PRELIMINARY OFFICIAL STATEMENT DATED MAY 29, 2025

In the opinion of Fryberger, Buchanan, Smith & Frederick, P.A., under existing federal and Minnesota laws, regulations, rulings and decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, the Bonds constitute "exempt facility bonds" within the meaning of Section 142 of the Code, and as such, as of the date of their issuance, bear interest (including any original issue discount properly allocable to an owner thereof) which is: (a) excludable from gross income for federal income tax purposes under Section 103(a) of the Code, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds, or a "related person" within the meaning of Section 147(a) of the Code; (b) to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from the taxable net income of individuals, trusts, and estates for State income tax purposes; (c) includable in taxable income of corporations and financial institutions for purposes of State franchise tax; and (d) is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and the Minnesota alternative minimum tax imposed on individuals, trusts and estates, and may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The County will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

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

COOK COUNTY, MINNESOTA

(Minnesota County Credit Enhancement Program)
$6,200,000* GENERAL OBLIGATION SOLID WASTE REVENUE BONDS, SERIES 2025B

PROPOSAL OPENING: June 9, 2025, 12:00 P.M. (Noon), C.T. **CONSIDERATION**: June 10, 2025, 8:30 A.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $6,200,000* General Obligation Solid Waste Revenue Bonds, Series 2025B (the "Bonds") are being issued pursuant to Minnesota Statutes Chapters 400 and 475, as amended, including Minnesota Statutes, Section 400.101, by Cook County, Minnesota (the "County"), to finance the construction of new County solid waste facilities. The Bonds are 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 Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota.

DATE OF BONDS: July 2, 2025

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2028	$150,000	2037	$205,000	2046	$305,000
2029	155,000	2038	210,000	2047	320,000
2030	160,000	2039	220,000	2048	335,000
2031	165,000	2040	230,000	2049	350,000
2032	170,000	2041	240,000	2050	370,000
2033	175,000	2042	255,000	2051	385,000
2034	180,000	2043	265,000	2052	405,000
2035	190,000	2044	275,000		
2036	195,000	2045	290,000		

***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: February 1, 2026 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2036 and thereafter are subject to call for prior optional redemption on February 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: $6,125,600.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $124,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Fryberger, Buchanan, Smith & Frederick, P.A..

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 Underwriter (Syndicate Manager). 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.

TABLE OF CONTENTS

COOK COUNTY
BOARD OF COMMISSIONERS

		Term Expires
Garry Gamble	Commissioner	January 2029
David Mills	Commissioner	January 2027
Ginny Storlie	Commissioner	January 2027
Ann Sullivan	Commissioner	January 2029
Debra White	Commissioner	January 2027

ADMINISTRATION

Rena Rogers, Interim County Administrator

Braidy Powers, County Auditor-Treasurer

Keli Berg, Finance Director

Jeanne Peterson, County Attorney

PROFESSIONAL SERVICES

Fryberger, Buchanan, Smith & Frederick, P.A., Bond Counsel, Duluth, 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 Cook County, Minnesota (the "County") and the issuance of its $6,200,000* General Obligation Solid Waste Revenue Bonds, Series 2025B (the "Bonds" or the "Series 2025B 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 July 2, 2025. 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 February 1, 2026, 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 2028 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 ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC 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, 2036 shall be subject to optional redemption prior to maturity on February 1, 2035 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 pursuant to Minnesota Statutes Chapters 400 and 475, as amended, including Minnesota Statutes, Section 400.101, by the County, to finance the construction of new solid waste facilities within the County.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	$6,200,000	
Total Sources		**$6,200,000**
Uses		
Total Underwriter's Discount (1.200%)	$74,400	
Costs of Issuance	64,000	
Capitalized Interest	160,828	
Deposit to Construction Fund	5,900,000	
Rounding Amount	772	
Total Uses		**$6,200,000**

*Preliminary, subject to change.

SECURITY

The Bonds will be general obligations of the County for which its full faith and credit and taxing powers are pledged without limitation as to rate or amount. Revenues generated by the County's solid waste disposal system are anticipated to be sufficient to provide not less than 105% of principal and interest on the Bonds as required by Minnesota law.

Should the utility revenues pledged for payment of the Bonds be insufficient to pay the principal and interest on the Bonds, the County will be required to pay maturing principal and interest from moneys on hand in any other fund of the County not pledged for another purpose and/or to levy a tax for this purpose upon all the taxable property in the County, without limitation as to rate or amount.

CONCURRENT FINANCING

By means of a separate Preliminary Official Statement, the County will be offering for sale its General Obligation Count y Jail Bonds, Series 2025A (the "Concurrent Obligations" or the "Series 2025A Bonds"), which are scheduled to close on July 2, 2025.

RATING

The County will be participating in the State of Minnesota Credit Enhancement Program ("MNCEP") for this issue and is requesting a rating from S&P Global Ratings ("S&P"). S&P has a policy which assigns a rating of "AAA" to issuers participating in the MNCEP. The "AAA" rating is based on the State of Minnesota's current "AAA" rating from S&P. See "STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM" for further details.

The County currently has a "AA"/Stable outlook underlying rating from S&P and will be requesting an underlying rating on this issue. Such rating, if any, reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. 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.

STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM

By resolution adopted for this issue on April 22, 2025 (the "Resolution"), the County has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 446A.086 (the "Act"), which provides for payment by the State of Minnesota in the event of a potential default of certain obligations. The County has entered into a Credit Enhancement Program Agreement (the "Agreement") with the Minnesota Public Facilities Authority (the "Authority"), which is acting on behalf of the State of Minnesota. The provisions of the Agreement shall be binding on the County as long as any obligations of the issue remain outstanding.

The County covenants in the Agreement to deposit with the paying agent for the issue three business days prior to the date on which a payment is due an amount sufficient to make that payment. Under the Agreement, if the County believes it may be unable to make a principal or interest payment for this issue on the due date, it must notify the Authority not less than 15 business days prior to the date a payment is due on the Bonds if the County will be unable to make all or a portion of the payment. The County’s agreement with the Paying Agent for the Bonds requires the Paying Agent to immediately inform the Minnesota Commissioner of Management and Budget, with a copy to the Authority, if the Paying Agent becomes aware of a default or potential default in the payment of principal or interest on the Bonds, or if, on the day two business days before the date a payment is due on the Bonds, there are insufficient funds on deposit with the Paying Agent to make the payment.

If the County is unable to make any portion of the payment on the Bonds on or before the date due, the State of Minnesota, acting through the Authority, shall make such payment in its place pursuant to the Act, providing that funds are available in the State General Fund. The obligation to make a payment under the Act is not a general obligation of the State of Minnesota. The Act does not obligate the Minnesota legislature to provide for the availability of funds in the General Fund for this purpose.

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.

LEGAL MATTERS

Legal matters incident to the issuance and sale of the Bonds and with regard to the tax-exempt status of interest on the Bonds under existing laws are subject to the approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., as Bond Counsel to the County. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in the Official Statement and will express no opinions with respect to such information. Additionally, except for statements on the cover page of the Official Statement and under the caption "TAX EXEMPTION" relating to Bond Counsel's opinion that the interest on the Bonds is not includable in gross income for federal income tax purposes, Bond Counsel has not independently verified any of the factual information contained in the Official Statement nor have they conducted an investigation of the affairs of the County for the purpose of passing upon the accuracy or completeness of the Official Statement. No person is entitled to rely upon their limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the information contained in the Official Statement. See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

The following discussion is not intended to be an exhaustive discussion of collateral tax consequences arising from ownership or disposition of the Bonds or receipt of interest on the Bonds. Prospective purchasers should consult their tax advisors with respect to collateral tax consequences, including without limitation, the determination of gain or loss on the sale of a bond, the calculation of alternative minimum tax liability; the inclusion of Social Security or other retirement payments in taxable income, the disallowance of deductions for certain expenses attributable to the Bonds, and applicable state and local tax rules in states other than Minnesota.

In the opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, as Bond Counsel, based on present federal laws and Minnesota laws, regulations, rulings and decisions, and on certifications to be furnished at closing, and assuming compliance by the County with certain tax covenants, interest to be paid on the Bonds is: (a) excludable from gross income for federal income tax purposes under Section 103(a) of the Code, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds, or a "related person" within the meaning of Section 147(a) of the Code; (b) to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from the taxable net income of individuals, trusts, and estates for State income tax purposes; (c) includable in taxable income of corporations and financial institutions for purposes of State franchise tax; and (d) is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and the Minnesota alternative minimum tax imposed on individuals, trusts and estates, and may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

Certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), however, impose continuing requirements that must be met after the issuance of the Bonds in order that interest on the Bonds be and remain excludable from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts. These requirements include, but are not limited to, provisions regarding the use of bond proceeds and the facilities financed or refinanced with such proceeds; restrictions on the investment of bond proceeds and other amounts; and provisions requiring that certain investment earnings be rebated periodically to the federal government. Noncompliance with such requirements of the Code may cause interest on the Bonds to be includable in federal gross income or in Minnesota taxable net income retroactively to their date of issue. Compliance with the County's tax covenants will satisfy the current requirements of the Code with respect to exclusion of interest on the Bonds from federal gross income and from Minnesota taxable net income of individuals, estates and trusts. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the same becomes includable in federal gross income or in Minnesota taxable net income.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the tax exempt status of interest on the Bonds or the tax consequences of ownership of the Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Interest paid on tax-exempt obligations such as the Bonds is now generally required to be reported by payors to the Internal Revenue Service ("IRS") and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the bond owner fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has identified the bond owner as being subject to backup withholding.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The County will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, relating to the ability of certain financial institutions (within the meaning of Section 265(6)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the 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

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, 2023 have been audited by Redpath and Co., St. Paul, 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

The 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 should other revenue (utility revenues) be insufficient. 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.

Taconite Tax Loss: The County, in common with other Iron Range Communities, receives grants and aids which are derived from special taconite taxes and which may be reduced in the event of production curtailment. Also, homeowners now receive substantial homestead credits from taxes derived from taconite sources which may be reduced with a cut in production. Reduction of grants, state aids and credits could increase the County's need for other local taxes.

Iron Mining Economy: The County is located on Minnesota's Iron Range, with an economy directly related to the mining industry, including processing and shipping of iron ore (pellets) for the nation's steel industry and for foreign shipments. Beginning in 1981, economic downturns reduced demand for steel and for taconite pellets, and some taconite plants curtailed operations and employment.

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.

Levy Limits: The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. 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.

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.

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	**2022/23**	**2023/24**	**2024/25**
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 $174,000 - .75% Over $174,000 - .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 $100,000 - .75% Over $100,000 - .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: -.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 $150,000 - 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

2024/25 Economic Market Value	$3,175,273,477[1]

2024/25 Assessor's Estimated Market Value

Real Estate	$2,859,196,100
Personal Property	33,906,700
Total Valuation	$2,893,102,800

2024/25 Net Tax Capacity

Real Estate	$30,996,949
Personal Property	473,122
Net Tax Capacity	$31,470,071
Less: Fiscal Disparities Contribution[2]	(748,271)
Taxable Net Tax Capacity	$30,721,800
Plus: Fiscal Disparities Distribution[3]	125,570
Adjusted Taxable Net Tax Capacity	$30,847,370

2024/25 NET TAX CAPACITY BY CLASSIFICATION

	2024/25 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$7,847,968	24.94%
Agricultural	2,136,244	6.79%
Commercial/industrial	1,856,493	5.90%
Public Utility	29,362	0.09%
Non-homestead residential	7,323,136	23.27%
Commercial & residential seasonal/rec.	11,803,746	37.51%
Personal property	473,122	1.50%
Total	$31,470,071	100.00%

---

1 According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the County was about 91.11% of the actual selling prices of property 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 $3,175,273,477.

2 Each community in the taconite credit area contributes 40% of its new industrial and commercial valuation to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes losing net tax capacity for tax purposes. Taxes are spread on the basis of taxable net tax capacity.

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity[1]	Adjusted Taxable Net Tax Capacity[2]	Percent Increase/Decrease in Estimated Market Value
2020/21	$1,735,108,100	$1,699,814,973	$18,403,511	$17,958,567	3.12%
2021/22	1,771,225,800	1,736,017,373	18,787,622	18,127,994	2.08%
2022/23	2,292,216,100	2,258,588,597	24,805,518	24,390,916	29.41%
2023/24	2,576,355,700	2,544,921,472	28,028,078	27,371,229	12.40%
2024/25	2,893,102,800	2,851,545,420	31,470,071	30,847,370	12.29%

LARGEST TAXPAYERS

Taxpayer	Type of Property	2024/25 Net Tax Capacity	Percent of County's Total Net Tax Capacity
Allete Inc.	Utility	$236,428	0.75%
Great River Energy	Utility	174,677	0.56%
Lutsen Mountains Corp	Commercial	165,630	0.53%
BFB Management LLC	Commercial	112,605	0.36%
Arrowhead Electric Corp	Utility	109,118	0.35%
MJ Properties, LLC	Resort	91,077	0.29%
Holland Motel, Inc.	Hotel	85,076	0.27%
North Shore Land Co.	Commercial	72,392	0.23%
Jameson Grace Hospitality	Hotel	66,632	0.21%
Individual	Commercial	63,163	0.20%
Total		$1,176,798	3.74%

County's Total 2024/25 Net Tax Capacity $31,470,071

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

[1] Net Tax Capacity is before fiscal disparities adjustments.

[2] Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total G.O. debt secured by sales tax revenues	$7,670,000
Total G.O. debt secured by tax abatement revenues	3,610,000
Total G.O. debt secured by taxes (includes the Series 2025A Bonds)*	15,415,000
Total G.O. debt secured by transportation sales tax revenues	5,175,000
Total G.O. debt secured by utility revenues (includes the Series 2025B Bonds)*	6,200,000
Total General Obligation Debt*	$38,070,000

*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

In addition to the Concurrent Obligations, the County has no current plans for additional financing in the next 12 months.

1 Outstanding debt is as of the dated date of the Bonds and the Concurrent Obligations.

DEBT LIMIT

The statutory limit on net 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" means 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 certain obligations enumerated under Minnesota Statutes, Section 475.51, subd.4, including 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 revenue producing public convenience (includes the Series 2025B Bonds); (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 certain postemployment benefit liabilities; (9) obligations issued to pay certain judgments against the County; and (10) all 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.

2024/25 Assessor's Estimated Market Value	$2,893,102,800
Multiply by 3%	0.03
Statutory Debt Limit	$86,793,084
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Series 2025A Bonds)*	(15,415,000)
Unused Debt Limit*	$71,378,084

*Preliminary, subject to change.

Cook County, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Sales Tax Revenues
(As of 07/02/2025)

	Taxable Sales Tax Rev Refunding Bonds Series 2020A
Dated	11/24/2020
Amount	$10,205,000
Maturity	02/01

Fiscal Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2025	0	62,239	0	62,239	62,239	7,670,000	.00%	**2025**
2026	850,000	115,978	850,000	115,978	965,978	6,820,000	11.08%	**2026**
2027	880,000	98,678	880,000	98,678	978,678	5,940,000	22.56%	**2027**
2028	905,000	84,674	905,000	84,674	989,674	5,035,000	34.35%	**2028**
2029	920,000	73,490	920,000	73,490	993,490	4,115,000	46.35%	**2029**
2030	945,000	60,895	945,000	60,895	1,005,895	3,170,000	58.67%	**2030**
2031	960,000	46,840	960,000	46,840	1,006,840	2,210,000	71.19%	**2031**
2032	990,000	30,985	990,000	30,985	1,020,985	1,220,000	84.09%	**2032**
2033	1,220,000	11,285	1,220,000	11,285	1,231,285	0	100.00%	**2033**
	7,670,000	585,063	7,670,000	585,063	8,255,063			

Cook County, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 07/02/2025)

	Tax Abatement Bonds Series 2014A		Taxable Tax Abatement Bonds Series 2018B		Tax Abatement Bonds 1) Series 2024A							
Dated	11/20/2014		06/07/2018		03/28/2024							
Amount	$2,410,000		$1,620,000		$565,000							
Maturity	02/01		02/01		02/01							
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2025	0	25,898	0	28,911	0	11,300	0	66,109	66,109	3,610,000	.00%	**2025**
2026	110,000	50,145	55,000	56,846	30,000	22,000	195,000	128,991	323,991	3,415,000	5.40%	**2026**
2027	115,000	46,770	65,000	54,716	30,000	20,800	210,000	122,286	332,286	3,205,000	11.22%	**2027**
2028	115,000	43,320	70,000	52,250	30,000	19,600	215,000	115,170	330,170	2,990,000	17.17%	**2028**
2029	120,000	39,795	75,000	49,531	30,000	18,400	225,000	107,726	332,726	2,765,000	23.41%	**2029**
2030	125,000	36,120	80,000	46,625	35,000	17,100	240,000	99,845	339,845	2,525,000	30.06%	**2030**
2031	130,000	32,295	90,000	43,325	35,000	15,700	255,000	91,320	346,320	2,270,000	37.12%	**2031**
2032	135,000	28,084	95,000	39,625	35,000	14,300	265,000	82,009	347,009	2,005,000	44.46%	**2032**
2033	140,000	23,478	105,000	35,625	35,000	12,900	280,000	72,003	352,003	1,725,000	52.22%	**2033**
2034	145,000	18,704	110,000	31,325	40,000	11,400	295,000	61,429	356,429	1,430,000	60.39%	**2034**
2035	150,000	13,650	120,000	26,725	40,000	9,800	310,000	50,175	360,175	1,120,000	68.98%	**2035**
2036	155,000	8,313	130,000	21,725	40,000	8,200	325,000	38,238	363,238	795,000	77.98%	**2036**
2037	160,000	2,800	140,000	16,150	45,000	6,500	345,000	25,450	370,450	450,000	87.53%	**2037**
2038			150,000	9,988	45,000	4,700	195,000	14,688	209,688	255,000	92.94%	**2038**
2039			160,000	3,400	45,000	2,900	205,000	6,300	211,300	50,000	98.61%	**2039**
2040					50,000	1,000	50,000	1,000	51,000	0	100.00%	**2040**
	1,600,000	369,370	1,445,000	516,768	565,000	196,600	3,610,000	1,082,738	4,692,738			

1) This represents the $565,000 Tax Abatement Portion of the $2,570,000 General Obligation Bonds, Series 2024A.

Cook County, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 07/02/2025)

	G.O. Bonds Series 2018A		CIP Bonds 1) Series 2024A		County Jail Bonds Series 2025A							
Dated	06/07/2018		03/28/2024		07/02/2025							
Amount	$9,545,000		$2,005,000		$6,400,000*							
Maturity	02/01		02/01		02/01							
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2025	0	115,369	0	40,100	0	0	0	155,469	155,469	15,415,000	.00%	**2025**
2026	470,000	223,688	100,000	78,200	0	288,673	570,000	590,561	1,160,561	14,845,000	3.70%	**2026**
2027	415,000	210,413	105,000	74,100	220,000	263,633	740,000	548,145	1,288,145	14,105,000	8.50%	**2027**
2028	425,000	197,813	110,000	69,800	230,000	256,433	765,000	524,045	1,289,045	13,340,000	13.46%	**2028**
2029	440,000	184,838	115,000	65,300	235,000	248,934	790,000	499,071	1,289,071	12,550,000	18.59%	**2029**
2030	450,000	171,488	115,000	60,700	240,000	241,095	805,000	473,283	1,278,283	11,745,000	23.81%	**2030**
2031	465,000	157,181	120,000	56,000	250,000	232,763	835,000	445,944	1,280,944	10,910,000	29.22%	**2031**
2032	485,000	141,744	125,000	51,100	260,000	223,965	870,000	416,809	1,286,809	10,040,000	34.87%	**2032**
2033	495,000	125,819	130,000	46,000	270,000	214,620	895,000	386,439	1,281,439	9,145,000	40.67%	**2033**
2034	515,000	108,763	135,000	40,700	280,000	204,580	930,000	354,043	1,284,043	8,215,000	46.71%	**2034**
2035	535,000	90,388	145,000	35,100	290,000	193,963	970,000	319,450	1,289,450	7,245,000	53.00%	**2035**
2036	550,000	71,400	150,000	29,200	300,000	182,825	1,000,000	283,425	1,283,425	6,245,000	59.49%	**2036**
2037	570,000	51,800	155,000	23,100	310,000	170,383	1,035,000	245,283	1,280,283	5,210,000	66.20%	**2037**
2038	585,000	31,588	160,000	16,800	325,000	156,490	1,070,000	204,878	1,274,878	4,140,000	73.14%	**2038**
2039	610,000	10,675	165,000	10,300	340,000	141,775	1,115,000	162,750	1,277,750	3,025,000	80.38%	**2039**
2040			175,000	3,500	355,000	126,134	530,000	129,634	659,634	2,495,000	83.81%	**2040**
2041					370,000	109,548	370,000	109,548	479,548	2,125,000	86.21%	**2041**
2042					385,000	92,086	385,000	92,086	477,086	1,740,000	88.71%	**2042**
2043					405,000	73,618	405,000	73,618	478,618	1,335,000	91.34%	**2043**
2044					425,000	54,006	425,000	54,006	479,006	910,000	94.10%	**2044**
2045					445,000	33,233	445,000	33,233	478,233	465,000	96.98%	**2045**
2046					465,000	11,276	465,000	11,276	476,276	0	100.00%	**2046**
	7,010,000	1,892,963	2,005,000	700,000	6,400,000	3,520,029	15,415,000	6,112,992	21,527,992			

* Preliminary, subject to change.

1) This represents the $2,005,000 CIP Portion of the $2,570,000 General Obligation Bonds, Series 2024A.

Cook County, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Transportation Sales Tax Revenue
(As of 07/02/2025)

	Transportation Sales Tax Revenue Bonds Series 2021A							
Dated	12/15/2021							
Amount	$5,910,000							
Maturity	02/01							
Fiscal Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2025	0	51,750	0	51,750	51,750	5,175,000	.00%	**2025**
2026	260,000	100,900	260,000	100,900	360,900	4,915,000	5.02%	**2026**
2027	265,000	95,650	265,000	95,650	360,650	4,650,000	10.14%	**2027**
2028	270,000	90,300	270,000	90,300	360,300	4,380,000	15.36%	**2028**
2029	275,000	84,850	275,000	84,850	359,850	4,105,000	20.68%	**2029**
2030	280,000	79,300	280,000	79,300	359,300	3,825,000	26.09%	**2030**
2031	285,000	73,650	285,000	73,650	358,650	3,540,000	31.59%	**2031**
2032	290,000	67,900	290,000	67,900	357,900	3,250,000	37.20%	**2032**
2033	295,000	62,050	295,000	62,050	357,050	2,955,000	42.90%	**2033**
2034	305,000	56,050	305,000	56,050	361,050	2,650,000	48.79%	**2034**
2035	310,000	49,900	310,000	49,900	359,900	2,340,000	54.78%	**2035**
2036	315,000	43,650	315,000	43,650	358,650	2,025,000	60.87%	**2036**
2037	320,000	37,300	320,000	37,300	357,300	1,705,000	67.05%	**2037**
2038	325,000	30,850	325,000	30,850	355,850	1,380,000	73.33%	**2038**
2039	335,000	24,250	335,000	24,250	359,250	1,045,000	79.81%	**2039**
2040	340,000	17,500	340,000	17,500	357,500	705,000	86.38%	**2040**
2041	350,000	10,600	350,000	10,600	360,600	355,000	93.14%	**2041**
2042	355,000	3,550	355,000	3,550	358,550	0	100.00%	**2042**
	5,175,000	980,000	5,175,000	980,000	6,155,000			

Cook County, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 07/02/2025)

	Solid Waste Revenue Bonds Series 2025B							
Dated	07/02/2025							
Amount	$6,200,000*							
Maturity	02/01							
Fiscal Year Ending	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2026	0	299,341	0	299,341	299,341	6,200,000	.00%	**2026**
2027	0	277,025	0	277,025	277,025	6,200,000	.00%	**2027**
2028	150,000	274,625	150,000	274,625	424,625	6,050,000	2.42%	**2028**
2029	155,000	269,706	155,000	269,706	424,706	5,895,000	4.92%	**2029**
2030	160,000	264,508	160,000	264,508	424,508	5,735,000	7.50%	**2030**
2031	165,000	258,981	165,000	258,981	423,981	5,570,000	10.16%	**2031**
2032	170,000	253,203	170,000	253,203	423,203	5,400,000	12.90%	**2032**
2033	175,000	247,120	175,000	247,120	422,120	5,225,000	15.73%	**2033**
2034	180,000	240,640	180,000	240,640	420,640	5,045,000	18.63%	**2034**
2035	190,000	233,748	190,000	233,748	423,748	4,855,000	21.69%	**2035**
2036	195,000	226,480	195,000	226,480	421,480	4,660,000	24.84%	**2036**
2037	205,000	218,316	205,000	218,316	423,316	4,455,000	28.15%	**2037**
2038	210,000	209,238	210,000	209,238	419,238	4,245,000	31.53%	**2038**
2039	220,000	199,723	220,000	199,723	419,723	4,025,000	35.08%	**2039**
2040	230,000	189,595	230,000	189,595	419,595	3,795,000	38.79%	**2040**
2041	240,000	178,843	240,000	178,843	418,843	3,555,000	42.66%	**2041**
2042	255,000	167,394	255,000	167,394	422,394	3,300,000	46.77%	**2042**
2043	265,000	155,238	265,000	155,238	420,238	3,035,000	51.05%	**2043**
2044	275,000	142,479	275,000	142,479	417,479	2,760,000	55.48%	**2044**
2045	290,000	128,988	290,000	128,988	418,988	2,470,000	60.16%	**2045**
2046	305,000	114,631	305,000	114,631	419,631	2,165,000	65.08%	**2046**
2047	320,000	99,395	320,000	99,395	419,395	1,845,000	70.24%	**2047**
2048	335,000	83,348	335,000	83,348	418,348	1,510,000	75.65%	**2048**
2049	350,000	66,478	350,000	66,478	416,478	1,160,000	81.29%	**2049**
2050	370,000	48,658	370,000	48,658	418,658	790,000	87.26%	**2050**
2051	385,000	29,875	385,000	29,875	414,875	405,000	93.47%	**2051**
2052	405,000	10,125	405,000	10,125	415,125	0	100.00%	**2052**
	6,200,000	4,887,696	6,200,000	4,887,696	11,087,696			

* Preliminary, subject to change.

UNDERLYING DEBT[1]

Taxing District	2024/25 Adjusted Taxable Net Tax Capacity	% In County	Total G.O. Debt[2]	County's Proportionate Share
City of:				
Grand Marais	$3,539,618	100.000%	$8,095,000	$8,095,000
School District of:[3]				
I.S.D. No. 166 (Cook County Public Schools)	31,470,071	100.000%	29,746,000	29,746,000
County's Share of Total Underlying Debt				$37,841,000

1 Underlying debt is as of the dated date of the Bonds and the Concurrent Obligations. 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 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 $3,175,273,477	Debt/ Per Capita 5,638[1]
Direct G.O. Debt Secured By:			
Sales Tax Revenues	$7,670,000		
Tax Abatement Revenues	3,610,000		
Taxes*	15,415,000		
Transportation Sales Tax Revenues	5,175,000		
Utility Revenues*	6,200,000		
Total General Obligation Debt*	$38,070,000		
Less: G.O. Debt Paid Entirely from Revenues[2]	(19,045,000)		
Tax Supported General Obligation Debt*	$19,025,000	0.60%	$3,374.42
County's Share of Total Underlying Debt	$37,841,000	1.19%	$6,711.78
Total*	$56,866,000	1.79%	$10,086.20

*Preliminary, subject to change.

---

1 Estimated 2023 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 LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy[1]	Total Collected Following Year	Collected to Date	% Collected
2020/21	$10,614,541	$10,509,709	$10,610,405	99.96%
2021/22	10,946,622	10,793,319	10,928,684	99.84%
2022/23	11,545,825	11,146,716	11,466,702	99.31%
2023/24	12,166,650	12,457,591	11,875,709	97.61%
2024/25	12,587,724	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.[2] 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.

TAX CAPACITY RATES[3]

	2020/21	2021/22	2022/23	2023/24	2024/25
Cook County	56.555%	57.708%	45.277%	48.878%	45.761%
City of Grand Marais	45.974%	48.375%	36.928%	34.610%	31.368%
I.S.D. No. 166 (Cook County Public Schools)	5.001%	4.947%	3.504%	3.442%	8.461%
Town of Lutsen[4]	4.479%	3.886%	2.896%	2.753%	4.734%
Arrowhead RDC	0.179%	0.178%	0.133%	0.134%	0.124%
Cook County EDA	2.016%	2.208%	1.205%	1.800%	1.684%
Hospital District	7.281%	7.171%	6.146%	6.329%	6.151%
Referendum Market Value Rates:					
I.S.D. No. 166 (Cook County Public Schools)	0.09857%	0.08766%	0.05321%	0.04894%	0.04909%

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

---

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

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

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

4 Representative town rate.

THE ISSUER

COUNTY GOVERNMENT

The County was organized as a municipality in 1882, and is governed by an elected five-member Board of County Commissioners. Decisions are made by a majority vote of a quorum. The County Administrator is appointed by the Board, and the County Auditor-Treasurer is elected.

EMPLOYEES; PENSIONS; UNIONS

The County has 138 full-time, two (2) part-time, and 16 seasonal 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
Local 49 IUOE	December 31, 2026
Cook County Employees Association	December 31, 2026
Local 38 LELS	December 31, 2026

POST EMPLOYMENT BENEFITS

The County has obligations for some post-employment benefits (some mandated by State Statute and others that cover a portion of the cost of health insurance during retirement) for the majority of its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The County has completed an internal review of its obligations.

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 the Concurrent Obligations or otherwise questioning the validity of the Bonds or the Concurrent Obligations.

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.

FUNDS ON HAND (as of December 31, 2024)

Fund	Total Cash and Investments
Revenue	$18,985,823
Road and Bridge	2,897,377
Social Service	3,202,982
Building	1,075,787
National Opioid Settlement	106,723
Airport	(373,592)
Cook County HRA	(18,939)
Local Sales Tax Revenues	11,121,310
Hosing Abatement Sinking Fund	193,788
Golf Course Abatement Fund	321,413
GO Capital Debt Service	134,275
GO Equipment Debt Service	71,565
CIP Transportation Projects	757,466
CIP 2024 Projects	105,532
Total Funds on Hand	$38,581,510

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, 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 County's 2023 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Unaudited[1]	2025 Adopted Budget[2]
Revenues					
Taxes	$5,406,232	$5,757,887	$6,162,194	$6,540,044	$6,879,333
Special assessments	437,822	268,281	223,854	0	156,760
Licenses and permits	124,120	119,082	234,043	287,811	313,970
Intergovernmental	5,064,330	4,927,123	7,076,971	3,625,591	5,171,585
Charges for services	884,834	839,367	863,558	813,023	749,454
Fines and forfeits	0	0	0	12,846	12,500
Gifts and contributions	22,241	9,190	3,793	0	0
Investment earnings	(102,366)	(760,170)	1,823,062	1,582,990	500,000
RLF loan payents	144,934	296,353	147,228	0	0
Miscellaneous	355,033	358,115	326,161	253,768	277,947
Total Revenues	$12,337,180	$11,815,228	$16,860,864	$13,116,073	$14,061,549
Expenditures					
Current:					
General government	$4,637,076	$5,130,573	$5,617,649	$6,702,921	$6,878,233
Public safety	3,686,983	3,650,161	3,892,281	3,560,170	4,290,561
Sanitation	633,521	664,333	721,644	864,693	925,542
Health	0	105,354	113,129	1,111	15,925
Culture and recreation	1,036,912	902,810	1,195,583	765,660	865,897
Conservation of natural resources	1,094,006	1,025,756	1,191,030	381,278	411,635
Economic development	475,990	365,000	355,985	595,284	595,284
Miscellaneous	0	0	0	15,006	10,000
Capital outlay	481,781	206,430	273,968	106,343	376,163
Debt service	0	0	153,995	0	0
Total Expenditures	$12,046,269	$12,050,417	$13,515,264	$12,992,466	$14,369,240
Excess of revenues over (under) expenditures	$290,911	($235,189)	$3,345,600	$123,607	($307,691)
Other Financing Sources (Uses)					
Loan proceeds	$0	$0	$478,665	$0	$0
Transfers in	931,037	0	0	0	0
Total Other Financing Sources (Uses)	$931,037	$0	$0	$0	$0
Net changes in Fund Balances	$1,221,948	($235,189)	$3,824,265	$123,607	($307,691)
General Fund Balance January 1	$14,580,694	$15,802,642	$15,567,453	$19,391,718	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	$15,802,642	$15,567,453	$19,391,718	$19,515,325	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	$2,020,000	$1,920,000	$1,815,000	$1,815,000	
Restricted	2,420,108	2,671,353	2,707,589	2,707,589	
Committed	0	0	1,959,924	1,959,924	
Assigned	1,767,854	1,736,385	0	0	
Unassigned	9,594,680	9,239,715	12,909,205	13,032,812	
Total	$15,802,642	$15,567,453	$19,391,718	$19,515,325	

1 Unaudited data is as of May 23, 2025.

2 The 2025 budget was adopted on December 17, 2024.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 5,600 and a 2023 population estimate of 5,638, and comprising an area of 1,550 square miles, is located in northern Minnesota on the north shore of Lake Superior, approximately 110 miles northeast of Duluth, Minnesota.

LARGER EMPLOYERS[1]

Larger employers in the County include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Grand Portage Tribal Council/Lodge	Tribal government, businesses and services	300
Bluefin Bay Resort	Lodging, resort and restaurant	175
Cook County	County government and services	156
North Shore Health	Hospital and nursing home	135
Lutsen Mountains Ski Area	Ski resort	125
I.S.D. No. 166 (Cook County Public Schools)	Elementary and secondary education	100
USDA Forest Services	Forestry services	95
Lutsen Resort on Lake Superior	Resort	60
Caribou Highlands Lodge	Resort	50
Wilderness Canoe Base	Youth organization & retreat center	40

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

U.S. CENSUS DATA

Population Trend: The County

2010 U.S. Census population	5,176
2020 U.S. Census population	5,600
Percent of Change 2010 - 2020	8.19%
2023 State Demographer Population Estimate	5,638

[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.

Income and Age Statistics

	The County	State of Minnesota	United States
2023 per capita income	$45,390	$46,957	$43,289
2023 median household income	$71,643	$87,556	$78,538
2023 median family income	$87,419	$111,492	$96,922
2023 median gross rent	$886	$1,235	$1,348
2023 median value owner occupied units	$294,000	$305,500	$303,400
2023 median age	52.3 yrs.	38.6 yrs.	38.7 yrs.

	State of Minnesota	United States
County % of 2023 per capita income	96.66%	104.85%
County % of 2023 median family income	78.41%	90.20%

Housing Statistics

	The County		
	2020	2023	Percent of Change
All Housing Units	6,169	6,024	-2.35%

Source: 2010 and 2020 Census of Population and Housing, and 2023 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov), and Minnesota State Demographer (https://mn.gov/admin/demography/data-by-topic/population-data/our-estimates/).

EMPLOYMENT/UNEMPLOYMENT DATA

	Average Employment	Average Unemployment	
Year	Cook County	Cook County	State of Minnesota
2021	2,690	4.8%	3.7%
2022	2,669	3.4%	2.5%
2023	2,769	3.7%	2.8%
2024	2,743	4.0%	3.0%
2025, April	2,588	5.5%	3.2%

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.

COOK COUNTY, MINNESOTA

ANNUAL FINANCIAL REPORT

December 31, 2023

- This page intentionally left blank -

INTRODUCTORY SECTION

- This page intentionally left blank -

COOK COUNTY, MINNESOTA
ORGANIZATION
December 31, 2023

		Term Expires
Elected Commissioners:		
District 1	Debra White	January 2027
District 2	Stacey Johnson	January 2025
District 3	David Mills (chair)	January 2027
District 4	Ann Sullivan	January 2025
District 5	Virginia Storlie	January 2027
Elected Officers:		
Attorney	Molly Hicken	January 2027
Auditor/Treasurer	Braidy Powers	January 2027
Recorder/Registrar of Titles	Dusty Nelms	January 2027
Sheriff	Pat Eliasen	January 2027
Court Judge	Steven Hanke	January 2027
Appointed Administration:		
County Administrator	James Joerke	Indefinite
Assessor	Robert Thompson	January 2025
Court Administrator	Jennifer Miller	Indefinite
Highway Engineer	Robbie Hass	January 2025
Veteran Services Officer	Michael Keyport	Indefinite
Human Services Board:		
Chair	David Mills	January 2027
Vice-chair	Ann Sullivan	January 2025
Member	Debra White	January 2027
Member	Stacey Johnson	January 2025
Member	Virginia Storlie	January 2027
Member	Frank Ceo	January 2024
Member	Ranna Hansen LeVoir	January 2024
Member	James Joerke	Indefinite
Director	Alison McIntyre	Indefinite

- This page intentionally left blank -

FINANCIAL SECTION

- This page intentionally left blank -

REDPATH
AND COMPANY

INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Cook County, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Cook County, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Cook County, Minnesota'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, the discretely presented component units, each major fund, and the aggregate remaining fund information of Cook County, Minnesota, as of December 31, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cook County, Minnesota'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 *Governmental 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 Cook County, Minnesota'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 Cook County, Minnesota's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024 on our consideration of Cook County, Minnesota'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 Cook County, Minnesota'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 Cook County, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

December 11, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) provides an overview of Cook County's financial activities for the fiscal year ended December 31, 2023. Since this information is designed to focus on the current years activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS

- The total net position of governmental activities is $113,978,892, of which $78,838,203 is the net investment in capital assets and $18,589,664 is restricted to specific purposes. $16,551,025 remains as unrestricted net position available to help ensure fiscal strength in the face of uncertainty in the continuing level of support by state and federal governments.

- The Cook County and Grand Marais Joint Economic Development Authority (EDA) is presented as a component unit of Cook County. The EDA has a total net position of $4,565,135, of which $3,740,868 is the net investment in capital assets. Unrestricted net position of $824,267 remains available to help ensure fiscal strength.

- The Cook County Housing and Redevelopment Authority (HRA) is presented as a component unit of Cook County. The HRA was created in 2021 and first had financial activity in 2022. The HRA has a total net position of $115,275, all of which is unrestricted.

- The fund balances of governmental funds increased by $4,329,219 during 2023, from $38,168,964 to $42,498,183. Primary reasons for the increase include recognizing $2,157,000 of PILT funds previously received but not recorded as revenue due to potential repayment, a $1,768,383 increase in unspent sales and use tax dollars held in the Local Option Sales Tax fund and a $2,602,303 increase in investment earnings. These increases were partially offset with additional personnel related costs which were approved after a compensation study was performed.

- Cook County's net position increased by $11,679,191 for the year ended December 31, 2023. In addition to the $4,329,219 increase in fund balance noted above, capitalized expenditures exceeded depreciation expense by $7,952,798 during 2023. State aid for road and bridge projects is recognized as revenue during the current year while the corresponding expense will be incurred as depreciation expense and reported in future years.

- The net cost of governmental activities was $11,527,837 for the current fiscal year. Net cost is the amount by which the cost of services had to be paid by taxes or other unrestricted funds. General revenues of $23,207,028 exceeded net expenses, resulting in the $11,679,191 increase in net position referenced above.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the County's basic financial statements. The basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements. The MD&A (this section) and certain budgetary comparison schedules are required to accompany the basic financial statements and, therefore, are included as required supplementary information.

There are two government-wide financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements – the Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps the reader determine whether the County's financial condition has improved or declined as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes to it. You can think of the County's net position – the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources – as one way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. Other, nonfinancial factors such as changes in the County's property tax base and the condition of County roads, should also be used to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, we divide the County into three kinds of activities:

- **Government activities –** most of the County's 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.

- **Component unit – Cook County / Grand Marais Joint Economic Development Authority (EDA):** the EDA's major activities are to oversee operation and management of Superior National Golf Course in Lutsen, to develop the Cedar Grove Business Park, and to manage a housing rehabilitation program. The EDA is a legally separate entity.

- **Component unit – Cook County Housing and Redevelopment Authority (HRA)**: the HRA's mission is to catalyze and advocate for the creation of safe, stable and attainable housing opportunities for current and future residents. The HRA is a legally separate entity.

The government-wide financial statements can be found in Statements 1 and 2.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the County as a whole. Some funds are required to be established by state law and by bond covenants. However, the County Board establishes other 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.

- **Government funds**—Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciling statement following each governmental fund financial statement.

The basic financial statements for governmental funds can be found in Statements 3 through 6.

- **Fiduciary funds** – the County is the trustee, or fiduciary, over assets, which can be used only for the trust beneficiaries, based on the trust arrangement. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position, and a Statement of Changes in Fiduciary Net Position. These activities are excluded from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The financial statements for fiduciary funds can be found in Statements 7 and 8.

The County as a Whole

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the County's governmental and component unit activities.

Table 1
Net Position

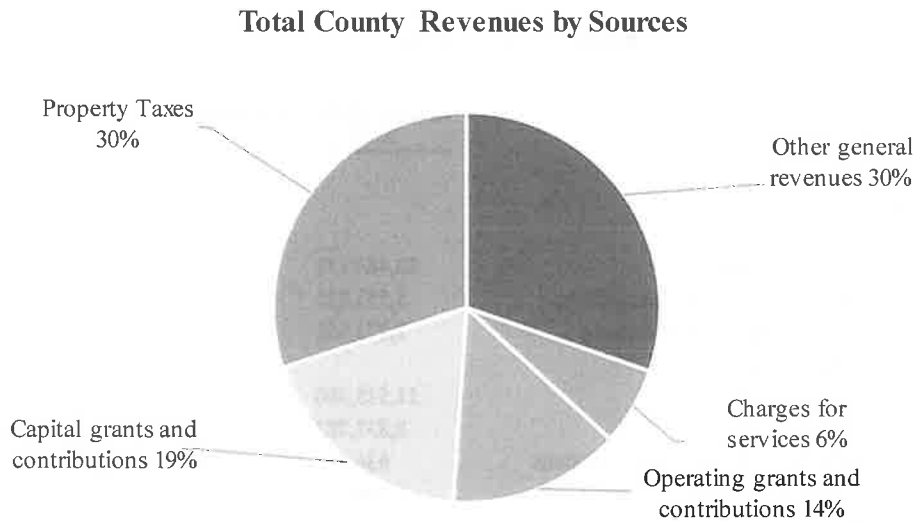
	Governmental Activities	
	2023	2022
Assets:		
Current and other assets	$58,075,152	$55,422,575
Capital assets	101,780,067	93,872,269
Total assets	159,855,219	149,294,844
Deferred outflows of resources	4,680,102	5,161,104
Liabilities:		
Long-term debt outstanding	36,701,394	40,806,006
Other liabilities	4,799,550	6,253,330
Total liabilities	41,500,944	47,059,336
Deferred inflows of resources	9,055,485	5,096,911
Net position:		
Net investment in capital assets	78,838,203	69,872,988
Restricted	18,589,664	18,328,100
Unrestricted	16,551,025	14,098,613
Total net position	$113,978,892	$102,299,701

For details, please see the Statement of Net Position (Statement 1).

Table 2
Change in Net Position

	Governmental Activities	
	2023	2022
Revenues:		
Program Revenues:		
Charges for services	$2,484,751	$2,534,229
Operating grants and contributions	5,553,821	5,351,260
Capital grants and contributions	7,273,551	2,555,117
General revenues:		
Property taxes	11,545,590	11,016,517
Other taxes	8,837,783	6,442,362
Unrestricted grants and contributions	636,592	628,547
Investment earnings	1,908,730	(693,573)
Miscellaneous	278,333	325,079
Total revenues	38,519,151	28,159,538
Expenses:		
General government	6,374,016	5,924,951
Public safety	4,428,403	4,186,800
Highways and streets	5,797,970	5,989,320
Sanitation	786,023	737,065
Human services	4,249,086	3,375,597
Health	1,187,827	820,318
Culture and recreation	1,480,737	1,196,186
Conservation of natural resources	658,969	1,058,538
Economic development	1,251,493	1,227,596
Interest and fiscal charges	625,436	692,044
Total expenses	26,839,960	25,208,415
Change in net position	11,679,191	2,951,123
Net position - January 1	102,299,701	99,348,578
Net position - December 31	$113,978,892	$102,299,701

For details, please see the Statement of Activities (Statement 2).



Governmental Activities

The cost of all governmental activities this year was $26,839,960, a 6.5% increase from 2022. As shown in the Statement of Activities (Statement 2), the amount taxpayers ultimately financed for these activities through County property taxes was $11,545,590, or 4.8% more than 2022. Some of the cost was paid by those who directly benefited from the programs ($2,484,751) or by other governments and organizations that subsidized certain programs with grants and contributions ($12,827,372).

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General government	$6,374,016	$5,924,951	$5,444,287	$5,154,762
Public safety	4,428,403	4,186,800	3,479,567	2,967,702
Highways and streets	5,797,970	5,989,320	(3,728,820)	1,351,763
Sanitation	786,023	737,065	633,719	532,603
Human Services	4,249,086	3,375,597	2,445,262	1,553,256
Health	1,187,827	820,318	754,180	506,021
Culture and recreation	1,480,737	1,196,186	964,848	815,563
Conservation of natural resources	658,969	1,058,538	299,171	340,447
Economic development	1,251,493	1,227,596	610,187	853,648
Interest and fiscal charges	625,436	692,044	625,436	692,044
Total	$26,839,960	$25,208,415	$11,527,837	$14,767,809

The County's Funds

As the County completed the year, its governmental funds reported a combined fund balance of $42,498,183 compared to last year's total of $38,168,964. Please see Statements 3 and 5 for details.

General Fund Budgetary Highlights

There were two amendments to the original budget for the year ended December 31, 2023. The amendment on 12/20/22 added $811,107 to the contingency for compensation study costs with an offset of $811,107 to the use of fund balance. The second amendment on 2/14/23 adjusted final costs for the compensation study down $29,478, added consequent revenues of $19,529 to PHHS, resulting in reduced the fund balance usage of $49,007. It also distributed the compensation contingency funds to the general fund, highway fund and PHHS fund. Actual revenues and expenditures exceeded budgeted amounts by $5,707,332 and $1,703,593, respectively. The largest contributor to excess revenues was federal decision not to require payback of BWCA PILT funds and the consequent inclusion of $2,157,000 revenue from those PILT funds that were being held as a payable. The other major contributor to excess revenues were the high interest rates leading to $1,503,000 of excess interest earnings. The excess expenditures were largely the unbudgeted economic development loan program, state septic loan program, and aquatic invasives program. Please see Exhibit A-1 for details.

CAPITAL ASSETS

At the end of 2023, the County had a net investment of $101,780,067 in a broad range of capital assets, including land, buildings, highways and streets, and equipment (see Table 4). This amount represents a net increase of $7,907,798 or 8.4% over last year.

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

	Governmental Activities	
	2023	2022
Land and easements	$2,288,823	$2,330,392
Construction in progress	11,603,958	9,304,327
Buildings and improvements	14,915,329	15,392,968
Machinery, vehicles, furniture, and equipment	2,069,574	2,162,454
Infrastructure	70,902,383	64,682,128
Total	$101,780,067	$93,872,269

DEBT

As of December 31, 2023, the County had $28,150,813 in bonds, notes and loans outstanding, compared to $29,466,786 at the end of the previous year.

Table 5
Outstanding Debt at Year-End

	Governmental Activities	
	2023	2022
Sales tax revenue bonds	$14,970,000	$15,965,000
Tax abatement bonds	3,355,000	3,500,000
Capital improvement bonds	7,720,000	8,090,000
Capital equipment notes	185,000	245,000
Loans payable	1,341,062	1,016,392
Lease purchase agreement	117,766	153,197
Unamortized bond premiums	461,985	497,197
Total	$28,150,813	$29,466,786

See Note 8 for a more detailed explanation of the County's debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2024 budget, tax levy, and fees that will be charged for various activities:

- the need to maintain a combined fund balance of at least 75% of operating expenses; and
- the shortage of workforce housing and the County commitment of resources to alleviate that shortage; and
- the costs of maintaining aging buildings and other infrastructure; and
- the federal requirement that counties payback any PILT funds if the reappraisal of BWCA lands within Superior National Forest results in a reduction to that program. The every ten-year appraisal completed in 2019 would have resulted in 33% cut to the annual payment of $2,025,000. The payback is no longer required but that was not known when setting the 2024 budget; and
- the completion of a capital improvement plan to provide deferred maintenance costs and tackle long-term space needs; and
- the continuing effect of inflation on the operational and capital costs; and
- the difficulty in hiring and retaining employees and the cost of implementing a compensation study to mitigate the high turnover rates.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, please call County Auditor-Treasurer, Braidy Powers, at (218) 387-3646, or send a letter to the Cook County Courthouse, 411 West 2nd Street, Grand Marais, Minnesota 55604-2307.

- This page intentionally left blank -

BASIC FINANCIAL STATEMENTS

- This page intentionally left blank -

GOVERNMENT-WIDE FINANCIAL STATEMENTS

- This page intentionally left blank -

COOK COUNTY, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2023

Statement 1

	Primary Government	Component Units	
	Governmental Activities	Cook County / Grand Marais Joint Economic Development Authority	Cook County Housing and Redevelopmnt Authority
Assets:			
Cash and investments	$38,250,817	$995,168	$25,868
Accrued interest receivable	128,844	-	-
Taxes receivable	451,238	29,451	5,027
Accounts receivable	368,541	915	-
Due from other governments	6,891,924	55,725	-
Due from component unit - net	1,843,381	-	-
Inventories	642,055	40,158	-
Land held for resale	-	114,000	40,000
Loans receivable	4,895,239	27,239	61,541
Leases receivable	4,603,113	-	-
Capital assets - nondepreciable	13,892,781	213,685	-
Capital assets - net of accumulated depreciation	87,887,286	5,877,247	-
Total assets	159,855,219	7,353,588	132,436
Deferred outflows of resources related to pensions	4,680,102	25,695	-
Liabilities:			
Accounts payable	681,903	97,188	17,161
Salaries payable	521,068	-	-
Contracts payable	191,494	-	-
Due to other governments	123,180	149,813	-
Due to primary government	-	2,198,076	-
Accrued interest payable	271,044	-	-
Unearned revenue	3,010,861	-	-
Long-term liabilities:			
Due within one year	2,417,127	180,092	-
Due in more than one year	26,810,334	-	-
Net pension liability	7,473,933	89,470	-
Total liabilities	41,500,944	2,714,639	17,161
Deferred inflows of resources:			
Related to pensions	4,452,372	99,509	-
Related to leases	4,603,113	-	-
Total deferred inflows of resources	9,055,485	99,509	-
Net position:			
Net investment in capital assets	78,838,203	3,740,868	-
Restricted for:			
General government	339,234	-	-
Public safety	445,931	-	-
Highways and streets	6,716,760	-	-
Culture and recreation	6,929,915	-	-
Conservation of natural resources	995,077	-	-
Economic development	1,979,919	-	-
Environmental improvements	929,255	-	-
Debt service	253,573	-	-
Unrestricted	16,551,025	824,267	115,275
Total net position	$113,978,892	$4,565,135	$115,275

The accompanying notes are an integral part of these financial statements.

COOK COUNTY, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$6,374,016	$638,844	$290,885
Public safety	4,428,403	380,800	568,036
Highways and streets	5,797,970	626,308	1,741,931
Sanitation	786,023	79,864	72,440
Human services	4,249,086	330,755	1,473,069
Health	1,187,827	-	433,647
Culture and recreation	1,480,737	48,807	352,082
Conservation of natural resources	658,969	81,129	278,669
Economic development	1,251,493	298,244	343,062
Interest and fiscal charges	625,436	-	-
Total primary government	$26,839,960	$2,484,751	$5,553,821
Component units:			
Economic Development Authority	$2,206,993	$1,436,577	$138,334
Housing and Redevelopment Authority	200,576	-	150,501
Total component units	$2,407,569	$1,436,577	$288,835

General revenues:
Property taxes
Local sales tax
Transportation sales tax
Other taxes
Payments in lieu of tax
Grants and contributions not restricted to specific programs
Unrestricted investment earnings
Miscellaneous
Total general revenues

Change in net position

Net position - January 1

Net position - December 31

The accompanying notes are an integral part of these financial statements.

Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Primary Government	Component Units	
Capital Grants and Contributions	Governmental Activities	Cook County / Grand Marais Joint Economic Development Authority	Cook County Housing and Redevelopmnt Authority
$ -	($5,444,287)	$ -	$ -
-	(3,479,567)	-	-
7,158,551	3,728,820	-	-
-	(633,719)	-	-
-	(2,445,262)	-	-
-	(754,180)	-	-
115,000	(964,848)	-	-
-	(299,171)	-	-
-	(610,187)	-	-
-	(625,436)	-	-
$7,273,551	(11,527,837)	-	-
$ -		(632,082)	-
-		-	(50,075)
$ -		(632,082)	(50,075)
	11,545,590	294,969	125,783
	2,450,271	-	-
	1,226,288	-	-
	466,777	-	-
	4,694,447	-	-
	636,592	-	-
	1,908,730	5,098	-
	278,333	4,412	-
	23,207,028	304,479	125,783
	11,679,191	(327,603)	75,708
	102,299,701	4,892,738	39,567
	$113,978,892	$4,565,135	$115,275

The accompanying notes are an integral part of these financial statements.

- This page intentionally left blank -

FUND FINANCIAL STATEMENTS

COOK COUNTY, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General	Road and Bridge	Public Heath and Human Services
Assets:			
Cash and investments	$17,399,287	$3,292,438	$3,759,152
Accrued interest receivable	128,844	-	-
Taxes receivable - delinquent	218,645	108,337	91,640
Accounts receivable	32,837	16,181	24,206
Due from other governments	2,049,005	3,770,565	425,420
Due from component units - net	1,843,381	-	-
Due from other funds	649,083	-	-
Inventories	-	642,055	-
Loans receivable	3,440,602	-	-
Leases receivable	4,603,113	-	-
Total assets	$30,364,797	$7,829,576	$4,300,418
Liabilities:			
Accounts payable	$314,537	$144,033	$158,834
Salaries payable	272,285	108,515	140,268
Contracts payable	-	191,494	-
Due to other governments	110,729	-	12,451
Due to other funds	-	-	-
Unearned revenue	2,898,125	69,479	43,257
Total liabilities	3,595,676	513,521	354,810
Deferred inflows of resources:			
Related to leases	4,603,113	-	-
Unavailable revenue:			
Grants and state-aid	-	3,191,100	-
Taxes	169,109	85,820	73,002
Long-term receivables	2,605,181	-	-
Total deferred inflows of resources	7,377,403	3,276,920	73,002
Fund balance:			
Nonspendable	1,815,000	642,055	-
Restricted	2,707,589	-	-
Committed	1,959,924	-	-
Assigned	-	3,397,080	3,872,606
Unassigned	12,909,205	-	-
Total fund balance	19,391,718	4,039,135	3,872,606
Total liabilities, deferred inflows of resources, and fund balance	$30,364,797	$7,829,576	$4,300,418

The accompanying notes are an integral part of these financial statements.

Airport	Local Option Sales Tax	Nonmajor Funds	Total
$ -	$10,056,641	$3,743,299	$38,250,817
-	-	-	128,844
4,442	-	28,174	451,238
295,317	-	-	368,541
241,049	405,885	-	6,891,924
-	-	-	1,843,381
-	-	-	649,083
-	-	-	642,055
-	-	1,454,637	4,895,239
-	-	-	4,603,113
$540,808	$10,462,526	$5,226,110	$58,724,235
$64,499	$ -	$ -	$681,903
-	-	-	521,068
-	-	-	191,494
-	-	-	123,180
649,083	-	-	649,083
-	-	-	3,010,861
713,582	-	-	5,177,589
-	-	-	4,603,113
-	-	-	3,191,100
3,521	-	22,300	353,752
295,317	-	-	2,900,498
298,838	-	22,300	11,048,463
-	-	584,434	3,041,489
-	10,462,526	3,206,501	16,376,616
-	-	-	1,959,924
-	-	1,412,875	8,682,561
(471,612)	-	-	12,437,593
(471,612)	10,462,526	5,203,810	42,498,183
$540,808	$10,462,526	$5,226,110	$58,724,235

The accompanying notes are an integral part of these financial statements.

- This page intentionally left blank -

COOK COUNTY, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2023

Statement 4

Fund balance - total governmental funds (Statement 3)	$42,498,183
Net position reported for governmental activities in the statement of net position is different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	101,780,067
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in governmental funds:	
Unavailable grants and state-aid	3,191,100
Delinquent property taxes	353,752
Long-term receivables	2,900,498
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in governmental funds.	
General obligation bonds payable	(26,045,000)
General obligation capital equipment notes	(185,000)
Loans payable	(1,341,062)
Lease purchase agreement	(117,766)
Unamortized bond premiums	(461,985)
Accrued interest payable	(271,044)
Compensated absences payable	(1,076,648)
Net pension liability	(7,473,933)
Deferred outflows and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in governmental funds.	
Deferred outflows of resources related to pensions	4,680,102
Deferred inflows of resources related to pensions	(4,452,372)
Net position of governmental activities (Statement 1)	$113,978,892

The accompanying notes are an integral part of these financial statements.

COOK COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2023

	General Fund	Road and Bridge	Public Heath and Human Services
Revenues:			
Taxes	$6,162,194	$2,560,939	$2,121,713
Special assessments	223,854	-	-
Licenses and permits	234,043	-	15,377
Intergovernmental	7,076,971	10,624,955	1,834,004
Charges for services	863,558	615,720	216,815
Donations and other grants	3,793	-	61,131
Investment earnings	1,823,062	-	-
RLF loan payments	147,228	-	-
Miscellaneous	326,161	39,064	110,420
Total revenues	16,860,864	13,840,678	4,359,460
Expenditures:			
Current:			
General government	5,617,649	-	-
Public safety	3,892,281	-	-
Highways and streets	-	3,885,887	-
Sanitation	721,644	-	-
Human services	-	-	4,132,109
Health	113,129	-	1,058,633
Culture and recreation	1,195,583	-	-
Conservation of natural resources	1,191,030	-	-
Economic development	355,985	-	-
Capital outlay	273,968	10,698,525	-
Debt service:			
Principal	153,995	35,431	-
Interest and fiscal charges	-	4,569	-
Total expenditures	13,515,264	14,624,412	5,190,742
Revenues over (under) expenditures	3,345,600	(783,734)	(831,282)
Other financing sources (uses):			
Transfers in	-	1,127,183	-
Transfers out	-	-	-
Loan proceeds	478,665	-	-
Total other financing sources (uses)	478,665	1,127,183	-
Net change in fund balance	3,824,265	343,449	(831,282)
Fund balance - January 1	15,567,453	3,695,686	4,703,888
Fund balance - December 31	$19,391,718	$4,039,135	$3,872,606

The accompanying notes are an integral part of these financial statements.

Airport	Local Option Sales Tax	Nonmajor Funds	Total
$104,837	$3,676,559	$848,915	$15,475,157
-	-	-	223,854
-	-	-	249,420
241,049	-	-	19,776,979
13,335	-	-	1,709,428
-	-	-	64,924
-	-	85,668	1,908,730
-	-	-	147,228
4,806	-	59,923	540,374
364,027	3,676,559	994,506	40,096,094
-	-	152,646	5,770,295
-	-	-	3,892,281
-	-	-	3,885,887
-	-	-	721,644
-	-	-	4,132,109
-	-	-	1,171,762
-	-	-	1,195,583
-	-	-	1,191,030
149,388	-	-	505,373
191,465	-	182,171	11,346,129
-	-	1,570,000	1,759,426
-	-	669,452	674,021
340,853	-	2,574,269	36,245,540
23,174	3,676,559	(1,579,763)	3,850,554
-	-	1,763,553	2,890,736
-	(1,908,176)	(982,560)	(2,890,736)
-	-	-	478,665
-	(1,908,176)	780,993	478,665
23,174	1,768,383	(798,770)	4,329,219
(494,786)	8,694,143	6,002,580	38,168,964
($471,612)	$10,462,526	$5,203,810	$42,498,183

The accompanying notes are an integral part of these financial statements.

COOK COUNTY, MINNESOTA
RECONCILIATIOIN OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2023

Statement 6

Net change in fund balance - total governmental funds (Statement 5)	$4,329,219
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	11,346,129
Current expenditures capitalized	201,622
Depreciation	(3,594,953)
The loss on disposal of capital assets is not recorded as an expenditure in the funds.	(45,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in unavailable grants and state-aid	(1,724,473)
Change in delinquent property taxes	213,769
Change in long-term receivables	482,884
Issuing long-term debt provides current financial resources to governmental funds, while the repayment of debt consumes current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of bond premiums when the debt is first issued, whereas those amounts are deferred and amortized over the life of the debt in the statement of activities.	
Loans issued	(478,665)
Repayment of principal	1,759,426
Amortization of bond premiums	35,212
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in accrued interest payable	13,373
Change in compensated absences payable	(129,308)
Pension expense in governmental funds is measured by current year employer contributions. Pension expense in the statement of activities is measured by the change in the net pension liability and releted deferred inflows and outflows of resources. This is the amount by which pension expense differed from pension contributions.	(730,044)
Change in net position of governmental activities (Statement 2)	$11,679,191

The accompanying notes are an integral part of these financial statements.

COOK COUNTY, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2023

Statement 7

	Social Welfare Private Purpose Trust Fund	Custodial Funds
Assets:		
Cash and investments	$49,644	$1,573,522
Accounts receivable	-	278,793
Taxes receivable for other governments	-	235,622
Due from other governments	-	204,635
Total assets	49,644	2,292,572
Liabilities:		
Accounts payable	-	460,601
Due to other governments	-	1,128,024
Unearned revenue	-	448,155
Total liabilities	-	2,036,780
Net position:		
Restricted for individuals, organizations, and other governments	$49,644	$255,792

The accompanying notes are an integral part of these financial statements.

COOK COUNTY, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For The Year Ended December 31, 2023

Statement 8

	Social Welfare Private Purpose Trust Fund	Custodial Funds
Additions:		
Contributions	$241,272	$ -
Appropriations from counties	-	60,000
Tax collections for other governments	-	7,546,978
Lodging taxes	-	2,540,219
Fees collected for the state	-	558,297
Payments from other governments	-	1,037,330
Payments from other individuals/entities	33	11,888
Total additions	241,305	11,754,712
Deductions:		
Payment of taxes to other governments	-	7,542,156
Beneficiary payments to individuals	241,826	-
Payments to the state	-	563,119
Payments to other individuals/entities	-	3,719,306
Total deductions	241,826	11,824,581
Change in net position	(521)	(69,869)
Net position - January 1	50,165	325,661
Net position - December 31	$49,644	$255,792

The accompanying notes are an integral part of these financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cook County, Minnesota (the County) are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). 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

Cook County was established March 9, 1874, and is an organized county having the powers, duties, and privileges granted to counties by Minnesota Statutes, chapter 373. As required by GAAP, these financial statements present Cook County (the primary government) and its component units for which the County is financially accountable. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year. The County Auditor/Treasurer, elected on a County-wide basis, serves as the clerk of the Board of Commissioners but has no vote.

BLENDED COMPONENT UNIT

Blended component units are legally separate organizations but are so intertwined with a primary government that they are, in substance, the same as the primary government. Therefore, blended component units are reported as part of a primary government's operations. Cook County has one blended component unit, the Cook County Building Authority.

The Cook County Building Authority (the Building Authority) is a nonprofit corporation organized under the provisions of Minnesota Statutes, chapter 317A. The Building Authority is operated, supervised, and controlled by the County. The County Board is the governing body of the Building Authority and a benefit/burden relationship exists between the County and the Building Authority. Although the Building Authority is legally separate from the County, it is reported as part of the primary government since its sole purpose was to finance the construction of a new jail and courthouse addition. The Building Authority is currently inactive. Separate financial statements are not prepared for the Building Authority.

DISCRETELY PRESENTED COMPONENT UNITS

While part of the reporting entity, discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. Cook County has two discretely presented component units, the Cook County and Grand Marais Joint Economic Development Authority (the EDA) and the Cook County Housing and Redevelopment Authority (the HRA).

The EDA is governed by a Board of seven members, four of whom are appointed by the Cook County Board and three of whom are appointed by the Grand Marais City Council. The EDA has all of the powers, rights, duties, and obligations conferred on economic development authorities by Minnesota Statutes §§ 469.090 - 469.1081 to promote and provide incentives for economic development. Separate financial statements are available from the Cook County and Grand Marais Joint Economic Development Authority, 425 W Highway 61, P.O. Box 597, Grand Marais Minnesota 55604.

The HRA is governed by a Board of seven Commissioners who are appointed by the Cook County Board. Five Commissioners each represent one of the five districts of the County and two of the Commissioners also serve on the County Board. The HRA has rights, duties, and obligations conferred on housing and redevelopment authorities by Minnesota Statutes §§ 469.001 - 469.047 to promote and provide incentives for housing development and redevelopment. Separate financial statements are available from the Cook County Housing and Redevelopment Authority, 425 W Highway 61, Grand Marais Minnesota 55604.

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 the primary government and its component units. These statements include the financial activities of the overall County government, except for the fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are primarily supported by taxes and intergovernmental revenues.

In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resources basis of accounting, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of each function of the County are clearly identifiable with a specific function or activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues 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 fiduciary funds and its 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. All remaining governmental funds are aggregated and reported as nonmajor 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 Road and Bridge special revenue fund is used to account for revenues and expenditures of the Cook County Highway Department, which is responsible for the construction and maintenance of roads, bridges, and other projects affecting County roadways.

The Public Health and Human Services special revenue fund is used to account for health programs, economic assistance, and community social services programs.

The Airport special revenue fund is used to account for funds used for the operation and maintenance of the County airport.

The Local Option Sales Tax special revenue fund is used to account for the collection of a one percent sales and use tax to fund the construction, improvements, and additions to County community centers and public recreation areas and the collection of a half percent sales and use tax to fund transportation projects within the County.

Additionally, the County reports the following fund types:

The Leased Lakeshore Permanent Fund is used to account for funds collected from the sale of County-owned lakeshore leased lots. In accordance with 1998 Minn. Laws Ch. 389, art. 16, § 31, as amended by 1999 Minn. Laws, Ch. 180, the principal on these sales must remain in an environmental trust fund, and only the interest may be spent on improvement of natural resources.

The Social Welfare Private Purpose Trust Fund is used to account for resources legally held in a trust for the benefit of individuals.

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The County considers general revenue as available if collected within 60 days after the end of the current period, Public Health and Human Services revenues as available if collected within 90 days, and the federal payment in-lieu of tax revenue as available if collected within 180 days. 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 and acquisitions under leases are reported as other financing sources.

D. 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. Investments are reported at fair value. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value or fair value per share. Pursuant to Minnesota Statutes § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2023 were $1,823,062.

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

E. PROPERTY TAXES

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 payments due May 15 and the second half payment due October 15. Unpaid taxes as of December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable. Due to the County's ability to enforce payment of property taxes by property owners, no allowance for uncollectible accounts is reported.

F. RECEIVABLES

Receivables represent amounts owed from other governments, agencies, individuals and corporations for goods and services furnished by the County (exchange and exchange-like transactions) or as a result of nonexchange transactions, such as derived tax revenues and grants. Receivables are reported net of any estimated uncollectible accounts. See Note 5 for further details.

Leases receivable are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded in relation to the leases. The deferred inflow of resources is recorded at the commencement of the lease in an amount equal to the initial value of the lease receivable and is recognized as revenue over the lease term.

G. INVENTORIES

The Road and Bridge Special Revenue Fund inventory is valued at cost using the average cost method and consists of expendable supplies and parts held for consumption. Inventories are recorded as expenditures / expenses when consumed.

H. CAPITAL ASSETS

Capital assets, which include land, easements, buildings, vehicles, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives: 25 to 50 years for buildings, 20 years for improvements other than buildings, 4 to 15 years for furniture, equipment and vehicles, and 20 to 75 years for infrastructure.

I. COMPENSATED ABSENCES

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual, personal time off, and sick leave balances. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. UNEARNED REVENUE

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

K. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government activities column of the statement of net position. Bond premiums and discounts are 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 fund types recognize bond premiums and discounts, as well as bond insurance costs, during the current period. The face amount of the debt issued and any bond premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuances costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is the pension related deferred outflows of resources reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period and therefore will *not* be recognized as an inflow of resources (revenue) until that time. The County has pension related deferred inflows of resources reported in the government-wide statement of net position and lease related deferred inflows of resources reported in the government-wide statement of net position and the governmental funds balance sheet. The County also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: grants and state-aid, taxes, and long-term receivables.

M. DEFINED BENEFIT PENSION PLANS

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 benefits payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

N. NET POSITION

Net position in the government-wide and component unit 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.

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.

O. FUND BALANCE

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources of the governmental funds. These classifications are as follows:

Nonspendable – amounts that cannot be spent because they are not in spendable form, or 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, such as noncurrent loans, inventories, and prepaid items.

Restricted – amounts subject to external constraints imposed by creditors, grantors, contributors, laws, or regulations of other governments, or constraints imposed by law through constitutional provisions and enabling legislation.

Committed – amounts that can be used only for specific purposes as imposed by formal action (resolution) of the County Board. Those committed amounts cannot be used for other purposes unless the County 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 positive amounts not restricted or committed. In the General Fund, assigned amounts represent intended uses as determined by the County Board or by the Auditor/Treasurer.

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

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.

When committed, assigned or unassigned resources are available for use, it is the County's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

P. INTERFUND BALANCES

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

Q. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements during the reporting period. Actual results could differ from the estimates.

Note 2 JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

A. JOINT VENTURES

A joint venture is defined as a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain 1) an ongoing financial interest or 2) an ongoing financial responsibility. Generally, the purpose of a joint venture is to pool resources and share the costs, risks, and rewards of providing goods or services to the joint venture participants directly, or for the benefit of the public or specific service recipients.

The following joint ventures are not included as part of the Cook County, Minnesota financial reporting entity. Most were created via a joint powers agreement pursuant to Minnesota Statutes § 471.59.

Arrowhead Regional Corrections

The County participants with Carlton, Koochiching, Lake, and St. Louis Counties in Arrowhead Regional Corrections, which was established pursuant to the Minnesota Community Corrections Act.

Arrowhead Regional Corrections comprises three major divisions: juvenile institution services, adult institutional services, and court and field services. These divisions are composed of the five participating counties' probation departments, the Arrowhead Juvenile Detention Center, and the Northeast Regional Corrections Center. Arrowhead Regional Corrections is governed by an eight-member board, composed of one member appointed from each of the participating county's Board of Commissioners, except for St. Louis County, which has three members appointed by its Board. In addition, the right to have an additional member is annually rotated among Carlton, Cook, Koochiching, and Lake Counties.

Arrowhead Regional Corrections is financed through state grants and contributions from the participating counties. Cook County provided $342,596 in funding during 2023.

Separate financial information can be obtained from Arrowhead Regional Corrections, 320 West Second Street, Suite 303, Duluth, Minnesota 55802.

Carlton, Cook, Lake, and St. Louis Community Health Board

Carlton, Cook, Lake, and St. Louis Counties entered into a joint powers agreement to operate the Carlton, Cook, Lake, and St. Louis Community Health Board. The Community Health Board is composed of nine members. The Carlton, Cook, and Lake County Boards of Commissioners each appoint two members and the St. Louis County Board of Commissioners appoints three members. Financing is obtained through federal and state grants. Cook County provided $2,520 of funding to this organization in 2023.

Separate financial information can be obtained from the Carlton, Cook, Lake, and St. Louis Community Health Board, 404 West Superior Street, Suite 250, Duluth, Minnesota 55802.

Northeast Minnesota Office of Job Training

Aitkin, Carlton, Itasca, Koochiching, Lake, and St. Louis Counties (excluding the City of Duluth) entered into a joint powers agreement to develop and implement a private and public job training program. The United States Congress, through the Job Training Partnership Act of 1982, authorized states to establish "service delivery areas" to provide programs to achieve full employment through the use of grants. The counties identified above are defined as a "service delivery area" and the Northeast Minnesota Office of Job Training is designed as the grant recipient and administrator for the service delivery area. Cook County is not a funding mechanism for this organization. The governing body is composed of seven members, one member from the Board of Commissioners of each of the participating counties.

Separate financial information can be obtained from the Northeast Minnesota Office of Job Training, 820 North 9th Street, Suite 240, Virginia, Minnesota 55792.

Minnesota Counties Information System

Aitkin, Carlton, Cass, Chippewa, Cook, Crow Wing, Dodge, Itasca, Koochiching, Lac qui Parle, Lake, Sherburne, and St. Louis Counties entered into a joint powers agreement to operate and maintain data processing facilities and management information systems for use by its members. The Minnesota Counties Information System (MCIS) is governed by a 13-member Board, composed of a member appointed by each of the participating county's Board of Commissioners. Financing is obtained through user charges to the member. Lake County is the fiscal agent for the MCIS. Each County's share of the assets and liabilities cannot be accurately determined since it will depend on the number of counties that are members when the agreement is dissolved.

Separate financial information can be obtained from the Minnesota Counties Information System, 413 Southeast 7th Avenue, Grand Rapids, Minnesota 55744.

Northern Counties Land Use Coordinating Board

The Northern Counties Land Use Coordinating Board was established to help formulate land use plans for the protection, sustainable use, and development of lands and natural resources. Its members are Aitkin, Cook, Koochiching, Lake, Lake of the Woods, Pennington, Roseau, and St. Louis Counties. Three elected County Commissioners from St. Louis County and two from each of the other counties comprise the membership of the Board. St. Louis County handles all the financial transactions for this organization through the Northern Counties Land Use Board Agency Fund.

Cook County provided $2,000 of funding in 2023.

Separate financial information can be obtained from the Northern Counties Land Use Coordinating Board, St. Louis County Courthouse, 100 North Avenue West, #201, Duluth, Minnesota 55802.

North Shore Collaborative

The North Shore Collaborative was established in 1995 pursuant to Minnesota Statutes § 124D.23. The Collaborative includes Cook County, Lake County, Independent School District 381, Independent School District 166, and the Grand Portage Reservation. The purpose of the Collaborative is to form a coalition of agencies, schools, and communities along the North Shore that will systemically address the mental health and other needs of the whole person for all children and youth; ensure their graduation from high school; and assist them in becoming healthy, happy, productive citizens.

Control of the North Shore Collaborative is vested in a Board of Directors. Financing is provided by state and federal grants, appropriation from the Collaborative members, and miscellaneous revenues. Lake County is the fiscal agent for the Collaborative and handles all financial transactions for the organization. During the current year, Cook County did not contribute to the North Shore Collaborative.

Separate financial information can be obtained from Lake County, 601 3rd Avenue, Two Harbors, Minnesota 55616.

Arrowhead Health Alliance

Carlton, Cook, Koochiching, Lake, and St. Louis Counties participate in the Arrowhead Health Alliance to organize, govern, plan, and administer a county-based purchasing entity to participate in prepaid health care programs through the Minnesota Department of Human Services and the federal Centers for Medicare and Medicaid Services. Control of the Arrowhead Health Alliance is vested in Board of Directors composed of one representative from each of the member counties. Carlton County is the fiscal agent for the Alliance.

Cook County contributed $30,373 in start-up funds to the Arrowhead Health Alliance in 2007. The County provided no further funding in 2023.

Northeast Minnesota Emergency Communications Board

The Northeast Minnesota Emergency Communications Board was established to provide for regional administration of enhancements to the Statewide Public Safety Radio and Communication System (ARMER) and to enhance and improve interoperable public safety communications.

The members are the counties of Aitken, Carlton, Cass, Cook, Crow Wing, Itasca, Kanabec, Koochiching, Lake, Pine, and St. Louis, and the cities of Duluth, Hibbing, International Falls, and Virginia. Control of the Northeast Minnesota Emergency Communications Board is vested in a Board of Directors composed of one County Commissioner from each of the member counties and one City Council member from each of the member cities. In addition, there is one member from the Northeast Minnesota Regional Radio System User Committee, and one member from the Northeast Minnesota Owners and Operations Committee who are also voting members of the Board. St. Louis County is the fiscal agent for the Northeast Minnesota Emergency Communications Board. Funding is provided by grants, and contributions from participating members. During the current year, Cook County provided no funding to the Board.

Separate financial information can be obtained from St. Louis County, 100 North 5th Avenue West, Room 201, Duluth, Minnesota 55802.

B. JOINTLY GOVERNED ORGANIZATIONS

A jointly governed organization is defined as a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that created the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

The following jointly governed organizations are not included as part of the Cook County, Minnesota financial reporting entity.

North Shore Management Board

The North Shore Management Board provides Lake Superior Shoreline planning for Cook, Lake, and St. Louis Counties, the Cities of Beaver Bay, Grand Marais, Silver Bay, and Two Harbors, and the towns of Duluth and Lakewood. During the current year, Cook County provided $2,500 of funding to the board.

Community Health Information Collaborative

The Community Health Information Collaborative (CHIC) Joint Powers Board promotes an implementation and maintenance of a regional immunization information system to ensure age-appropriate immunizations through the complete and accurate records. Cook County did not contribute to the CHIC during the current year.

Region Two – Northeast Minnesota Homeland Security Emergency Management Organization

Region Two – Northeast Minnesota Homeland Security Emergency Management Organization was established to provide for regional coordination of planning, training, purchase of equipment, and allocating emergency services and staff in order to better respond to emergencies and natural or other disasters within the region. Control is vested in a board, which is composed of representatives appointed by each Board of County Commissioners. Cook County's responsibility does not extend beyond making this appointment.

Minnesota Criminal Justice Data Communications Network

The Minnesota Criminal Justice Data Communications Network exists to create access for the County Sheriff and County Attorney to systems and tools available from the State of Minnesota, Department of Public Safety, and the Bureau of Criminal Apprehension to carry out criminal justice. During the year, Cook County paid $2,355 to the Network.

Minnesota Rural Counties Caucus

The Minnesota Rural Counties Caucus was established in 1997 and includes Aitkin, Beltrami, Clay, Clearwater, Cook, Douglas, Grant, Itasca, Kittson, Koochiching, Lake of the Woods, Mahnomen, Marshall, McLeod, Mille Lacs, Norman, Otter Trail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, and Traverse Counties. Control of the Caucus is vested in the Minnesota Rural Counties Caucus Executive Committee, which is composed of ten directors, each with an alternative, who are appointed annually by each respective County Board. Cook County's responsibility does not extend beyond making this appointment.

Note 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEFICIT FUND BALANCE

The Airport fund had deficit fund equity of $471,612 as of December 31, 2023. The deficit is expected to be eliminated through the collection of a long-term receivable, which is currently offset by unavailable revenue, and future tax levies.

B. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the following major funds: the General Fund and the Road and Bridge, Public Health and Human Services, Airport, and Local Option Sales Tax Special Revenue Funds. All annual appropriations lapse at fiscal year-end. The County carries reserves over from year to year. The County Board may assign a specific use for some of the fund balances.

In July of each year, all departments and agencies submit requests for appropriations to the County Auditor/Treasurer so that a budget can be prepared. Before September 15, the proposed budget is presented to the County Board for review. A final budget is adopted by the Board and certified to the Auditor/Treasurer by December 28.

The appropriated budget is prepared by fund, function, and department. Department heads may make transfers of appropriations within a department with County Auditor/Treasurer approval. Transfers of appropriations between departments and/or funds require approval of the County Board. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the fund level.

For the year ended December 31, 2023, expenditures exceeded appropriations in the following funds:

	Actual	Final Budget	Overage
General Fund	$13,515,264	$11,811,671	$1,703,593
Road and Bridge Fund	14,624,412	14,264,571	359,841
Airport Fund	340,853	181,665	159,188
Debt Service Fund	2,239,452	219,831	2,019,621

For the General Fund and the Road and Bridge Fund, intergovernmental revenue was over budget by $3,537,548 and $647,412, respectively, and was the primary source used to fund the expenditure overages. Future property tax revenue and the collection of a long-term receivable are expected to fund the overage in the Airport Fund, while taxes and transfers funded the majority of the overage in the Debt Service Fund.

Note 4 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the County maintains its deposits at depository banks authorized by the County Board. All such banks are members of the Federal Reserve System.

Minnesota Statutes require that all County deposits be protected by insurance, surety bonds or collateral. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the County or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

Custodial Credit Risk – Deposits – the risk that in the event of a bank failure, the County's deposits may not be returned to it. It is the County's policy to minimize 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 a perfected security interest under federal law.

As of December 31, 2023, the bank balance of the County's deposits with financial institutions was $2,258,033 and the carrying amount was $1,640,681. All deposits were covered by federal depository insurance or by collateral pledged and held in the County's name.

B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the County to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trusts and guaranteed investment contracts.

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

Investment Type	Rating	Fair Value	Investment Maturities (in Years) Less Than 1	1 - 5	Greater Than 5
Brokered certificates of deposit	Not rated	$5,604,308	$695,385	$4,425,220	$483,703
Federal agencies	Aaa	11,989,894	526,981	11,462,913	-
Gov't National Mortgage Assn notes*	Aaa	4,179,089	72	497,978	3,681,039
MAGIC Fund	Not rated	16,284,551	16,284,551	-	-
Money market mutual funds	Not rated	104,701	104,701	-	-
U.S. Treasury notes	Aaa	69,442	69,442	-	-
Total		$38,231,985	$17,681,132	$16,386,111	$4,164,742

*The GNMA notes have maturity dates from 05/15/2024 to 5/20/2053. Significant portions of these notes are often called prior to their final maturity date.

Total investments	$38,231,985
Deposits	1,640,681
Cash on hand	1,317
Total cash and investments	$39,873,983

The following is a reconciliation of total cash and investment balances as of December 31, 2023:

Cash and investments - primary government:	
Cash and investments (Statement 1)	$38,250,817
Fiduciary funds (Statement 7)	1,623,166
Total cash and investments	$39,873,983

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. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The County has the following recurring fair value measurements as of December 31, 2023:

Investment Type	12/31/2023	Fair Value Measurement Using Level 1	Level 2	Level 3
Investments at fair value:				
Brokered certificates of deposit	$5,604,308	$ -	$5,604,308	$ -
Federal agencies	11,989,894	-	11,989,894	-
Gov't National Mortgage Assn notes	4,179,089	-	4,179,089	-
U.S. Treasury notes	69,442	69,442	-	-
		$69,442	$21,773,291	$ -
Investments not categorized:				
External investment pool - MAGIC Fund	16,284,551			
Money market mutual funds	104,701			
Total investments	$38,231,985			

The MAGIC Fund 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 restriction 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 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 NAV not reasonably practical.

The County invests money market funds for the benefit of liquid investment that can be readily re-invested or made available for use. Money market funds held by the County seek a constant NAV of $1.00 per share. The money market fund reserves the right to require one or more days' prior notice before permitting withdrawals.

C. INVESTMENT RISKS

Interest rate risk – 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 cash flow and liquidity needed for operations.

Credit risk – the risk that an issuer of an investment will not fulfill its obligations to the holder of an 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.

Custodial credit risk - investments – for an investment, this 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. It is the County's policy to minimize custodial credit risk by permitting brokers to hold investments for Cook County only to the extent there is Securities Investor Protection Corporation (SIPC) and excess SIPC coverage available, and securities purchased that exceed available SIPC coverage will be transferred to the County's custodian.

Concentration of credit risk – the risk of loss that may be caused by the County's investment in a single issuer. It is the policy of the County to diversity investments to avoid risk. As of December 31, 2023, Federal Home Loan Bank bonds comprised 24.1%, Federal Home Loan Mortgage Corporation notes comprised 6.6% and Government National Mortgage Association notes comprised 10.9% of the County's total investments, respectively.

Note 5 RECEIVABLES

A. DUE FROM COMPONENT UNITS

As of December 31, 2023, the amount reported as due from component units, all of which was due from the EDA, was $1,843,381 and consisted of the following:

Due From Component Units - EDA	Amount
Reimbursement of personnel costs	$28,381
Superior National at Lutsen	
Golf Course loan	2,169,972
Subtotal	2,198,353
Allowance for uncollectible accounts	(354,972)
Total	$1,843,381

An allowance for uncollectible accounts in the amount of $354,972 is reported relating to the Superior National at Lutsen Golf Course loan. An uncertainty exists about the ability of the golf course to generate sufficient cash flows to repay its obligation to the County.

B. LOANS RECEIVABLE

Loans receivable as of December 31, 2023 consisted of the following:

Description	Amount
Revolving loan fund loans are reported in the General Fund. At year-end, the County had 29 revolving loans outstanding. The loans are payable at interest rates ranging from 2.38% to 6.00%. Scheduled collections range from one to twenty years.	$1,255,410
Fire loans are reported in the General Fund. The County loans funds to fire districts for the purchase of equipment and construction of fire halls. Fire loans are repaid through fire district tax levies. Scheduled collections of fire loans range from ten to twenty years and bear an interest rate of 1%.	806,516
SSTS loans are reported in the General Fund. The loan program is funded by the Minnesota Department of Agriculture. Loans bear an interest rate of 3% and are collectable over a 10-year term.	1,366,401
Three outstanding other loans are reported in the General Fund. Two of the loans mature in 2024 and the third matures in 2027.	12,275
A workforce housing loan is reported in the Debt Service Fund. The loan represents future revenue pledged to the County from the Lutsen Workforce Housing Project for repayment of the G.O. Tax Abatement Bonds of 2018B (principal and interest). Final payment is due in 2037 and the loan bears interest rates ranging from 3.38 - 4.25%.	1,454,637
	$4,895,239

C. LEASES RECEIVABLE

The County leases tower space, primarily to private cellular companies. Most leases are non-cancellable for a period of five years, with one to five renewal periods of five years each at the lessee's option. The County considers the likelihood of these options being exercised to be greater than 50%. The agreements call for monthly lease payments of $414 to $4,152, with increases of 0% to 3% per year. Lease receivables are measured at the present value of future minimum lease payments expected to be received during the lease term.

At December 31, 2023, the County recorded $4,603,113 of leases receivable and deferred inflows of resources for these arrangements. Lease-related inflows of resources (e.g. revenue) recognized during the year ended December 31, 2023 were $215,995. No variable lease payments were received.

D. BALANCES NOT EXPECTED TO BE COLLECTED WITHIN ONE YEAR

Significant receivable balances not expected to be collected within one year of December 31, 2023 are as follows:

	Major Funds			
	General Fund	Airport Fund	Nonmajor Funds	Total
Accounts receivable	$ -	$295,317	$ -	$295,317
Due from component units - net	1,815,000	-	-	1,815,000
Loans receivable	3,029,139	-	1,379,166	4,408,305
Leases receivable	4,378,928	-	-	4,378,928
Total	$9,223,067	$295,317	$1,379,166	$10,897,550

Note 6 CAPITAL ASSETS

Capital asset activity of the primary government for the year ended December 31, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land and easements	$2,330,392	$3,431	$45,000	$2,288,823
Construction in progress	9,304,327	10,791,002	8,491,371	11,603,958
Total capital assets, not being depreciated	11,634,719	10,794,433	8,536,371	13,892,781
Capital assets, being depreciated:				
Buildings	24,130,749	112,279	-	24,243,028
Improvements other than buildings	1,367,983	85,000	-	1,452,983
Furniture, equipment and vehicles	13,978,198	556,039	180,113	14,354,124
Infrastructure	97,931,756	8,491,371	-	106,423,127
Total capital assets, being depreciated	137,408,686	9,244,689	180,113	146,473,262
Less accumulated depreciation for:				
Buildings	9,160,657	615,933	-	9,776,590
Improvements other than buildings	945,107	58,985	-	1,004,092
Furniture, equipment and vehicles	11,815,744	648,919	180,113	12,284,550
Infrastructure	33,249,628	2,271,116	-	35,520,744
Total accumulated depreciation	55,171,136	3,594,953	180,113	58,585,976
Total capital assets being depreciated - net	82,237,550	5,649,736	-	87,887,286
Total capital assets - net	$93,872,269	$16,444,169	$8,536,371	$101,780,067

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

General government	$292,583
Public safety	254,658
Highways and streets, including infrastructure	2,011,757
Sanitation	48,097
Culture and recreation	283,264
Conservation of natural resources	2,242
Economic development	701,120
Public health	1,232
Total depreciation expense	$3,594,953

Note 7 INTERFUND ACTIVITY

A. DUE FROM/TO OTHER FUNDS

Amounts reported as due from and due to other funds as of December 31, 2023 are as follows:

	Due From Other Funds	Due To Other Funds
Major Funds:		
General fund	$649,083	$ -
Airport fund	-	649,083
Total	$649,083	$649,083

The General Fund provided a temporary loan to the Airport Fund to eliminate a deficit cash balance.

B. TRANSFERS

Interfund transfers made during the year ended December 31, 2023 are summarized as follows:

	Transfers In	Transfers Out
Major Funds:		
Road and Bridge fund	$1,127,183	$ -
Local Option Sales Tax fund	-	1,908,176
Nonmajor Funds:		
Debt Service fund	1,763,553	-
Capital Projects fund	-	982,560
Total	$2,890,736	$2,890,736

Transfers were made from the Local Option Sales Tax Fund to provide resources for debt service payments and for road and bridge projects. Transfers were made from the Capital Projects fund to provide resources for road and bridge projects. All transfers are considered routine and consistent with previous practices.

Note 8 LONG-TERM LIABILITIES

The County issues long-term debt to provide financing for the acquisition and construction of major capital equipment, facilities and improvement projects. As of December 31, 2023, the long-term debt of the primary government consisted of the following:

Type of Indebtedness	Final Maturity	Interest Rates	Original Issue	Payable 12/31/2023
General Obligation Bonds:				
Sales Tax Revenue Bonds:				
Taxable Sales Tax Revenue Refunding Bonds of 2020A	2033	1.15-2.00%	10,205,000	9,290,000
Transportation Sales Tax Revenue Bonds of 2021A	2042	2.00%	5,910,000	5,680,000
Total sales tax revenue bonds			16,115,000	14,970,000
Tax Abatement Bonds:				
Tax Abatement Bonds of 2014A	2037	1.10-3.50%	2,410,000	1,815,000
Taxable Tax Abatement Bonds of 2018B	2039	3.38-4.25%	1,620,000	1,540,000
Total tax abatement bonds			4,030,000	3,355,000
Capital Improvement Bonds:				
Capital Improvement Bonds of 2018A	2039	3.00-3.50%	9,135,000	7,720,000
General Obligation Notes:				
Capital Equipment Notes of 2018A	2026	3.00%	410,000	185,000
Total general obligation debt			29,690,000	26,230,000
Lease purchase agreement	2025	2.98%	225,920	117,766
Loan payable to State of Minnesota	2034	0.00%	1,558,808	1,341,062
Unamortized bond premiums			598,283	461,985
Compensated absences payable			n/a	1,076,648
Total indebtedness - primary government			$32,073,011	$29,227,461

Annual debt service requirements to maturity for long-term debt, excluding unamortized bond premiums and compensated absences payable, are as follows:

Year Ending December 31	G.O. Bonds and Notes Principal	G.O. Bonds and Notes Interest	Lease Purchase Agreement Principal	Lease Purchase Agreement Interest	Loan Payable to State of MN Principal	Loan Payable to State of MN Interest
2024	$1,635,000	$627,229	$36,487	$3,513	$82,994	$ -
2025	1,695,000	588,220	81,279	2,432	202,743	-
2026	1,745,000	547,556	-	-	195,352	-
2027	1,740,000	506,226	-	-	188,698	-
2028	1,785,000	468,356	-	-	160,614	-
2029-2033	9,890,000	1,746,816	-	-	476,754	-
2034-2038	5,590,000	721,066	-	-	33,907	-
2039-2042	2,150,000	69,975	-	-	-	-
Total	$26,230,000	$5,275,444	$117,766	$5,945	$1,341,062	$ -

CHANGE IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds:					
Sales tax revenue bonds	$15,965,000	$ -	$995,000	$14,970,000	$1,045,000
Tax abatement bonds	3,500,000	-	145,000	3,355,000	150,000
Capital improvement bonds	8,090,000	-	370,000	7,720,000	380,000
Capital equipment notes	245,000	-	60,000	185,000	60,000
Total general obligation debt	27,800,000	-	1,570,000	26,230,000	1,635,000
Lease purchase agreement	153,197	-	35,431	117,766	36,487
Loan payable to State of MN	1,016,392	478,665	153,995	1,341,062	82,994
Unamortized bond premiums	497,197	-	35,212	461,985	-
Compensated absences payable*	947,340	129,308	-	1,076,648	662,646
Total long-term liabilities	$30,414,126	$607,973	$1,794,638	$29,227,461	$2,417,127

*The change in compensated absences is presented as a net change.

For its general obligation debt, the County has covenanted to provide ongoing disclosure of certain annual financial information and operating data with respect to the County, including audited financial statements.

LOAN PAYABLE TO STATE OF MINNESOTA

The County provides low interest subsurface sewage treatment system (SSTS) loans to qualifying landowners (see Note 5). The purpose of the loans is to address local water quality and pollution problems. The County is responsible for administering and collecting the SSTS loans. Loan funding is provided by the Minnesota Department of Agriculture. Funding received from the state to finance the loans must be repaid to the state in semi-annual installments on April 1 and October 1 of each year, regardless of whether the County collects on the loan receivable due from the landowner. The repayment term to the state coincides with the repayment term of the loan receivable, which is generally ten years. The amount owed to the state is non-interest bearing.

REVENUE PLEDGED

Future revenue pledged for the payment of long-term debt is as follows:

		Revenue Pledged				Current Year	
Bond Issue	Use of Proceeds	Type	Percent of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
Sales Tax Revenue Bonds of 2020A	Infrastructure improvements	Local option sales tax	100%	2021-2032	$10,094,479	$929,528	$930,003
Sales Tax Revenue Bonds of 2021A	Infrastructure improvements	Transportation tax	100%	2022-2041	$6,825,400	$345,900	$346,375
Tax Abatement Bonds of 2014A	Golf course improvements	Payments from golf course and lodging taxes	100%	2015-2036	$2,267,500	$163,220	$179,031
Tax Abatement Bonds of 2018B	One Roof Community Housing project	Housing project reimbursements	100%	2019-2038	$2,146,923	$101,791	$59,302
Capital Improvement Bonds of 2018A	Capital improvements	Transportation tax Property tax	78% 22%	2019-2038	$7,735,963 $2,241,706	$484,675 $142,913	$487,175 $147,202
Capital Equipment Notes of 2018A	Equipment purchases	Property tax	100%	2019-2025	$193,475	$66,450	$68,771
Lease purchase agreement	Excavator purchase	Road and Bridge revenue	100%	2021-2025	$123,711	$40,000	$2,560,939
Loan payable to State of Minnesota	Septic loans	Septic loan assessments	100%	2023-2034	$1,341,062	$153,995	$204,557

Note 9 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.

1. General Employees Retirement Fund (GERF)

   All full-time (with the exception of employees covered by PEPFF) and certain part-time employees of the County are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Fund (PEPFF)

   The PEPFF, 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 PEPFF also covers police officers and firefighters belonging to local relief associations 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.

1. GERF Benefits

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% for each of the first ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% 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% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. PEPFF Benefits

Benefits for PEPFF members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014 vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF 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 will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. CONTRIBUTIONS

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

1. GERF Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the County was required to contribute 7.50%. The County's contributions to the GERF for the year ended December 31, 2023 were $635,683. The County's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the County was required to contribute 17.70%. The County's contributions to the PEPFF for the year ended December 31, 2023 were $231,351. The County's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

1. GERF Pension Costs

At December 31, 2023, the County reported a liability of $5,776,420 for its proportionate share of GERF'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 $159,314.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.1033% at the end of the measurement period and 0.0930% for the beginning of the period.

County's proportionate share of the net pension liability	$5,776,420
State of Minnesota's proportionate share of the net pension liability associated with the County	159,314
Total	$5,935,734

For the year ended December 31, 2023, the County recognized pension expense of $1,129,836 for its proportionate share of the GERF's pension expense. In addition, the County recognized an additional $716 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the GERF.

At December 31, 2023, the County reported its proportionate share of the GERF'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	$189,700	$41,777
Changes in actuarial assumptions	979,883	1,583,268
Difference between projected and actual investment earnings	-	270,317
Changes in proportion	535,418	-
Contributions paid to PERA subsequent to the measurement date	321,133	-
Total	$2,026,134	$1,895,362

The $321,133 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2024	$391,886
2025	(718,873)
2026	261,936
2027	(125,310)
2028	-
Thereafter	-

2. PEPFF Pension Costs

At December 31, 2023, the County reported a liability of $1,697,513 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.0983% at the end of the measurement period and 0.0929% for the beginning of the period.

The State of Minnesota also contributed $18 million to PEPFF during the plan fiscal year ended June 30, 2023. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation. The direct state aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay $9 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The $9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled $68,404.

County's proportionate share of the net pension liability	$1,697,513
State of Minnesota's proportionate share of the net pension liability associated with the County	68,404
Total	$1,765,917

The State of Minnesota is included as a non-employer contributing entity in the PEPFF 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. PEPFF 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, 2023, the County recognized pension expense of $476,089 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized an additional ($4,120) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $9 million to the PEPFF.

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 $8,847 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2023, the County reported its proportionate share of the PEPFF'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	$469,189	$ -
Changes in actuarial assumptions	1,979,015	2,386,974
Difference between projected and actual investment earnings	-	94,185
Changes in proportion	85,040	75,851
Contributions paid to PERA subsequent to the measurement date	120,724	-
Total	$2,653,968	$2,557,010

The $120,724 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as outflows:

Year Ending December 31,	Pension Expense
2024	$79,844
2025	620
2026	414,358
2027	(109,981)
2028	(408,607)
Thereafter	-

The net pension liability will be liquidated by the general fund and other governmental funds that have personal services.

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 7.00% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERF and 1.00% for the PEPFF.

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the PEPFF, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for GERF were based on the Pub-2010 General Employee Mortality Table. Mortality rates for PEPFF were based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for GERF are reviewed every four years. The most recent four-year experience study for GERF was completed in 2022. The assumption changes were adopted by the Board and become effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020 and adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

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

General Employees Fund
Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of $170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund
Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of $19.4 million was contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25%	0.75%
Private markets	25%	5.90%
Total	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2023 was 7.00%. 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 GERF and PEPFF 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.

G. 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 (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Proportionate share of the GERF net pension liability	$10,218,951	$5,776,420	$2,122,270
Proportionate share of the PEPFF net pension liability	$3,368,069	$1,697,513	$324,093

H. PENSION PLAN FIDUCIARY NET POSITION

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

I. PENSION EXPENSE

Total pension expense recognized by the County for the year ended December 31, 2023 is as follows:

GERF	$1,130,552
PEPFF	471,969
Total	$1,602,521

Note 10 FUND BALANCE CLASSIFICATIONS

As of December 31, 2023, a summary of fund balance classifications is as follows:

	General Fund	Road and Bridge	Public Health and Human Services	Airport	Local Option Sales Tax	Nonmajor Funds	Total
Nonspendable:							
Golf Course loan	$1,815,000	$ -	$ -	$ -	$ -	$ -	$1,815,000
Inventories	-	642,055	-	-	-	-	642,055
Environmental improvements	-	-	-	-	-	584,434	584,434
Total nonspendable	1,815,000	642,055	-	-	-	584,434	3,041,489
Restricted for:							
Conceal and carry	43,073	-	-	-	-	-	43,073
Aquatic invasive species	828,207	-	-	-	-	-	828,207
Forest access roads	27,089	-	-	-	-	-	27,089
Revolving loans	741,139	-	-	-	-	-	741,139
20% unorganized townships	29,832	-	-	-	-	-	29,832
Recorder's equipment	228,893	-	-	-	-	-	228,893
Sheriff's contingency fund	5,000	-	-	-	-	-	5,000
Law library	65,958	-	-	-	-	-	65,958
Enhanced 911	371,187	-	-	-	-	-	371,187
Timber development	90,610	-	-	-	-	-	90,610
Parks and recreation	159,119	-	-	-	-	-	159,119
DNR snowmobile	11,412	-	-	-	-	-	11,412
Extension services	14,551	-	-	-	-	-	14,551
Forfeitures	15,259	-	-	-	-	-	15,259
National Forest Title III	76,260	-	-	-	-	-	76,260
Special projects	-	-	-	-	6,835,875	-	6,835,875
Transportation projects	-	-	-	-	3,626,651	-	3,626,651
Debt service	-	-	-	-	-	2,174,282	2,174,282
Capital projects	-	-	-	-	-	687,398	687,398
Enviromental improvements	-	-	-	-	-	344,821	344,821
Total restricted	2,707,589	-	-	-	10,462,526	3,206,501	16,376,616
Committed for:							
Telephone and copiers	232,371	-	-	-	-	-	232,371
EMS training	19,291	-	-	-	-	-	19,291
Data processing equipment	301,772	-	-	-	-	-	301,772
Enhanced 911	21,029	-	-	-	-	-	21,029
Sheriff's cars	210,484	-	-	-	-	-	210,484
Landfill future development	19,257	-	-	-	-	-	19,257
County cars	146,956	-	-	-	-	-	146,956
County landings maintenance	75,715	-	-	-	-	-	75,715
Software	55,752	-	-	-	-	-	55,752
GIS projects	30,880	-	-	-	-	-	30,880
Food backpack program	34,373	-	-	-	-	-	34,373
Tower capital	377,650	-	-	-	-	-	377,650
Septic loans	400,000	-	-	-	-	-	400,000
Other	34,394	-	-	-	-	-	34,394
Total committed	1,959,924	-	-	-	-	-	1,959,924
Assigned for:							
Highways and streets	-	3,397,080	-	-	-	-	3,397,080
Health and human services	-	-	3,872,606	-	-	-	3,872,606
Building improvements	-	-	-	-	-	1,304,105	1,304,105
Capital projects	-	-	-	-	-	108,770	108,770
Total assigned	-	3,397,080	3,872,606	-	-	1,412,875	8,682,561
Unassigned	12,909,205	-	-	(471,612)	-	-	12,437,593
Total	$19,391,718	$4,039,135	$3,872,606	($471,612)	$10,462,526	$5,203,810	$42,498,183

Note 11 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of; damage to, or destruction of assets; errors in omissions; injuries to employees or natural disasters. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. For group health insurance, the County belongs to the Northeast Service Cooperative (NESC). For other risks, the County carries commercial insurance. There were no significant reductions in insurance from the previous year or settlements in excess of 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 2022 and 2023. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

The NESC is a joint power entity which sponsors a plan to provide group and employee health benefits to its participating members. All members pool premiums and losses; however, a particular member may receive increases or decreases depending on a good or bad year of claims experience. Premiums are determined annually by the NESC and are based partially on the experience of the County and partially on the experience of the group. The NESC solicits proposals from carriers and negotiates the contracts.

Note 12 COMMITMENTS AND CONTINGENCIES

A. CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount of any funding or 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.

B. LITIGATION

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

C. COMMITMENTS

In May 2015, Cook County entered into a joint powers agreement with the City of Grand Marais and the Cook County and Grand Marais Joint Economic Development Authority for the reassessment of business park lots for the EDA's Cedar Gove Business Park project and for clarity in determining contributions for servicing the debt service on this project. Under the original agreement, the City would receive the first $60,000 on the sale of each lot to cover the debt payments; however, based on current valuations, the lot sales are not expected to cover the debt payments. The revised agreement states all proceeds from the future sales of the business park lots will go into a reserve account with the city to be used for redemption of the debt service on the project, Bond Series 2009A, which had an original face value of $1,685,000.

Cook County shall annually pay the city, on or before July 1 each year, an amount which constitutes 50% of the net annual bond payment in accordance with the debt service payment schedule of the bond, less any proceeds from lot sales. The amount of the future liability to the County cannot be determined as it is contingent on the sales of the business lots.

Note 13 TAX-FORFEITED LAND

Cook County manages approximately 4,313 acres of state-owned tax-forfeited land. This land generates revenues primarily from recreational land leases and land and timber sales. Land management costs, including forestry costs such as site preparation, seedlings, tree planting, and logging roads, are accounted for as current operating expenditures. Revenues in excess of expenditures are distributed to the County and cities, towns, and school districts within the County according to state statute.

Note 14 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 99 *Omnibus 2022*. The provisions of this Statement contain multiple effective dates, the last being for reporting periods beginning after June 15, 2023.

Statement No. 100 *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 102 *Certain Risk Disclosures.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2024.

Statement No. 103 *Financial Reporting Model Improvements.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

Statement No. 104 *Disclosure of Certain Capital Assets.* The provisions of this Statement are effective for Reporting periods beginning after June 15, 2025.

The effect these standards may have on future financial statements is not determinable at this time.

Note 15 SUBSEQUENT EVENT

On March 28, 2024, the County issued $2,570,000 of General Obligation Bonds, Series 2024A, which will be used to finance improvements to the County Courthouse, Law Enforcement Center, Public Works Facility, and Community Center. The bonds bear a coupon interest rate of 4.00% and have a final maturity date of February 1, 2040.

Note 16 COMPONENT UNIT DISCLOSURES – COOK COUNTY / GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In addition to those identified at Note 1, the County's discretely presented component unit has the following significant accounting policies:

Reporting Entity
The Cook County / Grand Marais Joint Economic Development Authority (the EDA) is governed by a seven-member Board. Four members are appointed by the Cook County Board of Commissioners and three members are appointed by the Grand Marais City Council. The EDA is considered a component unit of Cook County. The EDA has one blended component unit, the CRMGC, LLC. CRMGC, LLC did not report any financial activity in 2023 and separate financial statements are not prepared.

Basis of Accounting
The EDA's governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Its enterprise fund and government-wide financial statements are reported using the economic resources measurement focus and full accrual basis of accounting.

Property Taxes
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 payments due May 15 and the second half payment due October 15. Unpaid taxes as of December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable. Due to the County's ability to enforce payment of property taxes by property owners, no allowance for uncollectible accounts is reported.

Inventories
Inventory consists of golf course merchandise for resale. All inventories are valued at lower of cost or market using the first in/first out method. Inventories are recorded as expenses when consumed.

Land Held for Resale
Land held for resale comprises the business lots for sale in the Cedar Grove Business Park. The EDA constructed the Cedar Grove Business Park within the City of Grand Marais to provide land sites for new or existing businesses. The lots are valued at the lower of historical cost or fair market value.

Capital Assets
Capital assets are defined by the EDA as assets with an initial, individual cost of more than $1,000. Such assets are recorded at historical cost, except for land which was donated. Donated capital assets are recorded at acquisition value. 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. Land improvements, buildings and structures, clubhouse and course equipment are depreciated using the straight-line method over the following estimated useful lives: 30 years for land improvements, 20 years for buildings and structures, 3 to 20 years for clubhouse and course equipment, and 3 to 5 years for right to use leased assets.

Risk Management
The EDA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The EDA purchases commercial insurance for all risks of loss. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for the past three fiscal years.

B. DEPOSITS AND INVESTMENTS

In accordance with Minnesota Statutes, the EDA maintains its deposits at depository banks authorized by the EDA Board. All such banks are members of the Federal Reserve System.

Minnesota Statutes require that all EDA deposits be protected by insurance, surety bonds or collateral. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the EDA or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

Custodial Credit Risk – Deposits – the risk that in the event of a bank failure, the EDA's deposits may not be returned to it. The EDA does not have a policy pertaining to custodial credit risk that is more restrictive than Minnesota Statutes.

As of December 31, 2023, the bank balance of the EDA's deposits with financial institutions was $998,172 and the carrying amount was $994,058. The EDA also had $1,110 of cash on hand. Depository insurance and pledged collateral insured $735,527 of the EDA's deposits as of December 31, 2023. No collateral was pledged to protect the remaining $262,645 of deposits.

Minnesota Statutes 118A.04 and 118A.05 outline authorized investments for governmental entities. During 2023, the EDA did not have any such investments.

C. RECEIVABLES

As of December 31, 2023, receivables of the EDA consisted of the following:

	Total Receivables	Amounts Not Expected to be Collected Within One year
General Fund:		
Taxes	$29,451	$5,000
Loans receivable	27,239	25,889
Golf course fund:		
Sales tax refund	55,725	-
Total receivables	$112,415	$30,889

D. CAPITAL ASSETS

Capital asset activity of the EDA for the year ended December 31, 2023 Is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$213,685	$ -	$ -	$213,685
Capital assets, being depreciated:				
Land improvements	10,646,513	-	-	10,646,513
Buildings and structures	495,446	28,350	-	523,796
Clubhouse and course equipment	1,475,384	137,080	790,760	821,704
Right to use leased assets	347,232	-	-	347,232
Total capital assets, being depreciated	12,964,575	165,430	790,760	12,339,245
Less accumulated depreciation for:				
Land improvements	5,031,015	283,554	-	5,314,569
Buildings and structures	394,417	10,282	-	404,699
Clubhouse and course equipment	1,120,313	79,094	629,625	569,782
Right to use leased assets	86,474	86,474	-	172,948
Total accumulated depreciation	6,632,219	459,404	629,625	6,461,998
Total capital assets being depreciated - net	6,332,356	(293,974)	161,135	5,877,247
Total EDA capital assets - net	$6,546,041	($293,974)	$161,135	$6,090,932

All depreciation and amortization expense was charged to the Golf Course function of the EDA.

E. LEASE LIABILITIES

As of December 31, 2023, the EDA had two outstanding leases associated with Superior National at Lutsen Golf Course (SNL).

Golf cart lease
SNL leases 72 golf carts. Five seasonal lease payments of $8,283 are required each year through 2024, plus a final payment of $144,000 is due November 1, 2024. After all lease payments are made, SNL has the option to purchase the golf carts for $1. The lease liability is measured at a discount rate of 3.39%. The lease liability as of December 31, 2023, excluding interest, was $180,092.

GPS display units lease
SNL leases 72 GPS display units for its golf carts. Six seasonal lease payments of $8,427 were required each year through 2023. The lease liability is measured at a discount rate of 3.39%. The lease liability as of December 31, 2023 was $0.

Lease liability activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Golf cart lease	$214,589	$ -	$34,497	$180,092
GPS display units lease	50,067	-	50,067	-
Total lease liability	$264,656	$ -	$84,564	$180,092

For 2023, interest expense incurred relating to the leases was $7,415. Future lease payments are as follows:

Year Ending December 31	Lease Liability Principal	Lease Liability Interest
2024	$180,092	$5,324

F. DEBT OBLIGATIONS

The EDA received a $225,000 loan in 2012 from Cook County to help fund operating costs. The remaining balance of $100,000 was repaid during 2023.

The EDA's General Fund owes the City of Grand Marais all proceeds received from land sales in the Cedar Grove Business Park. The estimated value of unsold lots as of December 31, 2023 was $114,000.

In October 2014, Cook County issued General Obligation Tax Abatement Bonds, Series 2014A, on behalf of the Cook County and Grand Marais Joint Economic Development Authority. The bonds have a face value of $2,410,000 and are being repaid over a period of 15 years. Proceeds of the bonds were used to help finance improvements to the Superior National at Lutsen Golf Course. The EDA entered into a loan agreement with Cook County which requires loan payments to the County in sufficient amounts for the County to make the required payments on the bonds. However, during recent years the EDA has not had sufficient funds available to make payments to the County. Instead, the County has financed the bond payments with proceeds from a 2% county lodging tax imposed in the towns of Lutsen, Tofte and Schroeder pursuant to Laws of Minnesota Chapter 168. As of December 31, 2023, the outstanding amount owed to the County was $2,169,972.

Debt activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Operating loan	$100,000	$ -	$100,000	$ -
Land held for resale	303,000	-	189,000	114,000
Loan payable to County	2,169,972	-	-	2,169,972
Total debt obligations	$2,572,972	$ -	$289,000	$2,283,972

G. DEFINED BENEFIT PENSION PLAN

Plan Description
All full time and certain part time employees of the EDA are covered by a defined benefit pension plan administered by PERA. PERA administers the General Employees Retirement Plan, which is a cost-sharing, multiple-employer retirement plan. The plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plan is a tax qualified plan under section 401(a) of the Internal Revenue Code.

Contributions
The EDA's contributions for the General Employees Plan for the year ended December 31, 2023 were $10,056. The contributions were equal to the contractually required contributions as set by state statute.

Pension Costs.
As of December 31, 2023, the EDA reported a liability of $89,470 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of

that date. The EDA's proportion of the net pension liability was based on the EDA's contributions received by PERA during the measurement period for employer payroll dates paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The EDA's proportionate share was 0.0016% at the end of the measurement period and 0.0025% at the beginning of the period.

EDA's proportionate share of the net pension liability	$89,470
State of Minnesota's proportionate share of the net pension liability associated with the EDA	2,550
Total	$92,020

For the year ended December 31, 2023, the EDA recognized pension expense of ($11,872) for its proportionate share of the General Employees Plan's pension expense. In addition, the EDA recognized an additional $11 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution to the General Employees Plan.

As of December 31, 2023, the EDA 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	$2,938	$443
Changes in actuarial assumptions	10,573	24,523
Difference between projected and actual investment earnings	872	-
Changes in proportion	6,525	74,543
Contributions paid to PERA subsequent to the measurement date	4,787	-
Total	$25,695	$99,509

The $4,787 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2024	($25,543)
2025	(42,103)
2026	(9,014)
2027	(1,941)
2028	-
Thereafter	-

Pension Liability Sensitivity
The following presents the EDA's proportionate share of the net pension liability, calculated using a discount rate of 7.0%, as well as what the EDA's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower or 1% higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Proportionate share of the GERF net pension liability	$158,280	$89,470	$32,872

Additional pension information regarding benefits provided, actuarial assumptions and pension plan fiduciary net position can be found in Note 9.

Note 17 COMPONENT UNIT DISCLOSURES – COOK COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In addition to those identified at Note 1, the County's discretely presented component unit has the following significant accounting policies:

Reporting Entity
The Cook County Housing and Redevelopment Authority (the HRA) was formed in August 2021 to provide affordable housing in Cook County, Minnesota. The affairs of the HRA are governed by a Board of seven Commissioners who are appointed by the Cook County Board. Five Commissioners each represent one of the five districts of the County and two of the Commissioners also serve on the County Board.

Basis of Accounting
The HRA's governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Its government-wide financial statements are reported using the economic resources measurement focus and full accrual basis of accounting.

Property Taxes
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 payments due May 15 and the second half payment due October 15. Unpaid taxes as of December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable. Due to the County's ability to enforce payment of property taxes by property owners, no allowance for uncollectible accounts is reported.

Loans Receivable
Subject to Board approval, loans are provided to developers to assist with costs related to property development within the area. Receivables are recorded when it is reasonably certain that the loan will be repaid.

Land Held For Resale
Land is acquired by the HRA for subsequent resale for redevelopment purposes. Land held for resale is reported as an asset at the lower of cost or estimated realizable value.

Risk Management
The HRA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The HRA purchases commercial insurance for all risks of loss. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for the past three fiscal years.

B. DEPOSITS AND INVESTMENTS

The HRA's deposits are pooled with the deposits of Cook County. All HRA funds are considered to be held at depository banks of the County, which are authorized by the County Board. All such banks are members of the Federal Reserve System.

Minnesota Statutes require that all HRA deposits be protected by insurance, surety bonds or collateral. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the County or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

Custodial Credit Risk – Deposits – the risk that in the event of a bank failure, the HRA's deposits may not be returned to it. The HRA does not have a policy pertaining to custodial credit risk that is more restrictive than Minnesota Statutes.

As of December 31, 2023, the balance of the HRA's deposits pooled with the County was $25,868. All deposits were covered by federal depository insurance or by collateral pledged and held in the County's name.

Minnesota Statutes 118A.04 and 118A.05 outline authorized investments for governmental entities. During 2023, the HRA did not have any such investments.

C. RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2023 are as follows:

Description	Amount
Delinquent property taxes	$2,500
Deferred loans to developers which bear no interest, do not require monthly payments, and are deferred until the developer closes on alternative financing. Principal is forgiven if developer makes good faith efforts to apply for alternative funding and does not receive it. A receivable has been recorded as management has determined it is reasonably certain the developer will close on alternative funding. Repayment is estimated for 2025.	61,541

Note 18 RELATED PARTY TRANSACTIONS

In addition to the joint ventures and jointly governed organizations described at Note 2, the County, the EDA and the HRA reported the following related party transactions as of and for the year ended December 31, 2023:

- Cook County pays the wages, payroll taxes and benefits of the EDA Director. $28,104 was owed by the EDA to Cook County to reimburse the County for these expenditures.
- As described at Note 15F, the balance of the golf course loan owed by the EDA to Cook County was $2,169,972.
- $14,390 of property taxes were paid by the EDA to Cook County relating to EDA owned lots in the Cedar Grove Business Park.
- $100,000 was paid by the EDA to the HRA to provide funding for housing development projects.
- $35,813 of property tax revenue was owed by the EDA to the City of Grand Marais. A portion of the EDA's tax levy is passed through to the City of Grand Marais to help fund costs of the Cedar Grove Business Park.
- $114,000 was owed by the EDA to the City of Grand Marais relating to unsold lots in the Cedar Grove Business Park.
- A $50,000 Community Connections grant was received by the EDA during 2023 and was passed through to the City of Grand Marais.

- This page intentionally left blank -

REQUIRED SUPPLEMENTARY INFORMATION

COOK COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2023

Exhibit A-1
Page 1 of 2

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
Taxes	$6,216,315	$6,335,510	$6,162,194	($173,316)
Special assessments	-	-	223,854	223,854
Licenses and permits	105,070	105,070	234,043	128,973
Intergovernmental	3,539,423	3,539,423	7,076,971	3,537,548
Charges for services	557,540	557,540	863,558	306,018
Donations and other grants	4,500	4,500	3,793	(707)
Investment earnings	320,000	320,000	1,823,062	1,503,062
RLF loan repayments	-	-	147,228	147,228
Miscellaneous	291,489	291,489	326,161	34,672
Total revenues	11,034,337	11,153,532	16,860,864	5,707,332
Expenditures:				
General government:				
Current:				
Commissioners	313,737	328,356	291,766	36,590
Courts	20,000	20,000	11,913	8,087
Law library	-	-	7,974	(7,974)
Auditor - Treasurer	818,662	869,516	863,879	5,637
Assessor	406,285	441,488	428,048	13,440
Data processing	913,439	964,806	896,363	68,443
Elections	25,900	25,900	9,443	16,457
Administration	375,978	402,709	369,536	33,173
Human resources	179,447	198,235	200,059	(1,824)
Attorney	466,788	508,136	562,273	(54,137)
Recorder	262,339	287,325	357,271	(69,946)
Buildings	723,472	768,668	894,253	(125,585)
Veterans service officer	90,552	96,931	85,651	11,280
Planning and zoning	555,937	596,358	613,572	(17,214)
Capital outlay	141,140	141,140	92,679	48,461
Total general government	5,293,676	5,649,568	5,684,680	(35,112)
Public safety:				
Current:				
Sheriff	3,122,854	3,292,074	2,897,122	394,952
County jail	290,332	295,633	307,522	(11,889)
Community corrections	343,909	342,596	342,596	-
Emergency services	153,460	158,299	147,577	10,722
E-911 system	70,945	72,815	55,766	17,049
Firewise grants	-	-	9,297	(9,297)
Other public safety	-	-	132,401	(132,401)
Capital outlay	25,000	25,000	65,970	(40,970)
Total public safety	4,006,500	4,186,417	3,958,251	228,166

See accompanying notes to the required supplementary information.

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Expenditures (continued):				
Sanitation:				
Current:				
Solid waste	76,278	84,576	80,989	3,587
Recycling	541,055	558,668	640,655	(81,987)
Capital outlay	30,000	30,000	103,929	(73,929)
Total sanitation	647,333	673,244	825,573	(152,329)
Culture and recreation:				
Current:				
Historical society	87,828	87,828	87,828	-
Parks and trails	-	-	356,542	(356,542)
Regional library	231,581	231,581	231,581	-
Community center	89,632	98,705	83,532	15,173
Contributions to the YMCA	370,273	370,273	424,830	(54,557)
Other	-	-	11,270	(11,270)
Capital outlay	57,000	57,000	11,390	45,610
Total culture and recreation	836,314	845,387	1,206,973	(361,586)
Conservation of natural resources:				
Current:				
Cooperative extension	109,625	103,625	100,643	2,982
Soil and water conservation	60,000	60,000	60,000	-
Agricultural inspections	-	-	8,185	(8,185)
Environmental services	264,369	279,430	1,022,202	(742,772)
Debt service - principal	-	-	153,995	(153,995)
Total conservation of natural resources	433,994	443,055	1,345,025	(901,970)
Economic development	-	-	355,985	(355,985)
American Rescue Plan Act (ARPA) expenditures	-	-	113,129	(113,129)
Miscellaneous	14,000	14,000	25,648	(11,648)
Total expenditures	11,231,817	11,811,671	13,515,264	(1,703,593)
Revenues over (under) expenditures	(197,480)	(658,139)	3,345,600	4,003,739
Other financing sources:				
Loan proceeds	-	-	478,665	478,665
Net change in fund balance	($197,480)	($658,139)	3,824,265	$4,482,404
Fund balance - January 1			15,567,453	
Fund balance - December 31			$19,391,718	

See accompanying notes to the required supplementary information.

COOK COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION **Exhibit A-2**
BUDGETARY COMPARISON SCHEDULE - ROAD AND BRIDGE SPECIAL REVENUE FUND
For The Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$2,535,212	$2,612,635	$2,560,939	($51,696)
Intergovernmental	9,977,543	9,977,543	10,624,955	647,412
Charges for services	353,400	353,400	615,720	262,320
Miscellaneous	14,350	14,350	39,064	24,714
Total revenues	12,880,505	12,957,928	13,840,678	882,750
Expenditures:				
Administration	775,558	805,159	665,776	139,383
Highway maintenance	2,817,473	2,918,731	2,411,793	506,938
Engineering and construction	9,636,708	9,670,094	10,532,539	(862,445)
Equipment and shop	821,289	830,587	974,304	(143,717)
Debt service:				
Principal	35,431	35,431	35,431	-
Interest and fiscal charges	4,569	4,569	4,569	-
Total expenditures	14,091,028	14,264,571	14,624,412	(359,841)
Revenues over (under) expenditures	(1,210,523)	(1,306,643)	(783,734)	522,909
Other financing sources:				
Transfers in	760,650	760,650	1,127,183	366,533
Net change in fund balance	($449,873)	($545,993)	343,449	$889,442
Fund balance - January 1			3,695,686	
Fund balance - December 31			$4,039,135	

See accompanying notes to the required supplementary information.

COOK COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
PUBLIC HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
For The Year Ended December 31, 2023

Exhibit A-3

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$2,162,505	$2,162,505	$2,121,713	($40,792)
Licenses and permits	15,000	15,000	15,377	377
Intergovernmental	1,758,793	1,778,322	1,834,004	55,682
Charges for services	371,690	371,690	216,815	(154,875)
Donations and other grants	-	-	61,131	61,131
Miscellaneous	215,497	215,497	110,420	(105,077)
Total revenues	4,523,485	4,543,014	4,359,460	(183,554)
Expenditures:				
Current:				
Human services:				
Income maintenance	1,061,171	1,104,541	1,010,041	94,500
Social services	2,869,376	3,010,977	3,094,603	(83,626)
Other	-	-	27,465	(27,465)
Total human services	3,930,547	4,115,518	4,132,109	(16,591)
Health:				
Public health	1,045,845	1,084,377	1,058,633	25,744
Total expenditures	4,976,392	5,199,895	5,190,742	9,153
Net change in fund balance	($452,907)	($656,881)	(831,282)	($174,401)
Fund balance - January 1			4,703,888	
Fund balance - December 31			$3,872,606	

See accompanying notes to the required supplementary information.

COOK COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - AIRPORT SPECIAL REVENUE FUND
For The Year Ended December 31, 2023

Exhibit A-4

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$106,924	$106,924	$104,837	($2,087)
Intergovernmental	46,000	46,000	241,049	195,049
Charges for services	19,900	19,900	13,335	(6,565)
Miscellaneous	8,841	8,841	4,806	(4,035)
Total revenues	181,665	181,665	364,027	182,362
Expenditures:				
Current:				
Economic development	151,665	151,665	149,388	2,277
Capital outlay	30,000	30,000	191,465	(161,465)
Total expenditures	181,665	181,665	340,853	(159,188)
Net change in fund balance	$ -	$ -	23,174	$341,550
Fund balance - January 1			(494,786)	
Fund balance - December 31			($471,612)	

See accompanying notes to the required supplementary information.

COOK COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - LOCAL OPTION SALES TAX FUND
For The Year Ended December 31, 2023

Exhibit A-5

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$937,178	$937,178	$3,676,559	$2,739,381
Expenditures:				
Highways and streets	-	-	-	-
Revenue over expenditures	937,178	937,178	3,676,559	2,739,381
Other financing uses:				
Transfers out	(937,178)	(937,178)	(1,908,176)	(970,998)
Net change in fund balance	$ -	$ -	1,768,383	$1,768,383
Fund balance - January 1			8,694,143	
Fund balance - December 31			$10,462,526	

See accompanying notes to the required supplementary information.

COOK COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
GENERAL EMPLOYEES RETIREMENT FUND
For The Last Ten Years

Exhibit A-6

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Cook County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.1033%	$5,776,420	$159,314	$5,935,734	$8,187,213	70.6%	83.1%
2022	0.0930%	7,365,631	215,879	7,581,510	6,951,267	106.0%	76.7%
2021	0.0929%	3,967,246	121,105	4,088,351	6,685,013	59.3%	87.0%
2020	0.0879%	5,270,007	162,489	5,432,496	6,266,360	84.1%	79.1%
2019	0.0861%	4,760,276	147,827	4,908,103	6,090,920	78.2%	80.2%
2018	0.0805%	4,465,810	146,415	4,612,225	5,409,173	82.6%	79.5%
2017	0.0758%	4,839,022	60,823	4,899,845	4,881,307	99.1%	75.9%
2016	0.0732%	5,943,476	77,565	6,021,041	4,540,707	130.9%	68.9%
2015	0.0718%	3,721,049	-	3,721,049	4,218,018	88.2%	78.2%

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

See accompanying notes to the required supplementary information.

COOK COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS -
GENERAL EMPLOYEES RETIREMENT FUND
For The Last Ten Years

Exhibit A-7

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2023	$635,683	$635,683	$ -	$8,475,773	7.50%
2022	546,935	546,935	-	7,292,467	7.50%
2021	508,885	508,885	-	6,785,133	7.50%
2020	503,289	503,289	-	6,710,520	7.50%
2019	463,570	463,570	-	6,180,933	7.50%
2018	443,176	443,176	-	5,909,013	7.50%
2017	375,788	375,788	-	5,010,507	7.50%
2016	353,955	353,955	-	4,719,400	7.50%
2015	321,093	321,093	-	4,281,240	7.50%

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

See accompanying notes to the required supplementary information.

COOK COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
PUBLIC EMPLOYEES POLICE AND FIRE FUND
For The Last Ten Years

Exhibit A-8

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Cook County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.0983%	$1,697,513	$68,404	$1,765,917	$1,290,780	131.5%	86.5%
2022	0.0929%	4,042,641	176,681	4,219,322	1,128,768	358.1%	70.5%
2021	0.0998%	770,350	34,637	804,987	1,179,548	65.3%	93.7%
2020	0.1025%	1,351,060	31,824	1,382,884	1,157,044	116.8%	87.2%
2019	0.1096%	1,166,803	-	1,166,803	1,156,892	100.9%	89.3%
2018	0.0951%	1,013,667	-	1,013,667	1,002,759	101.1%	88.8%
2017	0.0900%	1,215,106	-	1,215,106	922,179	131.8%	85.4%
2016	0.0890%	3,571,725	-	3,571,725	856,488	417.0%	63.9%
2015	0.0940%	1,068,060	-	1,068,060	864,739	123.5%	86.6%

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

See accompanying notes to the required supplementary information.

COOK COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS -
PUBLIC EMPLOYEES POLICE AND FIRE FUND
For The Last Ten Years

Exhibit A-9

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2023	$231,351	$231,351	$ -	$1,307,068	17.70%
2022	207,397	207,397	-	1,171,734	17.70%
2021	202,983	202,983	-	1,146,797	17.70%
2020	217,067	217,067	-	1,226,367	17.70%
2019	195,066	195,066	-	1,150,832	16.95%
2018	178,824	178,824	-	1,103,852	16.20%
2017	151,799	151,799	-	937,031	16.20%
2016	146,349	146,349	-	903,389	16.20%
2015	139,049	139,049	-	858,327	16.20%

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

See accompanying notes to the required supplementary information.

- This page intentionally left blank -

Note A LEGAL COMPLIANCE - BUDGETS

The County's budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control is at the fund level.

Note B PENSION INFORMATION

PERA – General Employees Retirement Fund

2023 Changes in Actuarial Assumptions:

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

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of $170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes in Actuarial Assumptions:

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

2021 Changes in Actuarial Assumptions:

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

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The 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.

2020 Changes in Plan Provisions:

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

2019 Changes in Actuarial Assumptions:

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

2019 Changes in the Plan Provisions:

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

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2017 Changes in Actuarial Assumptions:

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

2016 Changes in Actuarial Assumptions:

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

PERA – Public Employees Police and Fire Fund

2023 Changes in Actuarial Assumptions:

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

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of $19.4 million was contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes in Actuarial Assumptions:

- The single discount rate changed from 6.50% to 5.4%.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions:

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

2020 Changes in Actuarial Assumptions:

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

2019 Changes in Actuarial Assumptions:

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

2018 Changes in Actuarial Assumptions:

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

2017 Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA was changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes in Actuarial Assumptions:

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

SUPPLEMENTARY INFORMATION

- This page intentionally left blank -

NONMAJOR GOVERNMENTAL FUNDS

Building Special Revenue Fund - accounts for funds used for general government grounds and buildings.

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

Debt Service Fund - accounts for the accumulation of resources for and the payment of principal, interest, and related costs of general long-term debt.

Capital Projects Fund - accounts for the accumulation of resources for building improvements, road and bridge improvements, and the purchase of capital equipment.

Leased Lakeshore Permanent Fund - accounts for funds collected from the sale of County-owned lakeshore leased lots. In accordance with 1998 Minn. Laws ch. 389, art. 16, § 31, the principal on these sales must remain in an environmental trust fund, and only the interest may be spent on improvements of natural resources.

COOK COUNTY GRAND MARAIS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	Special Revenue Funds		
	Building	Forfeited Tax	Total
Assets:			
Cash and investments	$1,300,125	$ -	$1,300,125
Taxes receivable - delinquent	19,449	-	19,449
Loans receivable	-	-	-
Total assets	$1,319,574	$ -	$1,319,574
Liabilities:			
Accounts payable	$ -	$ -	$ -
Deferred inflows of resources:			
Unavailable revenue:			
Taxes	15,469	-	15,469
Fund balance:			
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	1,304,105	-	1,304,105
Total fund balance	1,304,105	-	1,304,105
Total liabilities, deferred inflows of resources, and fund balance	$1,319,574	$ -	$1,319,574

Exhibit B-1

Debt Service	Capital Projects	Leased Lakeshore Permanent	Total
$717,751	$796,168	$929,255	$3,743,299
8,725	-	-	28,174
1,454,637	-	-	1,454,637
$2,181,113	$796,168	$929,255	$5,226,110
$ -	$ -	$ -	$ -
6,831	-	-	22,300
-	-	584,434	584,434
2,174,282	687,398	344,821	3,206,501
-	108,770	-	1,412,875
2,174,282	796,168	929,255	5,203,810
$2,181,113	$796,168	$929,255	$5,226,110

COOK COUNTY GRAND MARAIS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	Special Revenue Funds		
	Building	Forfeited Tax	Total
Revenues:			
Taxes	$453,911	$ -	$453,911
Investment earnings	-	-	-
Miscellaneous	621	-	621
Total revenues	454,532	-	454,532
Expenditures:			
Current:			
General government	149,539	3,107	152,646
Capital outlay	182,171	-	182,171
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	331,710	3,107	334,817
Revenues over (under) expenditures	122,822	(3,107)	119,715
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	122,822	(3,107)	119,715
Fund balance - January 1	1,181,283	3,107	1,184,390
Fund balance - December 31	$1,304,105	$ -	$1,304,105

Exhibit B-2

Debt Service	Capital Projects	Leased Lakeshore Permanent	Total
$395,004	$ -	$ -	$848,915
353	57,152	28,163	85,668
59,302	-	-	59,923
454,659	57,152	28,163	994,506
-	-	-	152,646
-	-	-	182,171
1,570,000	-	-	1,570,000
669,452	-	-	669,452
2,239,452	-	-	2,574,269
(1,784,793)	57,152	28,163	(1,579,763)
1,763,553	-	-	1,763,553
-	(982,560)	-	(982,560)
1,763,553	(982,560)	-	780,993
(21,240)	(925,408)	28,163	(798,770)
2,195,522	1,721,576	901,092	6,002,580
$2,174,282	$796,168	$929,255	$5,203,810

COOK COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE - BUILDING SPECIAL REVENUE FUND **Exhibit B-3**
For The Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$461,800	$461,800	$453,911	($7,889)
Miscellaneous	-	-	621	621
Total revenues	461,800	461,800	454,532	(7,268)
Expenditures:				
Current:				
General government	182,500	182,500	149,539	32,961
Capital outlay	279,300	279,300	182,171	97,129
Total expenditures	461,800	461,800	331,710	130,090
Net change in fund balance	$ -	$ -	122,822	$122,822
Fund balance - January 1			1,181,283	
Fund balance - December 31			$1,304,105	

COOK COUNTY, MINNESOTA
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
For The Year Ended December 31, 2023

Exhibit B-4

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$219,831	$219,831	$395,004	$175,173
Investment earnings	-	-	353	353
Miscellaneous	-	-	59,302	59,302
Total revenues	219,831	219,831	454,659	234,828
Expenditures:				
Debt service:				
Principal	150,000	150,000	1,570,000	(1,420,000)
Interest and fiscal charges	69,831	69,831	669,452	(599,621)
Total expenditures	219,831	219,831	2,239,452	(2,019,621)
Revenues over (under) expenditures	-	-	(1,784,793)	(1,784,793)
Other financing sources:				
Transfers in	-	-	1,763,553	1,763,553
Net change in fund balance	$ -	$ -	(21,240)	($21,240)
Fund balance - January 1			2,195,522	
Fund balance - December 31			$2,174,282	

- This page intentionally left blank -

FIDUCIARY FUNDS

- This page intentionally left blank -

CUSTODIAL FUNDS

Taxes and Penalties Custodial Fund - accounts for the collection of taxes and penalties and their payment to the various funds and governmental units.

Lodging Tax Custodial Fund - accounts for the collection of lodging taxes and their payment to various funds and entities.

State Revenue Custodial Fund - accounts for the collection and payment of the state's share of fees, fines, and mortgage registry and state deed taxes collected by the County.

Soil and Water Conservation District Custodial Fund - accounts for the collection and payment of funds for the Cook County Soil and Water Conservation District in accordance with the joint powers agreement between Cook County and the Cook County Soil and Water Conservation District.

COOK COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
December 31, 2023

Exhibit C-1

	Custodial Funds				
	Taxes and Penalties	Lodging Tax	State Revenue	Soil and Water Conservation District	Total Custodial Funds
Assets:					
Cash and investments	$624,217	$41,886	$127,374	$780,045	$1,573,522
Accounts receivable	-	278,793	-	-	278,793
Taxes receivable for other governments	180,585	-	55,037	-	235,622
Due from other governments	198,398	-	6,237	-	204,635
Total assets	1,003,200	320,679	188,648	780,045	2,292,572
Liabilities:					
Accounts payable	63,824	320,679	-	76,098	460,601
Due to other governments	939,376	-	188,648	-	1,128,024
Unearned revenue	-	-	-	448,155	448,155
Total liabilities	1,003,200	320,679	188,648	524,253	2,036,780
Net position - restricted	$ -	$ -	$ -	$255,792	$255,792

COOK COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
For The Year Ended December 31, 2023

Exhibit C-2

	Custodial Funds				
	Taxes and Penalties	Lodging Tax	State Revenue	Soil and Water Conservation District	Total Custodial Funds
Additions:					
Appropriations from counties	$ -	$ -	$ -	$60,000	$60,000
Tax collections for other governments	6,005,421	-	1,541,557	-	7,546,978
Lodging taxes	-	2,540,219	-	-	2,540,219
Fees collected for the state	-	-	558,297	-	558,297
Payments from other governments	-	-	-	1,037,330	1,037,330
Payments from other individuals/entities	-	-	-	11,888	11,888
Total additions	6,005,421	2,540,219	2,099,854	1,109,218	11,754,712
Deductions:					
Payments of taxes to other governments	6,005,421	-	1,536,735	-	7,542,156
Payments to the state	-	-	563,119	-	563,119
Payments to other individuals/entities	-	2,540,219	-	1,179,087	3,719,306
Total deductions	6,005,421	2,540,219	2,099,854	1,179,087	11,824,581
Change in net position	-	-	-	(69,869)	(69,869)
Net position - January 1	-	-	-	325,661	325,661
Net position - December 31	$ -	$ -	$ -	$255,792	$255,792

- This page intentionally left blank -

COOK COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
For The Year Ended December 31, 2023

Exhibit D-1

	Governmental Funds	Component Units
State Appropriations and Shared Revenue:		
State:		
Highway and motor vehicle users tax	$7,337,006	$ -
Disparity reduction credit	3,157	-
Police, fire and public safety aid	347,586	-
County program aid	516,482	-
Enhanced 911	153,799	-
Aquatic invasive species aid	199,070	-
SCORE	72,440	-
Local affordable housing aid	85,028	-
Riparian protection aid	40,000	-
Total state appropriations and shared revenue	8,754,568	-
Reimbursement for Services:		
State:		
Minnesota Department of Human Services	275,120	-
Minnesota Department of Transportation	1,901,953	-
Total reimbursement for services	2,177,073	-
Payments:		
Federal payments in lieu of taxes	738,606	-
State payments in lieu of taxes	418,901	-
Local contributions	115,000	142,034
Total payments	1,272,507	142,034
Grants:		
State:		
Minnesota Department / Board of:		
Agriculture	-	-
Health	237,390	-
Human Services	283,461	-
Natural Resources	348,997	-
Public Safety	9,422	-
Transportation	309,722	-
Iron Range Resources and Rehabilitation	-	96,300
Miscellaneous	35,123	-
Total state	1,224,115	96,300
Federal:		
Department of:		
Agriculture	3,997,188	-
Health and Human Services	974,863	-
Homeland Security	60,082	-
Interior	148,961	-
Justice	59,634	-
Transportation	939,952	-
Treasury	168,036	-
Total federal	6,348,716	-
Total state and federal grants	7,572,831	96,300
Total Intergovernmental Revenue	$19,776,979	$238,334

Federal Grantor/Pass-Through Grantor/Program Cluster or Title	Federal Assistance Listing Number	Contract No. / Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture:				
Passed Through Carlton, Cook, Lake, and St. Louis Community Health Board				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	Unspecified	$24,637	$ -
Passed Through Minnesota Department of Human Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	232MN101S2514 / 242MN101S2514 232MN101S2520 / 242MN101S520 232MN127Q7503 / 242MN127Q7503	161,227	-
Passed Through Minnesota Department of Natural Resources				
Cooperative Forestry Assistance	10.664	19DG1142004256	31,810	-
Passed Through Minnesota Management and Budget				
Schools and Roads-Grants to States (Forest Service Schools and Roads Cluster)	10.665	Unspecified	3,406,283	178,718
Direct Awards				
Law Enforcement Agreements	10.704	Not applicable	9,176	-
Total U.S. Department of Agriculture			3,633,133	178,718
U.S. Department of Commerce:				
Passed Through Minnesota Department of Natural Resources				
Coastal Zone Management Administration Awards	11.419	Unspecified	14,296	14,296
U.S. Department of the Interior:				
Direct Awards				
Fish and Wildlife Management Assistance	15.608	Not applicable	148,961	-
U.S. Department of Justice:				
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	A-CVS-2022-COOKAO-066	59,634	-
U.S. Department of Transportation:				
Passed Through Minnesota Department of Transportation				
Airport Improvement Program	20.106	1051171	189,066	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	016-598-021	708,090	-
Recreational Trails Program	20.219	15-20-2c & 18-22-2c	42,795	-
Total U.S. Department of Transportation			939,951	-
U.S. Department of the Treasury:				
Direct Awards				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable	168,035	-

Federal Grantor/Pass-Through Grantor/Program Cluster or Title	Federal Assistance Listing Number	Contract No. / Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Environmental Protection Agency (EPA):				
Passed Through Minnesota Department of Human Services				
Beach Monitoring and Notification Program Implementation Grants	66.472	Swift # 213022	5,000	5,000
U.S. Department of Health and Human Services:				
Passed Through Carlton, Cook, Lake, and St. Louis Community Health Board				
Public Health Emergency Preparedness	93.069	Unspecified	13,302	-
Environmental Public Health and Emergency Response	93.070	Unspecified	5,161	-
Universal Newborn Hearing and Screening	93.251	Unspecified	150	-
Immunization Cooperative Agreements	93.268	Unspecified	5,126	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Unspecified	17,121	-
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	Unspecified	49,746	-
Passed Through Minnesota Department of Human Services				
Promoting Safe and Stable Families	93.556	2201MNFPCV / 2301MNPKIN / 2301MNFPSS	919	-
Temporary Assistance for Needy Families (TANF)	93.558	2301MNTANF / 2401MNTANF	42,664	-
Child Support Enforcement	93.563	Unspecified	104,136	-
Refugee and Entrant Assistance–State-Administered Programs	93.566	2201MNRCMA / 2301MNRCMA / 2401MNRCMA	551	-
Child Care and Development Block Grant (CCDF Cluster)	93.575	2301MNCCDD / 2401MNCCDD	749	-
Community-Based Child Abuse Prevention Grants	93.590	2202MNBCAP / 2302MNBCAP	3,711	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2301MNCWSS	1,458	-
Foster Care-Title IV-E	93.658	2301MNFOST / 2401MNFOST	61,685	-
Social Services Block Grant	93.667	2301MNSOSR / 2401MNSOSR	43,237	-
Elder Abuse Prevention Interventions Program	93.747	Unspecified	779	-
Children's Health Insurance Program (CHIP)	93.767	2305MN3002 / 2305MN5021	709	-
Medical Assistance Program (Medicaid; Title XIX) (Medicaid Cluster)	93.778	2305MN5ADM / 2405MN5ADM 2305MN5MAP / 2405MN5MAP	623,658	-
Total U.S. Department of Health and Human Services			974,862	-
U.S. Department of Homeland Security:				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	R29G70CGBLA21	8,929	-
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	Unspecified	35,674	-
Emergency Management Performance Grants	97.042	4659DRMNP00000001	15,479	-
Total U.S. Department of Homeland Security			60,082	-
Total Expenditures of Federal Awards			$6,003,954	$198,014

Federal Grantor/Pass-Through Grantor/Program Cluster or Title	Federal Assistance Listing Number	Contract No. / Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Totals Expenditures by Program and Cluster:				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557		$24,637	$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561		161,227	-
Cooperative Forestry Assistance	10.664		31,810	-
Schools and Roads-Grants to States (Forest Service Schools and Roads Cluster)	10.665		3,406,283	178,718
Law Enforcement Agreements	10.704		9,176	-
Coastal Zone Management Administration Awards	11.419		14,296	14,296
Fish and Wildlife Management Assistance	15.608		148,961	-
Crime Victim Assistance	16.575		59,634	-
Airport Improvement Program	20.106		189,066	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205		708,090	-
Recreational Trails Program	20.219		42,795	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		168,035	-
Beach Monitoring and Notification Program Implementation Grants	66.472		5,000	5,000
Public Health Emergency Preparedness	93.069		13,302	-
Environmental Public Health and Emergency Response	93.070		5,161	-
Universal Newborn Hearing and Screening	93.251		150	-
Immunization Cooperative Agreements	93.268		5,126	-
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323		17,121	-
Promoting Safe and Stable Families	93.556		919	-
Temporary Assistance for Needy Families (TANF)	93.558		42,664	-
Child Support Enforcement	93.563		104,136	-
Refugee and Entrant Assistance–State-Administered Programs	93.566		551	-
Child Care and Development Block Grant (CCDF Cluster)	93.575		749	-
Community-Based Child Abuse Prevention Grants	93.590		3,711	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		1,458	-
Foster Care-Title IV-E	93.658		61,685	-
Social Services Block Grant	93.667		43,237	-
Elder Abuse Prevention Interventions Program	93.747		779	-
Children's Health Insurance Program (CHIP)	93.767		709	-
Medical Assistance Program (Medicaid; Title XIX) (Medicaid Cluster)	93.778		623,658	-
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912		49,746	-
Boating Safety Financial Assistance	97.012		8,929	-
Emergency Management Performance Grants	97.042		51,153	-
Total Expenditures of Federal Awards			$6,003,954	$198,014

Notes to the schedule of expenditures of federal awards

1. Summary of Significant Accounting Policies

Note A - Reporting Entity
The Schedule of Expenditures of Federal Awards (SEFA) presents the activities of the federal award programs expended by Cook County, Minnesota. Because the County's discretely presented component units are legally separate entities which prepare separate financial statements, any federal expenditures of the discretely presented component units are excluded from the County's SEFA.

Note B - Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Cook County under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Cook County, it is not intended to and does not present the financial position or changes in net position of Cook County.

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

2. De Minimis Cost Rate
Cook County has elected not to use a de minimis indirect cost rate allowed under the Uniform Guidance.

	Total Federal Expenditures
3. Reconciliation to Schedule of Intergovernmental Revenue (Exhibit D-1)	
Federal grant revenue per Schedule of Intergovernmental Revenue	$6,348,716
The County's policy is to expend (and include on its SEFA) PILT, Title I and Title III funding during the year in which it is received. However, funds are normally earned, recognized as revenue, and included on the Schedule of Intergovernmental Revenue one year prior. This is the difference between amounts recognized as revenue and amounts expended during the year.	(15,088)
For financial reporting purposes, the County had accrued a reserve for BWCA funds which management believed may have had to repaid to the federal government. The funds were determined to be collectible in 2023. This is the difference between amounts recognized as revenue and amounts expended during the year.	(527,688)
Federal funds reported within Fiduciary Funds are included on the SEFA, but are excluded from the Schedule of Intergovernmental Revenue.	198,014
Expenditures per Schedule of Expenditures of Federal Awards	$6,003,954

- This page intentionally left blank -

OTHER REQUIRED REPORTS

- This page intentionally left blank -

REDPATH AND COMPANY

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*

To the Board of County Commissioners
Cook County, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Cook County, Minnesota as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Cook County, Minnesota's basic financial statements, and have issued our report thereon dated December 11, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cook County, Minnesota'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 Cook County, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of Cook County, Minnesota's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a significant deficiency.

Report on Compliance and Other Matters

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

Cook County, Minnesota's Response to Findings

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

Purpose of this Report

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

Redpath and Company, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

December 11, 2024

REDPATH AND COMPANY

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

To the Board of County Commissioners
Cook County, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cook County, Minnesota's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Cook County, Minnesota's major federal programs for the year ended December 31, 2023. Cook County, Minnesota's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Cook County, Minnesota 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Cook County, Minnesota 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 Cook County, Minnesota'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 Cook County, Minnesota'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 Cook County, Minnesota'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 Cook County, Minnesota'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 Cook County, Minnesota'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 Cook County, Minnesota'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 Cook County, Minnesota'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.

Redpath and Company, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

December 11, 2024

- This page intentionally left blank -

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

A. Type of auditors' report issued:	Unmodified	
B. Internal control over financial reporting:		
• Material weakness(es) identified?	X Yes	___ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	X Yes	___ No
C. Noncompliance material to financial statements noted?	___ Yes	X No

Federal Awards

D. Internal control over major programs:		
• Material weakness(es) identified?	___ Yes	X No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes	X No
E. Type of auditors' report issued on compliance for major programs:	Unmodified	
F. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	___ Yes	X No
G. Identification of major programs:		

Name of Federal Cluster/Program	Assistance Listing Number
Forest Service Schools and Roads Cluster:	
Schools and Roads – Grants to States	10.665

H. Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
I. Auditee qualified as a low-risk auditee:	___ Yes	X No

SECTION II – FINANCIAL STATEMENT FINDINGS

2023-001 Timeliness of Bank Reconciliations

Criteria: Internal controls over financial reporting are intended to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements in a timely manner. To be effective, control procedures such as periodic and year-end account and subledger reconciliations must be performed regularly, accurately and in a timely manner.

Condition: The December 2023 bank reconciliation for the main checking account was not completed until June 2024.

Cause: Complications encountered when reconciling previous months' reconciliations delayed the timing of when the December 2023 reconciliation was performed.

Effect: Not performing bank reconciliations timely subjects the County to a higher risk that errors or fraud could occur and not be detected in a timely manner.

Recommendation: We recommend bank reconciliations be completed two to four weeks after month-end.

Views of Responsible Officials and Corrective Action Plan: Please refer to the County's corrective action plan on page 127.

2023-002 Positive Pay

Criteria: Positive Pay is a fraud prevention tool that helps financial institutions and their customers (i.e. the County) stop unauthorized checks and ACH transactions. For checks, the customer sends a list of issued checks to their financial institution, which then compares incoming checks to the list. Discrepancies are flagged for review and approval or rejection. For ACH transactions, customers set filters and parameters for ACH transactions, such as amount limits and transaction frequency. Customers can also maintain lists of authorized trading partners. Unauthorized transactions are identified and alerts are sent to account holders.

Condition: The County does not have Positive Pay in place on any of its banking accounts.

Cause: The County's local bank has indicated that it does not offer Positive Pay.

Effect: The County is subject to a higher risk that funds will be inappropriately withdrawn from its accounts. This risk is enhanced due to the fact that many of the County's vendors are known to the public, therefore increasing the risk that someone could impersonate a vendor and attempt to access County funds.

Recommendation: We recommend the County maintain its checking accounts at a financial institution which offers Positive Pay.

Views of Responsible Officials and Corrective Action Plan: Please refer to the County's corrective action plan on page 127.

2023-003 Lack of Ideal Segregation of Duties

Criteria: Generally, a system of internal control contemplates segregation of duties such that no individual has responsibility to execute a transaction, has physical access to the related assets, and has responsibility or authority to record the transaction.

Condition: Several of the County's departments that collect fees lack proper segregation of duties. These departments generally have one or two staff who are responsible for billing, collecting, recording and depositing receipts as well as reconciling bank accounts.

Cause: This condition is common to many organizations due to a limited number of staff.

Effect: The lack of ideal segregation of duties subjects the County to a higher risk that errors or fraud could occur and not be detected in a timely manner.

Recommendation: We recommend management remain aware of the related risks and whenever possible, implement checks and balances to help mitigate such risks. Any modifications of internal controls in this area must be viewed from a cost/benefit perspective.

Views of Responsible Officials and Corrective Action Plan: Please refer to the County's corrective action plan on page 127.

SECTION III – FEDERAL AWARD FINDINGS

No current year findings.

COOK COUNTY
MINNESOTA

AUDITOR'S OFFICE

COOK COUNTY COURTHOUSE
411 W 2ND STREET
GRAND MARAIS, MN 55604
PH: 218.387.3640
FAX: 218.387.3043
WWW.CO.COOK.MN.US

REPRESENTATION OF COOK COUNTY, MINNESOTA

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

Finding 2023-001: Timeliness of Bank Reconciliations

Views of Responsible Officials and Corrective Action Plan: We agree with this finding. We've instituted a procedure for timely completion of bank reconciliations and monitoring for confirmation of completion. Braidy Powers, the County Auditor-Treasurer, is responsible for the corrective action plan. The anticipated completion date is March 31, 2025.

Finding 2023-002: Positive Pay

Views of Responsible Officials and Corrective Action Plan: We agree with this finding. We are working with our local bank to institute positive pay procedures for checks. The local bank also has a system that sends email alerts of ACH payments to the Accounting Manager. We will work with the bank to have the alert also go to the payroll clerk. Braidy Powers, the County Auditor-Treasurer, is responsible for the corrective action plan. The anticipated completion date is May 31, 2025.

Finding 2023-003: Lack of Ideal Segregation of Duties

Views of Responsible Officials and Corrective Action Plan: We agree with this finding. County management is aware of the lack of segregation of accounting functions and will continue to monitor the situation and implement oversight procedures where possible. In addition, the Auditor's Office plans to visit offices where money is billed, collected, recorded and receipted to better understand the processes used. Braidy Powers, the County Auditor-Treasurer, is responsible for the corrective action plan. The anticipated completion date is May 31, 2025.

Braidy Powers
County Auditor - Treasurer
Braidy.Powers@co.cook.mn.us

- This page intentionally left blank -

FOLLOW-UP ON PRIOR YEAR FINDINGS

FINANCIAL STATEMENT FINDINGS

2022-001 Financial Statement Corrections

Condition: During our audit, 20 journal entries were posted to various funds and accounts. While some entries were routine closing entries initiated by County staff, other entries were made as a result of misstatements detected by the audit. Material, auditor proposed adjustments were as follows:

- $127,960 adjustment to Accounts Payable – Road and Bridge fund
- $736,960 adjustment to Contracts Payable – Road and Bridge fund

Recommendation: We recommend County staff continue their efforts to appropriately account for the transactions and account balances of the County.

Status: No material, auditor proposed adjustments were made as part of the 2023 audit. Therefore, the finding has been resolved.

2022-002 Lack of Ideal Segregation of Duties

Condition: Several of the County's departments that collect fees lack proper segregation of duties. These departments generally have one or two staff who are responsible for billing, collecting, recording and depositing receipts as well as reconciling bank accounts.

Recommendation: We recommend management remain aware of the related risks and whenever possible, implement checks and balances to help mitigate such risks. Any modifications of internal controls in this area must be viewed from a cost/benefit perspective.

Status: Not resolved. Please refer to finding number 2023-004 for continuation of finding.

FEDERAL AWARD FINDINGS

None.

- This page intentionally left blank -

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

July 2, 2025

Cook County
411 W. Second Street
Grand Marais, MN 55604

[PURCHASER]

RE: Cook County, Minnesota
$6,200,000 General Obligation Solid Waste Revenue Bonds, Series 2025B

We have acted as Bond Counsel in connection with the authorization, issuance and delivery by Cook County, Minnesota (the "Issuer"), of the above-referenced obligation dated the date hereof (the "Bonds"). The Bonds are issued pursuant to Minnesota Statutes, Chapters 400 and 475.

A. Scope of Examination. For the purpose of rendering this opinion letter, we have examined the following:

1. a resolution of the Issuer adopted on June 10, 2025 authorizing the issuance and delivery of the Bonds (the "Resolution");

2. the Officers' Certificate of the Issuer dated the date hereof setting forth and certifying as to certain matters, including but not limited to the use and investment of the proceeds of the Bonds (the "Tax Certificate");

3. applicable law and certified copies of certain proceedings taken, and certain affidavits and certificates furnished by the Issuer and others with respect to the authorization, sale and issuance of the Bonds; and

4. such other documents as we consider necessary in order to render this opinion.

B. Reliance. As to questions of fact material to our opinion, we have relied upon certified proceedings, documents and certifications furnished to us by public officials and officers of the Issuer and others without undertaking to verify such facts by independent investigation. We have also relied, without independent investigation, upon representations and certifications made by the Issuer in the Tax Certificate and the representations and certifications made by the Issuer, agents of the Issuer and others in connection with the issuance of the Bonds as to: (a) the nature, cost, use and useful economic life of the facilities financed by the Bonds, (b) the application to be made of the proceeds of the Bonds, (c) the investment of such proceeds and (d) other matters material to the tax-exempt status of the interest borne by the Bonds, including the anticipated sources of repayment of the Bonds.

C. Assumptions.

1. In rendering the opinions contained in Section D below, we have assumed: (a) the legal capacity for all purposes relevant hereto of all natural persons, (b) with respect to all parties to agreements or instruments relevant hereto other than the Issuer, that such parties had the requisite power and authority (corporate or otherwise) to execute, deliver and perform such agreements or instruments, (c) that such agreements or instruments are the valid, binding and enforceable obligations of each such party, other than the Issuer, (d) the authenticity of all documents submitted to us as originals and the authenticity of the originals, (e) the conformity to original documents of all documents submitted to us as certified or photostatic copies, (f) the genuineness of the signatures on all documents submitted to us, and (g) the accuracy of the facts and representations stated in all documents submitted to us.

2. In rendering the opinion contained in paragraph 3 of Section D below, we have assumed that the proceeds of the Bonds will be applied in accordance with the provisions of the Resolution and the representations made by the Issuer in the Tax Certificate and that the Issuer will make or cause to be made any necessary calculations and pay to the United States any amounts required under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

3. For the purpose of rendering the opinion set forth in paragraph 3 of Section D, below, we have also assumed compliance by the Issuer with requirements of the Code that must be satisfied subsequent to the issuance of the Bonds. The Issuer has covenanted to comply with each such requirement.

D. Opinions. Based upon such examination, assumptions and reliance, on the basis of federal and State of Minnesota (the "State") laws, regulations, rulings and decisions in effect on the date hereof, but excluding any pending legislation which may have a retroactive date prior to the date hereof, and subject to certain limitations set forth in Section E below, it is our opinion that:

1. The Bonds are valid and binding general obligations of the Issuer enforceable in accordance with their terms.

2. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the principal of and interest on the Bonds.

3. The Bonds constitute “exempt facility bonds” within the meaning of Section 142 of the Code, and as such, as of the date of their issuance, bear interest [(including any original issue discount properly allocable to an owner thereof)] which is: (a) excludable from gross income for federal income tax purposes under Section 103(a) of the Code, except for interest on any Bond for any period during which such Bond is held by a “substantial user” of the facilities financed by the Bonds, or a “related person” within the meaning of Section 147(a) of the Code; (b) to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from the taxable net income of individuals, trusts, and estates for State income tax purposes; (c) includable in taxable income of corporations and financial institutions for purposes of State franchise tax; and (d) is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and the Minnesota alternative minimum tax imposed on individuals, trusts and estates, and may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

E. Qualifications and Limitations. The opinions expressed in Section D above are subject to the following:

1. We express no opinion as to federal or state tax consequences arising from ownership of the Bonds other than as set forth in Section D hereof.

2. The rights of the owners and enforceability of the Bonds are subject to and may be limited by (a) state and federal laws, rulings, decisions and principles of equity affecting remedies, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing, and other similar doctrines affecting the enforceability of agreements generally (regardless of whether considered in a proceeding in equity or at law); (b) the effect of any applicable bankruptcy, moratorium, insolvency, reorganization, fraudulent conveyance or other similar laws affecting the enforcement of creditors’ or secured creditors’ rights or laws relating to creditors’ or secured creditors’ rights against public instrumentalities heretofore or hereafter enacted to the extent constitutionally applicable; (c) the exercise of judicial discretion in appropriate cases; and (d) federal and state securities laws and public policy relating thereto.

3. Failure by the Issuer to comply with applicable requirements of the Code could cause the interest on the Bonds to be includable in the gross income of the owners thereof for federal income taxation, either prospectively or retroactively to the date hereof.

4. Our opinions expressed in Section D above are limited to the law of the State and the federal law of the United States of America, and we assume no responsibility as to the applicability to this transaction, or the effect thereon, of the law of any other jurisdiction.

5. Except as expressly stated in this opinion, we express no opinion as to compliance with any federal securities laws or any state securities or Blue Sky laws.

6. This opinion is rendered as of the date set forth above and we express no opinion as to circumstances or events which may occur subsequent to such date.

7. The foregoing opinions are being furnished to you solely for your benefit and may not be relied upon by, nor may copies be delivered to, any other person without our prior written consent.

8. We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds, and we express no opinion relating thereto.

Respectfully submitted,

Fryberger, Buchanan, Smith & Frederick, P.A.

06077\000034\1DY3624.DOCX

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)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Cook County, Minnesota (the "Issuer") in connection with the issuance of the $6,200,000 General Obligation Solid Waste Revenue Bonds, Series 2025B, dated July 2, 2025 (the "Obligations"). The Obligations are being issued pursuant to a Resolution of the Issuer dated June 10, 2025 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. (a) Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Obligations and in order to assist the Participating Underwriter in complying with the Rule (defined below). References in this Disclosure Certificate to holders of the Obligations shall include the beneficial owners of the Obligations. This Disclosure Certificate constitutes the written understanding under the Rule.

(b) Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, 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 the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Code" means the Internal Revenue Code of 1986, as amended.

"Dissemination Agent" means such person from time to time designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" means, with respect to the Issuer 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 one of the foregoing. The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with this rule.

"IRS" means the Internal Revenue Service of the Department of the Treasury.

"Listed Events" means any of the events listed in Sections 5(a) and 5(b) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board, whose current address is 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Official Statement" means the Preliminary Official Statement, dated May ____, 2025 and Final Official Statement dated June ____, 2025, delivered in connection with the original issuance and sale of the Obligations, together with any amendments thereto or supplements thereof.

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

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

"SEC" means the Securities and Exchange Commission or any successor to its functions governing state and municipal securities.

<u>Section 3</u>. <u>Provision of Annual Reports</u>.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 12 months after the end of the fiscal year (presently December 31), commencing with the fiscal year ended December 31, 2024, provide to the MSRB, filed in accordance with Section 1(b) of this Disclosure Certificate, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. In each case, 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 and later than the date required above for the filing of the Annual Report if they are not available by that date; provided, however, unaudited financial information will be provided and the Audited Financial Statements will be submitted to the MSRB when and if available. The Issuer may provide the Annual Report by specific reference to documents previously provided to the MSRB or filed with the SEC; provided, however, that if the document so referenced is a final official statement within the meaning of the Rule, such final official statement must be available from the MSRB.

(b) Not later than 15 days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Issuer shall provide the Annual Report to the Dissemination Agent (if the Issuer is not the Dissemination Agent).

(c) If the Issuer is unable or fails to provide an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of such fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

(a) Current Property Valuations

(b) Direct Debt

(c) Tax Levy & Collections

(d) U.S. Census Data/Population Trend

(e) Employment/Unemployment Data

Section 5. Reporting of Significant Events.

(a) The Issuer shall give, or cause to be given notice of the occurrence of any of the following events with respect to the Obligations, in a timely manner not in excess of 10 business days after the occurrence of the event:

(1) principal and interest payment delinquencies;

(2) unscheduled draws on debt service reserves reflecting financial difficulties;

(3) unscheduled draws on credit enhancements reflecting financial difficulties;

(4) substitution of credit or liquidity providers, if any, or their failure to perform;

(5) adverse tax opinions or the issuance by the IRS of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);

(6) tender offers;

(7) defeasances;

(8) rating changes;

(9) bankruptcy, insolvency, receivership or similar event of the Issuer; or;

(10) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Obligations, *if material*, in a timely manner not in excess of 10 business days after the occurrence of the event:

(1) non-payment related defaults;

(2) unless described in (a)(5) above, other notices or determinations by the IRS with respect to the tax-exempt status of the Obligations, or other events affecting the tax-exempt status of the Obligations;

(3) modifications to rights of holders of the Obligations;

(4) bond calls;

(5) release, substitution or sale of property securing repayment of the Obligations;

(6) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;

(7) appointment of a successor or additional trustee or the change of name of a trustee; or

(8) incurrence of a Financial Obligation or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders.

(c) For the purposes of the event identified in subsection (a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(d) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event under subsection (b), the Issuer shall as soon as possible determine if such event would constitute material information for holders of Obligations.

(e) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Obligations.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of 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 the undertaking herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. 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 Listed 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 Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Obligations may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, 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 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Obligations.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Obligations, and shall create no rights in any other person or entity.

Section 13. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 8 hereof, to modify the undertaking under this Disclosure Certificate if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Dated as of July 2, 2025.

COOK COUNTY, MINNESOTA

By ________________________________
Chair

By ________________________________
Auditor/Treasurer

06077\000034\1DY3171.DOCX

APPENDIX E

TERMS OF PROPOSAL

$6,200,000* GENERAL OBLIGATION SOLID WASTE REVENUE BONDS, SERIES 2025B COOK COUNTY, MINNESOTA

Proposals for the purchase of $6,200,000* General Obligation Solid Waste Revenue Bonds, Series 2025B (the "Bonds") of Cook 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), C.T., and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 12:00 P.M. (Noon), C.T., on June 9, 2025, 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 8:30 A.M., C.T., on June 10, 2025. 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.

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Minnesota Statutes Chapters 400 and 475, as amended, including Minnesota Statutes, Section 400.101, by the County, to finance the construction of new County solid waste facilities. The Bonds are 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 July 2, 2025, 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*
2028	$150,000	2037	$205,000	2046	$305,000
2029	155,000	2038	210,000	2047	320,000
2030	160,000	2039	220,000	2048	335,000
2031	165,000	2040	230,000	2049	350,000
2032	170,000	2041	240,000	2050	370,000
2033	175,000	2042	255,000	2051	385,000
2034	180,000	2043	265,000	2052	405,000
2035	190,000	2044	275,000		
2036	195,000	2045	290,000		

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 February 1, 2026, 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 2028 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 ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC 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, 2036 shall be subject to optional redemption prior to maturity on February 1, 2035 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 July 2, 2025, 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 MATTERS

Legal matters incident to the issuance and sale of the Bonds and with regard to the tax-exempt status of interest on the Bonds under existing laws are subject to the approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., as Bond Counsel to the County. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in the Official Statement and will express no opinions with respect to such information. Additionally, except for statements on the cover page of the Official Statement and under the caption "TAX EXEMPTION" relating to Bond Counsel's opinion that the interest on the Bonds is not includable in gross income for federal income tax purposes, Bond Counsel has not independently verified any of the factual information contained in the Official Statement nor have they conducted an investigation of the affairs of the County for the purpose of passing upon the accuracy or completeness of the Official Statement. No person is entitled to rely upon their limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the information contained in the Official Statement. See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than $6,125,600 plus accrued interest on the principal sum of $6,200,000 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), C.T., 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 $124,000 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.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall not be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) 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 Underwriter (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

Cook County, Minnesota

PROPOSAL FORM

The Board of Commissioners **June 9, 2025**
Cook County, Minnesota (the "County")

RE: **$6,200,000* General Obligation Solid Waste Revenue Bonds, Series 2025B (the "Bonds")**
DATED: **July 2, 2025**

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 $6,125,600) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

______	% due	2028	______	% due	2037	______	% due	2046
______	% due	2029	______	% due	2038	______	% due	2047
______	% due	2030	______	% due	2039	______	% due	2048
______	% due	2031	______	% due	2040	______	% due	2049
______	% due	2032	______	% due	2041	______	% due	2050
______	% due	2033	______	% due	2042	______	% due	2051
______	% due	2034	______	% due	2043	______	% due	2052
______	% due	2035	______	% due	2044			
______	% due	2036	______	% due	2045			

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 2028 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 $124,000 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 July 2, 2025.

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 Underwriter (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 July 2, 2025 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 Cook County, Minnesota, on June 10, 2025.

By: ______________________________ By: ______________________________

Title: ______________________________ Title: ______________________________