire while in active service. Those eligible shall be entitled to the cost of their individual health insurance coverage up to a maximum monthly figure not to exceed the monthly premium of $1,113. However, all eligible retirees shall be required to apply for Medicare coverage and Blue Cross Blue Shield Senior Gold Medicare Supplement (including the additional preventative care) at their earliest eligibility. The retiree must purchase Medicare Parts A & B at their own expense. Post-age 65 retirees and their spouses are assumed to have Medicare as their primary health insurance so no Implicit Rate Subsidy applies. However, these post-age 65 retirees have subsidized benefits payable either for life or for up to three years beyond age 65. 100% of future retirees who are eligible for a subsidized benefit are assumed to receive a subsidy equal to the County's most expensive medical plan.

For eligible employees hired prior to January 1, 1991, the premium for the individual health insurance coverage or the Medicare supplement and the County's Group Medicare Part D coverage will be paid by Big Stone County until the death of the retiree. Any eligible employee hired between January 1, 1991, and December 31, 2011, shall be eligible for one year of employer retiree insurance contributions for each five years of service with the County to a maximum of three years of contributions. The Plan does not issue a publicly available report.

No assets have been accumulated in a trust that meets the criteria in paragraph four of GASB statement 75.

At December 31, 2021, the following employees were covered by the benefit items:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	26
Active Plan Members	64
Total Plan Members	90

B. Funding Policy

The contribution requirements of the plan members and the County are established and may be amended by the Big Stone County Board of Commissioners. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2021, the County's average contribution rate was 83.7 percent of covered-employee payroll. The County had 5 elected officials and 20 employees eligible for this benefit in 2021. The direct cost from this program totaled $122,063 ($20,675 for elected officials and $101,388 for employees) in 2021 while implicit payments amounted to $11,811.

The annual OPEB cost (expense) is allocated based on the County's contributions to retiree premiums through the General Fund, Highway Special Revenue Fund, and Family Services Special Revenue Fund.

Note 6: Other Postemployment Benefits (Continued)

C. Actuarial Methods and Assumptions

The County's total OPEB liability of $2,759,483 was measured and determined by an actuarial valuation as of January 1, 2021

The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2 0%
20-Year Municipal Bond Yield	2 0%
Inflation Rate	2 0%
Salary Increases	Service grade table, see sample rates
Medical Trend Rate	6 50% as of January 1, 2021 grading to 5 00% over 6 years
Post-Age 65 Medical Subsidy Trend Rate	4 0%
Mortality	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2020 Generational Improvement Scale
Disability	None
Withdrawal	Sample rates
Retirement	Sample rates
Percent Married	Current Retirees: Actual retiree/spouse elections Future Retirees: Males 85%, Females 65%
Age Difference	Actual spouse birthdate for current retirees (if provided) For all others, males assumed to be three years older than females
Retiree Plan Participation	
Future Retirees Electing Coverage:	
Pre-65 subsidy available:	60%
Pre-65 subsidy not available:	30%
Percentage of Married Retirees	
Electing Pre-65 Spouse Coverage:	
Spouse subsidy available:	N/A
Spouse subsidy not available:	25%
Benefits Not Included	None

The discount rate used to measure the total OPEB liability was 2 0 percent Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate The equivalent single rate is the discount rate.

100% of future retirees who are eligible for a subsidized benefit are assumed to receive a subsidy equal to County's most expensive medical plan

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale.

Note 6: Other Postemployment Benefits (Continued)

The actuarial assumptions used in the January 1, 2021, valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

D. Changes in the Total OPEB Liability

Since the prior measurement date, the following assumptions changed:

- The health care trend rates, mortality tables, salary increase rates, and withdrawal and retirement rates for non-Public Safety employees were updated.
- The inflation rate was changed from 2 5% to 2.0%
- The discount rate was changed from 2 9% to 2 0%

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.0 percent) or 1 percentage point higher (3 0 percent) than the current discount rate:

	1 Percent Decrease (1 0%)	Current (2.0%)	1 Percent Increase (3.0%)
OPEB	$ 3,068,627	$ 2,759,483	$ 2,498,250

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a Healthcare Cost Trent Rate that is 1 percentage point lower (5.5 percent decreasing to 4 0 percent) or 1 percentage point higher (7.5 percent increasing to 6 0 percent) than the current trend rate:

	1 Percent Decrease (5 50% Decreasing to 4 0%)	Health Care Trend Rates (6 50% Decreasing to 5 0%)	1 Percent Increase (7 50% Decreasing to 6 0%)
OPEB	$ 2,489,173	$ 2,759,483	$ 3,076,836

Note 6: Other Postemployment Benefits (Continued)

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

For the year ended December 31, 2021, the County recognized OPEB expense of $157,808 At December 31, 2021, the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Gains	$ -	$ 329,382
Assumptions Changes	235,951	206,515
Contributions to OPEB Subsequent to the Measurement Date	133,874	-
Total	$ 369,825	$ 535,897

Deferred outflows of resources totaling $133,874 related to OPEB resulting from the County's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2022

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

2022	$ (141,991)
2023	(141,987)
2024	16,827
2025	(32,795)

Note 7: Summary of Significant Contingencies and Other Items

A. Risk Management

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

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

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

B. Contingent Liabilities

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

The County is not currently a defendant in any lawsuits.

C. Legal Debt Margin

In accordance with Minnesota Statutes, the County may not incur or be subject to net debt in excess of three percent of the market value of taxable property within the County. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments or tax increments. As of December 31, 2021, the County is under the legal debt margin.

D. Joint Ventures

Countryside Public Health Service

The Countryside Public Health Service was established July 1, 1979, by a joint powers agreement among Big Stone, Chippewa, Lac qui Parle, Swift, and Yellow Medicine Counties. The agreement was established to provide community health care for the residents of the five-county area. Each county's proportionate share of the total responsibility of the project is established on a per capita basis as determined by the most recent statistical estimates provided by the Minnesota Board of Health.

In the event of termination of the joint powers agreement, any property acquired as a result of the agreement and any surplus monies on hand at that time shall be divided among the counties in the same proportions as their respective proportionate financial responsibilities.

Note 7: Summary of Significant Contingencies and Other Items (Continued)

Control is vested in the Countryside Public Health Service Board of Health. The Board consists of 11 persons, 2 from each county, except the county with the largest population, which has 3 members. Each member of the Board is appointed by the County Commissioners of the county represented.

Financing is provided by state and federal grants, appropriations from member counties, and charges for services. Big Stone County's contribution for 2021 was $72,518.

Complete financial statements for Countryside Public Health Service can be obtained from its administrative office at PO Box 313, Benson, Minnesota 56215.

Counties Providing Technology

In 2021, 23 counties created a joint powers organization (JPO) named Counties Providing Technology (CPT) for the purpose of purchasing their former software vendor, Computer Professionals Unlimited, Inc. (CPUI) and to provide for the development, operation and maintenance of technology applications and systems, and the support and management of such systems for the use and benefit of the members and other governmental units. Each member contributed $175,000 to start up the JPO and provide funds for the purchase. The joint powers agreement (JPA) is dated June 2018. The JPO purchased CPUI on September 28, 2019, for a purchase price of $3,600,000. The JPO board is made up of one member from each county. During 2019, each member County received a return of capital contribution in the amount of $50,000.

PrimeWest Rural Minnesota Health Care Access Initiative

The PrimeWest Central County-Based Purchasing Initiative (since renamed PrimeWest Rural Minnesota Health Care Access Initiative) was established in December 1998 by a joint powers agreement with Big Stone, Douglas, Grant, McLeod, Meeker, Pipestone, Pope, Renville, Stevens, and Traverse Counties under the authority of Minnesota Statute §471.59. Pipestone County has since joined Southwest Health and Human Services for public health and human services functions. There are currently 24 counties in PrimeWest Health. The partnership is organized to directly purchase health care services for county residents who are eligible for Medical Assistance and General Assistance Medical Care as authorized by Minnesota Statute §256B.692. County-based purchasing is the local control alternative favored for improved coordination of services to prepaid Medical Assistance programs in complying with Minnesota Department of Health requirements as set forth in Minnesota Statutes, Chapters 62D and 62N.

Control of PrimeWest Health is vested in a Joint Powers Board, composed of two Commissioners from each member county (one active and one alternate). Each member of the Joint Powers Board is appointed by the County Commissioners of the county represented.

In the event of termination of the joint powers agreement, all assets 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.

Douglas County acts as fiscal agent for the PrimeWest Health and reports the cash transactions as an investment trust fund on its financial statements. Financing is provided by Medical Assistance and General Assistance Medical Care payments from the Minnesota Department of Human Services.

Complete financial information can be obtained from its administrative office at PrimeWest Health, 3905 Dakota Street, Alexandria, Minnesota 56308.

Note 7: Summary of Significant Contingencies and Other Items (Continued)

Central Minnesota Emergency Services Board

The Central Minnesota Regional Radio Board was established in 2007, under the authority conferred upon the member parties by Minnesota Statutes §471.59 and §403.39. As of June 1, 2011, the Central Minnesota Regional Radio Board changed its name to the Central Minnesota Emergency Services Board (ESB). Members include the City of St. Cloud and the Counties of Benton, Big Stone, Douglas, Grant, Kandiyohi, Meeker, Mille Lacs, Morrison, Otter Tail, Pope, Stearns, Stevens, Swift, Todd, Traverse, Wadena, Wilkin, and Wright.

The purpose of the ESB is to provide for regional administration of enhancements to the Statewide Public Safety Radio and Communication System (ARMER) owned and operated by the State of Minnesota.

The ESB is composed of one commissioner from each county appointed by their respective County Board and one city council member from the City appointed by the City Council, as provided in the Central Minnesota Emergency Services Board's by-laws.

In the event of dissolution of the ESB, 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 County 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 it shared in the original expense.

The ESB has no long-term debt. Financing is provided by the appropriations from member parties and by state and federal grants. During 2021, Big Stone County contributed $10,230 to the ESB.

Complete financial information can be obtained from Central Minnesota Emergency Services Board, City of St. Cloud, Office of the Mayor, City Hall, 400 - Second Street South, St. Cloud, Minnesota 56301.

Pioneerland Library System

Big Stone County, along with 32 cities and 8 other counties, participates in the Pioneerland Library System in order to provide efficient and improved regional public library service. The Pioneerland Library System is governed by the Pioneerland Library System Board, composed of 35 members appointed by member cities and counties. During the year, Big Stone County contributed $78,308 to the System.

Separate financial information for Pioneerland Library System can be obtained from its administrative office at Pioneerland Regional Library, 410 - 5th Street Southwest, Willmar, Minnesota 56201.

Southwest Minnesota Private Industry Council, Inc.

The Southwest Minnesota Private Industry Council, Inc., (SW MN PIC) is a private nonprofit corporation which was created through a Joint Powers Agreement on October 1, 1983, and began operations in 1985 under the Job Training Partnership Act (JTPA) authorized by Congress to administer and operate job training programs in a 14-county area of Southwestern Minnesota. These counties include Big Stone, Chippewa, Cottonwood, Jackson, Lac qui Parle, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, Rock, Swift, and Yellow Medicine.

SW MN PIC is governed by the Chief Elected Officials Board, which is composed of one representative from each member county. Big Stone County did not make any payments to this organization in 2021.

Separate financial information for SW MN PIC can be obtained from the Lyon County Government Center, 607 West Main Street, Marshall, Minnesota 56258

Note 7: Summary of Significant Contingencies and Other Items (Continued)

Western Probation Services

Big Stone, Grant, Stevens, Traverse, and Wilkin Counties participate in a joint venture to provide corrections services to the five-county area. The original joint powers agreement was effective June 1, 1962. In December of 2019, a new joint powers agreement was signed establishing Western Probation Services, which was effective January 1, 2020.

Western Probation Services is headquartered in Wheaton, Minnesota, with office locations at the county seats of the member counties.

The two probation officers for the five-county area are appointed by three area judges, who also set the probation officer salaries. The Minnesota Department of Corrections reimburses Big Stone County for a portion of the probation officer salaries which is submitted for reimbursement by Traverse County. The remaining expenses are allocated to each participating county based on population. During 2021, Big Stone County contributed $51,488 to the entity.

Traverse County acts as fiscal agent. Traverse County reports the probation activity in a separate department within its General Fund.

Woodland Centers

Woodland Centers is a private nonprofit corporation which began operations in 1958 under the Minnesota Community Mental Health Act to provide comprehensive mental health services to meet varied community needs in Big Stone, Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, and Swift Counties. Each county appoints two representatives to serve on the Centers' Board of Directors.

Woodland Centers is headquartered in Willmar, Minnesota, with office locations in each of the member counties. Separate financial information can be obtained from Woodland Centers, 1125 - 6th Street Southeast, Willmar, Minnesota 56201.

E. Related Organization - Upper Minnesota River Watershed District

The County Board is responsible for appointing a majority of the Board of Managers for the Upper Minnesota River Watershed District, but the County's responsibility does not extend beyond making the appointments.

F. Agricultural Best Management Loan Program

The County has entered into an agreement with the Minnesota Department of Agriculture and local lending institutions to jointly administer a loan program to individuals to implement projects that prevent or mitigate non-point source water pollution. While the County is not liable for repayment of the loans in any manner, it does have certain responsibilities under the agreement.

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Note 7: Summary of Significant Contingencies and Other Items (Continued)

G. Tax Abatements

On November 1, 2011, the County Board approved an economic development tax abatement pursuant to Minnesota Statute §469.1812-.1815 to reimburse a portion of the costs incurred to construct an agribusiness facility in Graceville Township by the Wheaton-Dumont Co-Op Elevator. Under this statute, a political subdivision may grant a current or prospective abatement of property taxes if the political subdivision expects the benefits of the proposed abatement agreement to at least equal the costs to the political subdivision of the proposed agreement. The agreement must also provide benefits such as providing employment or increasing or preserving the tax base in the County. The abatement period is ten years and shall not exceed $50,000 per year. Abatement reimbursement began in 2014 and will continue through 2023. For the year ending December 31, 2021, Big Stone County abated property tax payments totaling $50,000.

The County does not have a minimum threshold for reporting tax abatements and has elected to disclose all active abatements.

Note 8: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus ("COVID-19") and the risks to the international community as virus spreads globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic, the State of Minnesota has issued stay-at-home orders and other measures aimed at slowing the spread of the coronavirus.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Due to the rapid development and fluidity of this situation, the County cannot determine the ultimate impact that the COVID-19 pandemic will have on its financial condition, liquidity, and future revenue collection, and therefore any prediction as to the ultimate impact on the County's financial condition, liquidity, and future results of its revenue collections is uncertain.

Note 9: Subsequent Event

On March 4, 2022, the County paid off the remaining balance of the 2009 G.O. Capital Improvement Bonds. The final payment was $250,000 and $1,444 for principal and interest, respectively.

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REQUIRED SUPPLEMENTARY INFORMATION

BIG STONE COUNTY
ORTONVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

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Notes to Budgetary Comparison Schedules

Budgetary Information

The County Board adopts estimated revenue and expenditure budgets for the General Fund and the special revenue funds. The expenditure budget is approved at the fund level.

The budgets may be amended or modified at any time by the County Board. Expenditures may not legally exceed budgeted appropriations. Comparisons of final budgeted revenues and expenditures to actual are presented in required supplementary information for the General Fund and special revenue funds.

Budgets are adopted on a basis consistent with generally accepted accounting principles.

Over the course of the year, the County Board may revise estimated revenue and expenditure budgets. These budget amendments fall into three categories: new information changing original budget estimations, greater than anticipated revenues or costs, and new grant awards.

Excess of Expenditures Over Appropriations

For the year ended December 31, 2021, expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	$ 5,225,579	$ 5,424,461	$ 198,882
Special Revenue			
Highway	5,444,710	6,478,779	1,034,069
Family Services	2,812,810	2,855,438	42,628
Ditch	35,113	78,694	43,581

Excess expenditures in the above fund were funded by actual revenues in excess of budgeted amounts and available fund balance.

Big Stone County
Ortonville, Minnesota
General Fund
Budgetary Comparison Schedule
(Continued on the Following Page)
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021 Budgeted Amounts Original	2021 Budgeted Amounts Final	2021 Actual Amounts	2021 Variance with Final Budget	2020 Actual Amounts
Revenues					
Taxes	$ 3,008,606	$ 3,008,606	$ 3,028,518	$ 19,912	$ 2,939,340
Special assessments	17,000	17,000	47,707	30,707	9,139
Licenses and permits	19,750	19,750	33,261	13,511	20,328
Intergovernmental	1,371,829	1,371,829	1,793,610	421,781	2,191,849
Charges for services	294,340	294,340	360,945	66,605	321,963
Investment earnings	100,000	100,000	14,124	(85,876)	132,729
Miscellaneous	250,551	250,551	393,777	143,226	301,680
Total Revenues	5,062,076	5,062,076	5,671,942	609,866	5,917,028
Expenditures					
Current					
General government					
Commissioners	180,590	180,590	175,420	5,170	170,502
Law library	3,000	3,000	1,580	1,420	2,738
Auditor	278,689	278,689	275,608	3,081	270,543
Treasurer	95,907	95,907	31,221	64,686	104,040
Accounting and auditing	36,350	36,350	35,800	550	30,051
Human resources	140,716	140,716	142,959	(2,243)	128,397
Information technology	393,774	393,774	387,222	6,552	417,005
General administration	139,458	139,458	151,566	(12,108)	123,441
Elections	22,614	22,614	6,013	16,601	42,996
Attorney	209,177	209,177	211,061	(1,884)	201,083
Assessor	263,176	263,176	280,295	(17,119)	263,613
Recorder	163,939	163,939	179,591	(15,652)	157,280
Planning and zoning	95,248	95,248	123,307	(28,059)	63,210
Buildings and plant	208,785	208,785	195,765	13,020	157,549
Veterans services officer	126,296	126,296	72,859	53,437	77,990
Total general government	2,357,719	2,357,719	2,270,267	87,452	2,210,438
Public safety					
Sheriff	931,386	931,386	961,869	(30,483)	949,008
Boat and water safety	1,920	1,920	5,564	(3,644)	16,108
Coroner	5,200	5,200	7,349	(2,149)	10,000
Probation	50,541	50,541	51,488	(947)	52,425
Emergency management	73,485	73,485	88,564	(15,079)	90,919
E-911 system	150,281	150,281	145,069	5,212	146,840
Total public safety	1,212,813	1,212,813	1,259,903	(47,090)	1,265,300

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Big Stone County
Ortonville, Minnesota
General Fund
Budgetary Comparison Schedule
(Continued)
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021 Budgeted Amounts Original	2021 Budgeted Amounts Final	2021 Actual Amounts	2021 Variance with Final Budget	2020 Actual Amounts
Expenditures (Continued)					
Current (continued)					
Sanitation	$ 236,769	$ 236,769	$ 227,340	$ 9,429	$ 226,320
Health	73,592	73,592	72,467	1,125	71,342
Culture and recreation					
Culture and recreation	120,058	120,058	117,892	2,166	117,819
Historical Society	25,500	25,500	25,018	482	25,226
Toqua Park	26,453	26,453	15,004	11,449	20,728
Total culture and recreation	172,011	172,011	157,914	14,097	163,773
Conservation of natural resources					
Extension	126,095	126,095	127,757	(1,662)	124,271
Conservation	114,716	114,716	114,716	-	114,008
Feedlot management	30,185	30,185	18,908	11,277	28,439
Water planning	206,594	206,594	199,373	7,221	155,510
Total conservation of natural resources	477,590	477,590	460,754	16,836	422,228
Economic development	115,524	115,524	390,659	(275,135)	432,168
Total current	4,646,018	4,646,018	4,839,304	(193,286)	4,791,569
Intergovernmental					
Health	72,518	72,518	72,518	-	135,947
Capital outlay					
General government	120,400	120,400	77,046	43,354	98,577
Public safety	60,500	60,500	49,658	10,842	138,073
Sanitation	1,000	1,000	-	1,000	
Culture and recreation	12,000	12,000	6,479	5,521	6,760
Conservation of natural resources	5,000	5,000	-	5,000	-
Total capital outlay	198,900	198,900	133,183	65,717	243,410
Debt service					
Principal	185,000	185,000	185,000	-	180,000
Interest and other costs	123,143	123,143	194,456	(71,313)	128,618
Total debt service	308,143	308,143	379,456	(71,313)	308,618
Total Expenditures	5,225,579	5,225,579	5,424,461	(198,882)	5,479,544
Revenues Over (Under) Expenditures	(163,503)	(163,503)	247,481	410,984	437,484
Other Financing Sources (Uses)					
Sale of capital assets	-	-	5,803	5,803	-
Proceeds on sale of bonds	-	-	3,070,000	3,070,000	-
Total Other Financing Sources (Uses)	-	-	3,075,803	3,075,803	-
Net Change in Fund Balance	(163,503)	(163,503)	3,323,284	3,486,787	437,484
Fund Balance, January 1	10,016,503	10,016,503	10,016,503		9,579,019
Fund Balance, December 31	$ 9,853,000	$ 9,853,000	$ 13,339,787	$ 3,486,787	$ 10,016,503

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Big Stone County
Ortonville, Minnesota
Highway Special Revenue Fund
Budgetary Comparison Schedule
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021 Budgeted Amounts Original	2021 Budgeted Amounts Final	2021 Actual Amounts	2021 Variance with Final Budget	2020 Actual Amounts
Revenues					
Taxes	$ 1,054,704	$ 1,054,704	$ 1,074,589	$ 19,885	$ 1,046,525
Licenses and permits	2,000	2,000	8,605	6,605	1,495
Intergovernmental	4,104,456	4,104,456	3,658,570	(445,886)	3,693,438
Charges for services	208,000	208,000	187,639	(20,361)	231,690
Investment earnings	20,000	20,000	713	(19,287)	59,805
Miscellaneous	36,550	36,550	36,361	(189)	83,051
Total Revenues	5,425,710	5,425,710	4,966,477	(459,233)	5,116,004
Expenditures					
Current					
Administration	438,340	438,340	449,940	(11,600)	406,572
Other	6,300	6,300	3,258	3,042	3,110
Construction	75,900	75,900	78,049	(2,149)	73,936
Maintenance	1,219,217	1,219,217	1,164,836	54,381	1,203,344
Equipment and maintenance shops	656,153	656,153	615,782	40,371	472,160
Material and services for resale	69,000	69,000	61,955	7,045	91,963
Total current	2,464,910	2,464,910	2,373,820	91,090	2,251,085
Intergovernmental	205,000	205,000	222,336	(17,336)	241,057
Capital outlay	2,774,800	2,774,800	3,882,623	(1,107,823)	6,279,024
Total Expenditures	5,444,710	5,444,710	6,478,779	(1,034,069)	8,771,166
Revenues Over (Under) Expenditures	(19,000)	(19,000)	(1,512,302)	(1,493,302)	(3,655,162)
Other Financing Sources (Uses)					
Sale of capital assets	206,000	206,000	214,852	8,852	31,492
Transfers out	(187,000)	(187,000)	(211,316)	(24,316)	(200,406)
Total Other Financing Sources (Uses)	19,000	19,000	3,536	(15,464)	(168,914)
Net Change in Fund Balance	-	-	(1,508,766)	(1,508,766)	(3,824,076)
Fund Balance, January 1	3,990,905	3,990,905	3,990,905	-	7,714,177
Increase (Decrease) in Inventories	-	-	(97,532)	(97,532)	100,804
Fund Balance, December 31	$ 3,990,905	$ 3,990,905	$ 2,384,607	$ (1,606,298)	$ 3,990,905

Big Stone County
Ortonville, Minnesota
Family Services Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021 Budgeted Amounts Original	2021 Budgeted Amounts Final	2021 Actual Amounts	2021 Variance with Final Budget	2020 Actual Amounts
Revenues					
Taxes	$ 980,021	$ 980,021	$ 988,237	$ 8,216	$ 1,072,917
Intergovernmental	1,389,639	1,389,639	1,447,808	58,169	1,452,040
Charges for services	413,400	413,400	418,690	5,290	386,852
Miscellaneous	29,750	29,750	50,045	20,295	189,643
Total Revenues	2,812,810	2,812,810	2,904,780	91,970	3,101,452
Expenditures					
Current					
Income maintenance	825,314	825,314	831,084	(5,770)	980,143
Social services	1,987,496	1,987,496	2,001,154	(13,658)	1,799,405
Total current	2,812,810	2,812,810	2,832,238	(19,428)	2,779,548
Capital outlay					
Income maintenance	-	-	6,960	(6,960)	67,417
Social services	-	-	16,240	(16,240)	44,705
Total capital outlay	-	-	23,200	(23,200)	112,122
Total Expenditures	2,812,810	2,812,810	2,855,438	(42,628)	2,891,670
Net Change in Fund Balance	-	-	49,342	49,342	209,782
Fund Balance, January 1	1,773,968	1,773,968	1,773,968	-	1,564,186
Fund Balance, December 31	$ 1,773,968	$ 1,773,968	$ 1,823,310	$ 49,342	$ 1,773,968

Big Stone County
Ortonville, Minnesota
Ditch Special Revenue Fund
Budgetary Comparison Schedule
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021 Budgeted Amounts Original	2021 Budgeted Amounts Final	2021 Actual Amounts	2021 Variance with Final Budget	2020 Actual Amounts
Revenues					
Special assessments	$ 132,048	$ 132,048	$ 145,180	$ 13,132	$ 136,215
Expenditures					
Current					
Conservation of natural resources	35,113	35,113	78,694	(43,581)	147,179
Net Change in Fund Balance	96,935	96,935	66,486	(30,449)	(10,964)
Fund Balance, January 1	(2,596)	(2,596)	(2,596)	-	8,368
Fund Balance, December 31	$ 94,339	$ 94,339	$ 63,890	$ (30,449)	$ (2,596)

Big Stone County
Ortonville, Minnesota
Debt Service Fund
Budgetary Comparison Schedule
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021 Budgeted Amounts Original	2021 Budgeted Amounts Final	2021 Actual Amounts	2021 Variance with Final Budget	2020 Actual Amounts
Revenues					
Taxes	$ 128,291	$ 128,291	$ 148,677	$ 20,386	$ 148,184
Intergovernmental	134,607	134,607	8,212	(126,395)	8,303
Total Revenues	262,898	262,898	156,889	(106,009)	156,487
Expenditures					
Debt service					
Principal	155,000	155,000	155,000	-	70,000
Interest and other costs	161,982	161,982	161,782	200	123,703
Total Expenditures	316,982	316,982	316,782	200	193,703
Revenues Over (Under) Expenditures	(54,084)	(54,084)	(159,893)	(105,809)	(37,216)
Other Financing Sources (Uses)					
Transfers in	60,000	60,000	211,316	151,316	200,406
Net Change in Fund Balance	5,916	5,916	51,423	45,507	163,190
Fund Balance, January 1	284,687	284,687	284,687	-	121,497
Fund Balance, December 31	$ 290,603	$ 290,603	$ 336,110	$ 45,507	$ 284,687

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Big Stone County
Ortonville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2021

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the County (b)	Total (a+b)	County's Covered Payroll (c)	County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/21	0.0451 %	$ 1,925,972	$ 58,844	$ 1,984,816	$ 3,247,799	59.3 %	87.0 %
06/30/20	0.0443	2,655,987	81,962	2,737,949	3,160,129	84.0	79.0
06/30/19	0.0445	2,460,305	76,330	2,536,635	3,147,001	78.2	80.2
06/30/18	0.0420	2,329,988	76,467	2,406,455	2,812,425	82.8	79.5
06/30/17	0.0448	2,860,002	35,955	2,895,957	2,885,524	99.1	75.9
06/30/16	0.0443	3,596,940	47,000	3,643,940	2,749,712	130.8	68.9
06/30/15	0.0456	2,358,046	-	2,358,046	2,676,328	88.1	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	County's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/21	$ 249,779	$ 249,779	$ -	$ 3,330,387	7.50 %
12/31/20	249,379	249,379	-	3,325,053	7.50
12/31/19	235,149	235,149	-	3,135,320	7.50
12/31/18	210,932	210,932	-	2,812,425	7.50
12/31/17	214,560	214,560	-	2,860,789	7.50
12/31/16	211,326	211,326	-	2,817,681	7.50
12/31/15	203,456	203,456	-	2,712,747	7.50

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Big Stone County
Ortonville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2021

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the County (b)	Total (a+b)	County's Covered Payroll (c)	County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/21	0.0331 %	$ 255,497	$ 11,490	$ 266,987	$ 390,790	65.4 %	93.7 %
06/30/20	0.0346	456,065	10,739	466,804	390,479	116.8	87.2
06/30/19	0.0381	405,613	-	405,613	407,902	99.4	89.3
06/30/18	0.0384	409,304	-	409,304	404,469	101.2	88.8
06/30/17	0.0360	486,043	-	486,043	374,196	129.9	85.4
06/30/16	0.0350	1,404,611	-	1,404,611	338,552	414.9	63.9
06/30/15	0.0350	397,682	-	397,682	318,794	124.7	86.6

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	County's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/21	$ 74,063	$ 74,063	$ -	$ 418,435	17.70 %
12/31/20	71,056	71,056	-	401,446	17.70
12/31/19	65,519	65,519	-	386,543	16.95
12/31/18	65,525	65,525	-	404,473	16.20
12/31/17	62,714	62,714	-	387,126	16.20
12/31/16	56,636	56,636	-	349,607	16.20
12/31/15	54,831	54,831	-	338,462	16.20

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Big Stone County
Ortonville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2021

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 33,869	$ 38,536	$ 30,932	$ 50,572
Interest cost	84,188	100,560	112,726	112,128
Differences between expected and actual experience	(272,822)		(277,817)	
Changes in assumptions	108,839	248,136	(516,289)	
Benefit payments	(126,629)	(124,790)	(128,894)	(121,064)
Net Change in Total OPEB Liability	(172,555)	262,442	(779,342)	41,636
Total OPEB Liability - January 1	2,932,038	2,669,596	3,448,938	3,407,302
Total OPEB Liability - December 31	$ 2,759,483	$ 2,932,038	$ 2,669,596	$ 3,448,938
Covered-Employee Payroll	$ 3,569,648	$ 3,502,788	$ 3,400,765	$ 3,390,491
County's Total OPEB Liability as a Percentage of Covered-Employee Payroll	77.3 %	83.7 %	78.5 %	101.7 %

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available

Big Stone County
Ortonville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2021

Notes to the Required Supplementary Information - General Employees Fund

Changes in Actuarial Assumptions

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - 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.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.0 percent per year through 2044 and 2.5 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. 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 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter

Notes to the Required Supplementary Information - General Employees Fund (Continued)

Changes in Plan Provisions

2021 - There were no changes in plan provisions since the previous valuation.

2020 - 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 - The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The state's special funding contribution was changed prospectively, requiring $16 million due per year through 2031.

2018 - 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 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, 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 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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

2016 - There were no changes in plan provisions since the previous valuation.

2015 - 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 increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised.

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent 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 percent to 60 percent. 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 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

Notes to the Required Supplementary Information - Police and Fire Fund (Continued)

Changes in Plan Provisions

2021 - There were no changes in plan provisions since the previous valuation

2020 - There were no changes in plan provisions since the previous valuation

2019 - There were no changes in plan provisions since the previous valuation.

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing $9 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 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.0 percent for vested and non-vested, deferred members. The CSA has been changed to 33.0 percent for vested members and 2.0 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent 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 65.0 percent to 60.0 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent per annum to 7.5 percent per annum

2016 - There were no changes in plan provisions since the previous valuation

2015 - The post-retirement benefit increase to be paid after attainment of the 90.0 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

Notes to the Required Supplementary Information - OPEB

No assets have been accumulated in a trust that meets the criteria in paragraph four of GASB Statement 75

Changes in Actuarial Assumptions

2021 - The health care trend rates were changed to better anticipate short term and long term medical increases. The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale. The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and employee classification. The withdrawal and retirement rates for non-Public Safety employees were updated. The inflation rate was changed from 2.50% to 2.00%. The discount rate was changed from 2.90% to 2.00%. These changes increased the liability $108,839.

2020 - The discount rate was changed from 3.8% to 2.9%. The health care trend rates, mortality tables, trend on post-age medical subsidies, and retirement and withdrawal rates for Police and Fire Personnel were updated along with the discount rate changing from 3.3 percent to 3.8 percent.

2019 - The health care trend rates were changed to better anticipate short term and long term medical increases. The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel). The retirement and withdrawal tables for Police and Fire Personnel were updated. The discount rate was changed from 3.3% to 3.8%. The trend on post-age 65 medical subsidies was changed from being the same as the health care trend rates to 4.0% per year. These changes decreased the liability $516,289.

2018 - The discount rate was changed from 3.5% to 3 3%.

Changes in Plan Provisions

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation

2018 - There were no changes in plan provisions since the previous valuation

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

BIG STONE COUNTY
ORTONVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

Big Stone County
Ortonville, Minnesota
Summary Financial Report
Revenues and Expenditures for General Operations - Governmental Funds
For the Years Ended December 31, 2021 and 2020

	Total 2021	Total 2020	Percent Increase (Decrease)
Revenues			
Taxes	$ 5,240,021	$ 5,206,966	0.63 %
Special assessments	192,887	145,354	32.70
Licenses and permits	41,866	21,823	91.84
Intergovernmental	6,908,200	7,345,630	(5.95)
Charges for services	967,274	940,505	2.85
Investment earnings	14,837	192,534	(92.29)
Miscellaneous	480,183	574,374	(16.40)
Total Revenues	$ 13,845,268	$ 14,427,186	(4.03) %
Per Capita	$ 2,680	$ 2,889	(7.25) %
Expenditures			
Current			
General government	$ 2,270,267	$ 2,203,645	3.02 %
Public safety	1,259,903	1,272,093	(0.96)
Highways and streets	2,373,820	2,251,085	5.45
Sanitation	227,340	226,320	0.45
Human services	2,832,238	2,779,548	1.90
Health	72,467	71,342	1.58
Culture and recreation	157,914	163,773	(3.58)
Conservation of natural resources	539,448	569,407	(5.26)
Economic development	390,659	432,168	(9.60)
Intergovernmental	294,854	377,004	(21.79)
Capital outlay			
General government	77,046	98,577	(21.84)
Public safety	49,658	138,073	(64.03)
Highways and streets	3,882,623	6,279,024	(38.17)
Culture and recreation	6,479	6,760	(4.16)
Human services	23,200	112,122	(79.31)
Debt service			
Principal	340,000	250,000	36.00
Interest and other costs	356,238	252,321	41.18
Total Expenditures	$ 15,154,154	$ 17,483,262	(13.32) %
Per Capita	$ 2,933	$ 3,502	(16.22) %
Total Long-Term Indebtedness	$ 12,434,510	$ 9,707,275	28.09 %
Per Capita	2,407	1,944	23.80
General Fund Balance - December 31	$ 13,339,787	$ 10,016,503	33.18 %
Per Capita	2,582	2,006	28.72

The purpose of this report is to provide a summary of financial information concerning Big Stone County to interested citizens. The complete financial statements may be examined at 20 2nd Street SE, Ortonville, MN. Questions about this report should be directed to Michelle R. Knutson, County Auditor-Treasurer, at 320-839-6366.

Big Stone County
General Fund
Comparative Balance Sheets
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and pooled investments	$ 2,878,727	$ 1,397,448
Cash held by fiscal agent	2,918,900	-
Undistributed cash in agency funds	21,328	17,848
Petty cash and change funds	550	1,050
Investments	5,035,129	5,339,225
Receivables		
Delinquent taxes	13,252	18,614
Special assessments	92,828	132,240
Accounts	17,003	5,913
Loans	3,345,000	3,211,139
Accrued interest	7,072	14,053
Intergovernmental	73,422	27,412
Advance to other funds	107,100	130,300
Total Assets	$ 14,510,311	$ 10,295,242
Liabilities		
Accounts payable	$ 43,913	$ 15,174
Salaries payable	47,235	17,720
Flexible benefits payable	7,555	5,275
Due to other governments	52,462	42,191
Unearned revenue	463,700	-
Total Liabilities	614,865	80,360
Deferred Inflows of Resources		
Property taxes levied for subsequent year	12,886	10,090
Unavailable revenue	542,773	188,289
Total Deferred Inflows of Resources	555,659	198,379
Fund Balances		
Nonspendable	3,452,100	3,341,439
Restricted	3,707,514	711,313
Committed	1,060,450	1,012,282
Assigned	355,495	229,552
Unassigned	4,764,228	4,721,917
Total Fund Balances	13,339,787	10,016,503
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 14,510,311	$ 10,295,242

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CUSTODIAL FUNDS

Custodial funds account for assets held in a trust capacity or as an agent for others and/or other funds.

Family Services Collaborative - this fund is used to account for the collection and disbursement of funds for the local collaborative.

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

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

Big Stone County
Ortonville, Minnesota
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Other Custodial Funds
December 31, 2021

	Family Services Collaborative	Taxes & Penalties	State	Total
Assets				
Cash and pooled investments	$ 23,152	$ 139,239	$ 31,243	$ 193,634
Taxes for other governments	-	56,121	821	56,942
Prepaid taxes	-	5,634	-	5,634
Total Assets	23,152	200,994	32,064	256,210
Liabilities				
Accounts payable	-	17,478	-	17,478
Due to other governments	-	121,761	31,243	153,004
Total Liabilities	-	139,239	31,243	170,482
Deferred Inflows of Resources				
Taxes collected in advance of levy	-	5,634	-	5,634
Net Position				
Restricted				
Individuals, organizations and other governments	$ 23,152	$ 56,121	$ 821	$ 80,094

Big Stone County
Ortonville, Minnesota
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Other Custodial Funds
For the Year Ended December 31, 2021

	Family Services Collaborative	Taxes & Penalties	State	Total
Additions				
Property tax collections for other governments	$ -	$ 8,029,679	$ 352,550	$ 8,382,229
Fees collected for state	-	-	353,590	353,590
Interest	25	-	-	25
Miscellaneous	42,030	-	-	42,030
Total Additions	42,055	8,029,679	706,140	8,777,874
Deductions				
Beneficiary payments to individuals	45,900	-	-	45,900
Payments of property tax to other governments	-	8,087,002	352,591	8,439,593
Payments to state	-	-	353,590	353,590
Total Deductions	45,900	8,087,002	706,181	8,839,083
Net Increase (Decrease) in Fiduciary Net Position	(3,845)	(57,323)	(41)	(61,209)
Net Position, January 1	26,997	113,444	862	141,303
Net Position, December 31	$ 23,152	$ 56,121	$ 821	$ 80,094

Big Stone County
Ortonville, Minnesota
Schedule of Intergovernmental Revenue
For the Year Ended December 31, 2021

Shared Revenue	
State	
Highway users tax	$ 3,484,258
County program aid	510,381
Disparity reduction aid	81,591
Police aid	45,962
Enhanced 911	112,159
Market value credit	150,035
Disparity reduction aid	49,404
Aquatic invasive species aid	90,504
Riparian aid	91,304
Total Shared Revenue	4,615,598
Reimbursement for Services	
State	
Minnesota Department of Human Services	259,714
Payments	
Local	
Payments in lieu of taxes	116,283
Local contributions	28,600
Total Payments	144,883
Grants	
State	
Minnesota Department/Board/Office of	
Corrections	8,478
Human Services	485,690
Natural Resources	34,807
Public Safety	202
Water and Soil Resources	98,699
Veterans Affairs	7,500
Business Relief Funds	256,250
Peace Officer Standards and Training Board	7,213
Pollution Control Agency	78,766
Total State	977,605
Federal	
Department of	
Agriculture	112,088
Health and Human Services	621,604
Homeland Security	31,301
Transportation	124,385
Treasury	21,022
Total Federal	910,400
Total Intergovernmental Revenue	$ 6,908,200

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OTHER REQUIRED REPORTS

BIG STONE COUNTY
ORTONVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

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**INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE**

Board of County Commissioners
Big Stone County
Ortonville, 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 governmental activities, each major fund and the aggregate remaining fund information of Big Stone County, Minnesota (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 28, 2022.

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 and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minnesota Statute §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.

This report is intended solely for the information and use of those charged with governance and management of Big Stone County and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

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Minneapolis, Minnesota
March 28, 2022

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INDEPENDENT AUDITOR'S 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
Big Stone County
Ortonville, 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 Big Stone County, Minnesota (the County), as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 28, 2022.

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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses However, material weaknesses may exist that have not been identified

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 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*.

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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Minneapolis, Minnesota
March 28, 2022

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

Board of County Commissioners
Big Stone County
Ortonville, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Big Stone County, Minnesota (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Finding, Response and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 generally accepted auditing standards, *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 the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the 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 the 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 the 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.

Report on Internal Control Over Compliance

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

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

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.

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.

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Minneapolis, Minnesota
March 28, 2022

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Big Stone County
Ortonville, Minnesota
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor / Pass-Through Agency / Program or Cluster Title	Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Human Services				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10 561	21MN101S2514	$ 112,088	$ -
Total U.S. Department of Agriculture			112,088	-
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway and Planning Cluster				
COVID-19 - CRRSAA Funds	20 205	8821224	124,385	-
Total U.S. Department of Transportation			124,385	-
U.S. Department of the Treasury				
Direct				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21 027	Direct	21,022	-
Total U.S. Department of the Treasury			21,022	-
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Human Services				
Promoting Safe and Stable Families	93 556	2101MNFPSS	1 406	
Temporary Assistance for Needy Families	93 558	2101MNTANF	23 200	
Child Support Enforcement	93 563	2101MNCSES	11 944	
Child Support Enforcement (Total 93 563 - $84,905)	93 563	2001MNCEST	72 961	
Refugee and Entrant Assistance - State Administered Programs	93 566	2101MNRCMA	70	
CCDF Cluster				
Child Care and Development Block Grant	93 575	2101MNCCDF	1,766	
Community-Based Child Abuse Prevention Grants	93 590	1901MNBCAP	957	
Stephanie Tubbs Jones Child Welfare Services Program	93 645	2001MNCWC3	208	
Stephanie Tubbs Jones Child Welfare Services Program (Total 93 645 - $838)	93 645	2001MNCWSS	630	
Foster Care - Title IV-E	93 658	2101MNFOST	93,888	
Social Services Block Grant	93 667	2101MNSOSR	49,128	
Children's Health Insurance Program	93 767	2105MN5021	236	
Medicaid Cluster				
Medical Assistance Program	93 778	2105MN5ADM	362,515	
Medical Assistance Program (Total 93 778 - $365,209)	93 778	2105MN5MAP	2,695	
Total U.S. Department of Health and Human Services			621,604	-
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance Program	97 012	R29G70CGBLA19	1,140	
Passed Through United Way				
Emergency Food and Shelter National Board Program	97 024	708000-009	4,621	
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97 042	F-EMPG-2020-BIGSTOCO-3550	14,928	
Emergency Management Performance Grants	97 042	F-EMPG-2020-BIGSTOCO-3551	7,790	
COVID-19 - Emergency Management Performance Grants (Total 97 042 - $55,663)	97 042	A-EMPG-S-2020-BIGSTOCO-006	32,945	
2019 DECN Next Generation Geographic Information System	20 615	A-DECN-NGGIS-2019-CMESB-1	2,822	-
Total U.S. Department of Homeland Security			64,246	-
Total Federal Awards			$ 943,345	$ -
Totals by Cluster				
Total Expenditures for SNAP Cluster			$ 112,088	
Total Expenditures for Highway and Planning Cluster			124,385	
Total Expenditures for CCDF Cluster			1,766	
Total Expenditures for Medicaid Cluster			365,210	

Big Stone County
Ortonville, Minnesota
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Big Stone County, Minnesota (the County) under programs of the federal government for the year ended December 31, 2021. The County's reporting entity is defined in Note 1A to the County's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit Organizations, or 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Pass-through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available

4. Subrecipients

There were no federal expenditures presented in this schedule provided to subrecipients

5. Indirect Cost Rate

During the year ended December 31, 2021, the County did not elect to use the 10 percent de minimis indirect cost rate.

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Big Stone County
Ortonville, Minnesota
Schedule of Finding, Response and Questioned Costs
For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a) of the Uniform Guidance.	No

Identification of Major Programs/Clusters	**CFDA No.**
Coronavirus State and Local Fiscal Recovery Funds	21 027
Medical Assistance Cluster	93 778

Dollar threshold used to distinguish between Type A and Type B Programs	$750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

None.

Section III - Major Federal Award Findings and Questioned Costs

There are no significant deficiencies, material weaknesses or instances of noncompliance including questioned costs that are required to be reported in accordance with the Uniform Guidance.

Section IV - Schedule of Prior Year Audit Findings

There were prior year audit findings that are attached

Big Stone County
Ortonville, Minnesota
Schedule of Prior Year Findings
For the Year Ended December 31, 2021

Finding	Description
2020-001	**Material Audit Adjustment**
Condition:	During our audit, a material adjustment was needed to record retainage payable in the amount of $198,517. This adjustment was individually material to an opinion unit and was necessary to fairly present the County's financial statements.
Criteria:	The financial statements are the responsibility of the County Auditor This indicates that it would be likely that a misstatement may occur and not be detected by the County's system of internal control.
Cause:	The County inadvertently missed recording the retainage amount and only included the amounts actually expended in its construction in progress.
Effect:	Liabilities and expenses were understated and fund balance was overstated by $198,517 in the Highway fund.
Recommendation:	We recommend that the County staff review each journal entry and their financial statements during closing procedures to ensure all adjustments are appropriate to fairly state the County's financial statements in accordance with generally accepted accounting principles.

Management Response:

The County will review its financial statement closing process and perform detailed review of year-end activity to ensure adjustments are properly made to the financial statements.

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

$1,640,000
General Obligation Capital Improvement Plan Bonds
Series 2022A
Big Stone County, Minnesota

We have acted as bond counsel to Big Stone County, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation Capital Improvement Plan Bonds, Series 2022A (the "Bonds"), originally dated the date hereof, and issued in the original aggregate principal amount of $1,640,000. In such capacity and for the purpose of rendering this opinion we have examined such certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

2. The principal of and interest on the Bonds are payable from ad valorem taxes levied by the Issuer, but, if necessary for the payment thereof, additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations for tax years beginning after December 31, 2022 and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated December __, 2022 at Minneapolis, Minnesota.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the County or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

$1,640,000
Big Stone County, Minnesota
General Obligation Capital Improvement Plan Bonds
Series 2022A

CONTINUING DISCLOSURE CERTIFICATE

December __, 2022

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Big Stone County, Minnesota (the "Issuer") in connection with the issuance of its General Obligation Capital Improvement Plan Bonds, Series 2022A (the "Bonds") in the original aggregate principal amount of $1,640,000. The Bonds are being issued pursuant to resolutions adopted by the Board of Commissioners of the Issuer (the "Resolutions"). The Bonds are being delivered to ____________________, _________, _______ (the "Purchaser") on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

"Bonds" means the General Obligation Capital Improvement Plan Bonds, Series 2022A, issued by the Issuer in the original aggregate principal amount of $1,640,000.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the deemed final Official Statement, dated December __, 2022, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation;

or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

"GASB" means the Governmental Accounting Standards Board.

"Holder" means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

"Issuer" means Big Stone County, Minnesota, which is the obligated person with respect to the Bonds.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Purchaser" means ______________________, __________, _________.

"Repository" means EMMA, or any successor thereto designated by the SEC.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2022, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. U.S. Census Data/Population Trend
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 4 shall govern the giving of notice of the occurrence of any of the following events (the "Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within 10 business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this

Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

BIG STONE COUNTY, MINNESOTA

____
Its: Board Chair

____
Its: County Auditor

APPENDIX E

TERMS OF PROPOSAL

$1,640,000* GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2022A
BIG STONE COUNTY, MINNESOTA

Proposals for the purchase of $1,640,000* General Obligation Capital Improvement Plan Bonds, Series 2022A (the "Bonds") of the Big Stone County, Minnesota (the "County") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the County, until 12:00 P.M. (Noon), Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 12:00 P.M. (Noon) Central Time, on December 12, 2022, at which time they will be opened, read and tabulated. The proposals will be presented to the Board of Commissioners for consideration for award by resolution at a meeting to be held at 9:00 A.M., Central Time, on December 13, 2022. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the County will be accepted unless all proposals are rejected.

PURPOSE

The Bonds are being issued by the County, pursuant to Minnesota Statutes, Section 373.40 and Chapter 475, as amended, for the purpose of financing various capital improvements in the County. The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and taxing powers.

DATES AND MATURITIES

The Bonds will be dated December 29, 2022, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2025	$80,000	2030	$100,000	2035	$120,000
2026	85,000	2031	105,000	2036	130,000
2027	85,000	2032	105,000	2037	135,000
2028	90,000	2033	110,000	2038	140,000
2029	95,000	2034	115,000	2039	145,000

ADJUSTMENT OPTION

* The County reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial Bonds and term Bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2025 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The County has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The County will pay the charges for Paying Agent services. The County reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the County, the Bonds maturing on or after February 1, 2033 shall be subject to optional redemption prior to maturity on February 1, 2032 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the County. If only part of the Bonds having a common maturity date are called for redemption, then the County or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about December 29, 2022, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the County will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the County, threatened. Payment for the Bonds must be received by the County at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the County ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the County; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than $1,620,320 plus accrued interest on the principal sum of $1,640,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

1) Electronically to bondsale@ehlers-inc.com; or

2) Electronically via **PARITY** in accordance with this Terms of Proposal until 12:00 P.M. (Noon) Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at https://ihsmarkit.com/products/municipal-issuance.html or via telephone (844) 301-7334.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the County nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of $32,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The County reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the County may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the County as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The County and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to $250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the County scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The County's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The County reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the County requested and received a rating on the Bonds from a rating agency, the County will pay that rating fee. Any rating agency fees not requested by the County are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The County will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The County will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the County will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the County under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the County by the County's municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County's municipal advisor.

(b) The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(1) The County shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the County may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the County shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the County agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) <u>If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule</u>, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the County promptly after the close of the fifth (5^{th}) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The County acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) <u>If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test</u>, the winning bidder agrees to promptly report to the County, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the County or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the County or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the County to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Board of Commissioners

Big Stone County, Minnesota

PROPOSAL FORM

The Board of Commissioners **December 13, 2022**
Big Stone County, Minnesota (the "County")

RE: $1,640,000* General Obligation Capital Improvement Plan Bonds, Series 2022A (the "Bonds")
DATED: December 29, 2022

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $__________________ (not less than $1,620,320) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

________	% due	2025	________	% due	2030	________	% due	2035
________	% due	2026	________	% due	2031	________	% due	2036
________	% due	2027	________	% due	2032	________	% due	2037
________	% due	2028	________	% due	2033	________	% due	2038
________	% due	2029	________	% due	2034	________	% due	2039

* The County reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2025 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of $32,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The County reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the County may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the County as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about December 29, 2022.

This proposal is subject to the County's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the County with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: _____10% test, or the _____hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: ______________________________ By: ______________________________
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 29, 2022 of the above proposal is $_______________and the true interest cost (TIC) is __________%.

The foregoing offer is hereby accepted by and on behalf of the Board of Commissioners of Big Stone County, Minnesota, on December 13, 2022.

By: ______________________________ By: ______________________________
Title: ______________________________ Title: ______________________________