

**PENNINGTON COUNTY
BOARD OF COMMISSIONER'S MEETING
JUSTICE CENTER – COUNTY BOARD ROOM
TUESDAY, JANUARY 4TH, 2022, 10:00 A.M.**

AGENDA

1. Call to Order

2. Pledge of Allegiance

3. Amendments to the Agenda

4. Recognition of Citizens – Individual's present may address the Board about items not on the regular agenda; no action on these items is required at this time.

5. Approval of the Board minutes; bills

6. Regular Agenda

10:00 Reorganization

10:30 Katrina Dexter, Kelsey Keimig – Juvenile Detention Alternatives Initiative (JDAI): Program update

10:40 Julie Sjostrand – Human Services Director

7. Committee Reports / Commissioner Updates

8. County Auditor-Treasurer Items

9. County Coordinator Items

10. County Attorney Items

11. Adjournment

Note: Due to COVID-19, ZOOM invites will be sent to those on the agenda and the agenda email list.

**OFFICIAL PROCEEDINGS
PENNINGTON COUNTY BOARD OF COMMISSIONERS
THURSDAY, DECEMBER 30TH, 2021, 10:00 A.M.**

Pursuant to adjournment, the Pennington County Board of Commissioners met in the Pennington County Justice Center Board Room in Thief River Falls, MN, on Thursday, December 30th, 2021, at 10:00 a.m. Members Present: Seth Nelson, Bruce Lawrence, Darryl Tveitbakk, and Neil Peterson. Members present via Zoom: David Sorenson (10:10 a.m.). Members absent: None

The meeting was called to order by Chairman Peterson and the Pledge of Allegiance was recited.

Chairman Peterson asked if there were any amendments to the agenda. The County Coordinator requested the addition of constituents Dean Philipp at 10:40 a.m. and Gary Heden at 10:55 a.m. Motioned by Commissioner Tveitbakk, seconded by Commissioner Nelson, to approve the Board agenda with the changes presented. Motion carried.

No citizens were present/recognized that were not on the Board agenda.

Motioned by Commissioner Lawrence, seconded by Commissioner Nelson, to approve the County Board minutes of December 14th, 2021, as written. Motion carried.

Motioned by Commissioner Tveitbakk, seconded by Commissioner Lawrence, to approve the Human Services warrants totaling \$175,589.71 and the following Commissioner warrants. Motion carried.

County Revenue	\$154,353.08
Road & Bridge	\$ 89,303.19

Meal reimbursements and per diems in the amount of \$2,497.54 were also approved.

Human Services Director Julie Sjostrand presented the consent agenda from the December 21st, 2021, Human Services Committee meeting. On a motion by Commissioner Nelson and seconded by Commissioner Tveitbakk, the following recommendations of the Pennington County Human Service Committee for December 21st, 2021 (detailed minutes on record) are hereby adopted:

SECTION A

- I. To approve the November 16, 2021, Human Service Committee Meeting minutes.
- II. To approve the agency's personnel action as presented.
- III.
 - A. To approve the CY 2022- 23 Children's Mental Health Screening State of Minnesota Department of Human Services County Grant Contract as presented.
 - B. To approve the CY 2022 – 23 MFIP/DWP Employment Services Purchase of Service Agreement with the Career Force Center as presented.
 - C. To approve the CY 2022 Behavioral Health (Community-Based Services/Residential/Temporary Confinement) Purchase of Service Agreements between Sanford Behavioral Health and Pennington County Human Services.
 - D. To approve the CY 2022 Pennington County Family Services/Children's Mental Health Collaborative Supportive Services Agreement with Northwestern Mental Health Center, Inc.
 - E. To approve the CY 2022 ACS/SWS Support Services Agreement between TriMin Systems and Pennington County Human Services.

SECTION B

I. To approve payment of the Agency's bills.

The County Coordinator presented the following items while awaiting arrival of the County Engineer:

Motioned by Commissioner Lawrence, seconded by Commissioner Tveitbakk, to accept a letter of resignation from Keith Iverson effective January 7th, 2022. Mr. Iverson is a FT Custodian I and was scheduled to transfer to FT Corrections Officer. Motion carried.

Motioned by Commissioner Lawrence, seconded by Commissioner Nelson, to approve a letter of support for the City of Thief River Falls in their application to the Economic Development Association for financial assistance to renovate the Huck Olson Memorial Civic Center. Discussion was held with the County Coordinator noting that there is no financial obligation to the County. Following discussion, the motion was carried.

The County Coordinator noted that Full-Time Custodian I, Tony Marsh, has completed his training for the Special Engineer (boiler) license and passed the examination on December 14th, 2021. With the Special Engineer license, Mr. Marsh meets the qualifications of Custodian II. Motioned by Commissioner Tveitbakk, seconded by Commissioner Lawrence, to approve the designation change of Tony Marsh from Full-Time Custodian I to Full-Time Custodian II effective December 27th, 2021. Motion carried.

Commissioner Sorenson joined the Board meeting at 10:10 a.m. via Zoom.

Motioned by Commissioner Lawrence, seconded by Commissioner Nelson, to amend the resolution approved on November 23, 2021, regarding the transfer of municipal construction funds to the regular construction account to reflect a change in the transfer amount from \$95,500 to \$90,734.37. Upon roll call vote: Nelson – Aye, Lawrence – Aye, Peterson – Aye, Sorenson – Aye, Tveitbakk – Aye. Motion carried.

County Auditor-Treasurer Items:

Motioned by Commissioner Tveitbakk, seconded by Commissioner Nelson, to approve issuance of the following licenses for 2022:

Goodridge Municipal Liquor Store

Cigarette & Tobacco License

Kruse In of St. Hilaire

3.2 Off Sale Liquor License

Upon roll call vote: Nelson – Aye, Lawrence – Aye, Peterson – Aye, Sorenson – Aye, Tveitbakk – Aye. Motion carried.

Motioned by Commissioner Lawrence, seconded by Commissioner Sorenson, to transfer \$122,187.72 from various ditch maintenance funds to the Road and Bridge Fund for work done by the Highway Department in 2021. Upon roll call vote: Nelson – Aye, Lawrence – Aye, Peterson – Aye, Sorenson – Aye, Tveitbakk – Aye. Motion carried.

Motioned by Commissioner Lawrence, seconded by Commissioner Tveitbakk, to authorize the County Auditor-Treasurer to make temporary transfers, as outlined by the Auditor-Treasurer, to bring ditch balances to a positive balance at the end of 2021. Upon roll call vote: Nelson – Aye, Lawrence – Aye, Peterson – Aye, Sorenson – Aye, Tveitbakk – Aye. Motion carried.

Motioned by Commissioner Nelson, seconded by Commissioner Lawrence, to hold an Economic Development Tax Abatement Hearing on January 25th, 2022, at 5:30 p.m. on the following properties approved by the Thief River Falls City Council:

<u>Parcel Number</u>	<u>Owner</u>
25.06205300	Adrien Prestebak
25.12101310	Bryce Gillie
25.12102510	Lori Alvarado
25.00333290	Lester John Larson
25.12101610	Shelby Erickson
25.04300422	Donita Stepan

Upon roll call vote: Nelson – Aye, Lawrence – Aye, Peterson – Aye, Sorenson – Aye, Tveitbakk – Aye. Motion carried.

County Engineer Mike Flaagan joined the meeting and presented the following items:

Motioned by Commissioner Nelson, seconded by Commissioner Lawrence, to accept a resignation letter from Full-time Highway Equipment Operator Jared Voecks effective January 4th, 2022. Upon roll call vote: Nelson – Aye, Lawrence – Aye, Peterson – Aye, Sorenson – Aye, Tveitbakk – Aye. Motion carried.

Motioned by Commissioner Lawrence, seconded by Commissioner Tveitbakk, to authorize the County Engineer to advertise for the position of Full-Time Highway Equipment Operator. Upon roll call vote: Nelson – Aye, Lawrence – Aye, Peterson – Aye, Sorenson – Aye, Tveitbakk – Aye. Motion carried.

Engineer Flaagan expressed his thanks to Mr. Voecks for his good service to Pennington County and wished him well in his new position.

County Sheriff Ray Kuznia presented the following items:

Motioned by Commissioner Lawrence, seconded by Commissioner Nelson, to approve the hire of Alexander Yorba as Full-Time Corrections Officer effective December 31st, 2021. Upon roll call vote: Nelson – Aye, Lawrence – Aye, Peterson – Aye, Sorenson – Aye, Tveitbakk – Aye. Motion carried.

Commissioner Lawrence questioned the status of our jail staff following the hire of Mr. Yorba. Sheriff Kuznia replied that two Corrections Officer positions remain open at this time.

Motioned by Commissioner Lawrence, seconded by Commissioner Tveitbakk, to approve an amendment to the Food Service Management Agreement between Pennington County and Summit Food Service, LLC, thereby extending the contract for one year beginning January 1st, 2022, and approving an increase in charges by roughly 5.5% due to rising food costs. Upon roll call vote: Nelson – Aye, Lawrence – Aye, Peterson – Aye, Sorenson – Aye, Tveitbakk – Aye. Motion carried.

Sheriff Kuznia noted that effective January 1st, 2022, a nurse will assist in the jail 5 days per week. This change is needed and has been budgeted for in 2022 and is in comparison to the 4 days per week of service in 2021.

Inter-County Nursing Service Director Kayla Jore presented an update on COVID-19. She noted that cases are lower at this time, but she is expecting an increase due to upcoming holiday gatherings. She noted one recent COVID-19 related death in the county. ICNS continues to hold vaccine clinics weekly

and about 58% of county resident 5+ years old have been vaccinated. Omicron is becoming the dominant strain in MN, and early evidence shows symptoms are less severe, but normal treatments are not effective. She noted Omicron appears to evade the vaccine to some degree and she is highly recommending booster shots. Recent changes to the CDC guidelines reduced isolation/quarantine time from 10 days to 5 days, and those asymptomatic following the 5-day quarantine can return to work provided they wear a face covering or mask for the 5 days following. The Board thanked her for the update.

Constituent Dean Philipp met with the Board regarding one of his tenants, stating they were receiving rent assistance through the county but payments to him stopped in October 2021. He said the tenant will be evicted soon and that the county will be at fault and responsible for that. He contacted the '211' service for their assistance with the rent but said they were of no assistance to him, and he believes the county is responsible to pay the rent he is owed. The County Board stated that applicants through Human Services or other agencies must first qualify for programs and then continue to follow the requirements, and rent-assistance is often for a limited-time and can terminate should the applicant no longer qualify or demonstrate a need. County Attorney Seamus Duffy noted that the County is not under contract with Mr. Philipp nor responsible to pay any rent owed by his tenants; such rental contracts are between Mr. Philipp and his tenants, not the County.

Mr. Philipp also discussed the proposed investment project by M.A.K. properties and the assistance they are asking for. He said the County has no need for housing or for a babysitting facility that is included in the project. The County Board noted that they have met with M.A.K. to hear about their proposed project, but they have not approved any abatement or other assistance. Mr. Philipp noted that the City of TRF has approved some assistance to M.A.K., to which the County Board replied that those are decisions made by the city and not the county.

Constituent Gary Heden met with the Board to continue discussion on his property and the snow removal issue. He stated the issue is the snow isn't being plowed to the curb, so it is hard to park along the street, and he is also getting snow that could easily be pushed past his property. County Engineer Mike Flaagan noted that the plows must keep a short distance away from curbs to avoid damaging them, that occurs with any street. Commissioner Nelson said he has driven by Mr. Heden's property several times following recent snowfalls and the issue has greatly improved with no need for further plowing. Mr. Heden disagreed and continued to escalate the conversation, finally prompting the County Sheriff to inform him that he cannot be disorderly and yelling at a public meeting, and that he has made his case with the Board on this issue and cannot continue. Mr. Heden then left the Board meeting.

The County Coordinator discussed the recent OSHA Emergency Temporary Standard (ETS) whereas Pennington County, as an employer of 100+ people, must implement an employee policy by January 3rd, 2022, to either 1) mandate the COVID-19 vaccination, or 2) vaccinate or allow employees to test weekly and wear a face covering. Mr. Erickson noted that the Personnel Committee and Department Heads met on the issue and are recommending approval of latter policy. Such policy sets a deadline of February 28th, 2022, to be fully vaccinated by CDC standards, and any employees not fully vaccinated by February 7th, 2022, or that choose not to vaccinate, must test weekly and wear a face covering. County Attorney Seamus Duffy noted that the ETS is headed to the Supreme Court for their review, which could implement a stay to the requirements, however we must comply with the law as it stands. Following discussion, there was a motion by Commissioner Tveitbakk, seconded by Commissioner Lawrence, to approve the 'Pennington County Vaccination, Testing, and Face Covering Policy' as presented, effective

January 3rd, 2022. Upon roll call vote: Nelson – Aye, Lawrence – Aye, Peterson – Aye, Sorenson – Aye, Tveitbakk – Aye. Motion carried.

Motioned by Commissioner Lawrence, seconded by Commissioner Nelson, to adjourn the meeting to January 4th, 2022, at 10:00 a.m. Motion carried.

ATTEST:

Kevin Erickson, County Coordinator
Pennington County

Neil Peterson, Chairman
Board of Commissioners

DRAFT

Pennington County Financial System



KEVIN
1/4/22

9:12AM

Audit List for Board **COMMISSIONER'S VOUCHERS ENTRIES**

Page 1

Print List in Order By: 1
1 - Fund (Page Break by Fund)
2 - Department (Totals by Dept)
3 - Vendor Number
4 - Vendor Name

Explode Dist. Formulas?: Y

Paid on Behalf Of Name
on Audit List?: N

Type of Audit List: D
D - Detailed Audit List
S - Condensed Audit List

Save Report Options?: N

DRAFT

Pennington County Financial System



KEVIN
1/4/22 9:12AM

Audit List for Board **COMMISSIONER'S VOUCHERS ENTRIES**

1 County Revenue

Vendor No.	Name Account/Formula	Rpt Accr	Amount	Warrant Description Service Dates	Invoice # Paid On Bhf #	Account/Formula Description On Behalf of Name	1099
1011	ACE HARDWARE						
116	01-111-000-0000-6403		24.97	WEATHERSTRIPPING - GOV'T CTR	96120	JANITORIAL SUPPLIES - COURTHOL	N
117	01-132-000-0000-6300		15.18	SILICONE FOR WINDOW - MV	97139	REPAIRS & MAINTENANCE	N
118	01-132-000-0000-6300		8.59-	RETURNED SILICONE	97296	REPAIRS & MAINTENANCE	N
1011	ACE HARDWARE		31.56	3 Transactions			
1601	ADVANCE THIEF RIVER						
58	01-003-000-0000-6815		25,000.00	2022 CONTRACT SERVICES	743	ECONOMIC DEVELOPEMENT	N
1601	ADVANCE THIEF RIVER		25,000.00	1 Transactions			
1308	ASSOCIATION MINNESOTA COUNTIES						
11	01-003-000-0000-6241		9,121.00	2022 MEMBERSHIP DUES	60106	DUES - BOARD	N
1308	ASSOCIATION MINNESOTA COUNTIES		9,121.00	1 Transactions			
2510	BELTRAMI COUNTY VETERANS HOME						
59	01-003-000-0000-6901		10,000.00	2022 APPROPRIATION		APPROPRIATIONS	N
2510	BELTRAMI COUNTY VETERANS HOME		10,000.00	1 Transactions			
2322	BRUZEK/CARL						
1	01-106-000-0000-6330	AP	32.48	MILEAGE - ASSESSING MTG - WARR	101621	TRAVEL & EXPENSE	N
3	01-106-000-0000-6330	AP	18.82	MILEAGE - ASSESSING - COMM	121021	TRAVEL & EXPENSE	N
4	01-106-000-0000-6330	AP	13.22	MILEAGE - ASSESSING - COMM TR	123121	TRAVEL & EXPENSE	N
2	01-106-000-0000-6330	AP	7.22	MILEAGE - ASSESSING - NORTH TW	12821	TRAVEL & EXPENSE	N
2322	BRUZEK/CARL		71.74	4 Transactions			
3311	COLE PAPERS, INC.						
120	01-111-000-0000-6403		7.00	PROCESSING FEE FOR PREVIOUS IN	10071458	JANITORIAL SUPPLIES - COURTHOL	N
3311	COLE PAPERS, INC.		7.00	1 Transactions			
7325	G & R CONTROLS, INC.						
57	01-132-000-0000-6631	AP	647.10	REPAIR REGULATOR - DMV	126686	FURNITURE & EQUIPMENT - MOTOF	N
7325	G & R CONTROLS, INC.		647.10	1 Transactions			
8326	HILLYARD INC						
5	01-111-000-0000-6403	AP	402.42	SEALING FOR FLOORS - GOV'T CTR	604583569	JANITORIAL SUPPLIES - COURTHOL	N
8326	HILLYARD INC		402.42	1 Transactions			
8014	HUGOS #7						
47	01-003-000-0000-6330	AP	10.93	FOOD FOR MEETING	1155	TRAVEL & EXPENSE	N

Pennington County Financial System



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1/4/22 9:12AM

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Page 3

1 County Revenue

Vendor No.	Name Account/Formula	Rpt Accr	Amount	Warrant Description Service Dates	Invoice # Paid On Bhf #	Account/Formula Description On Behalf of Name	1099
8014	HUGOS #7		10.93		1 Transactions		
46	9001 INTER COUNTY NURSING 01-003-000-0000-6901		14,365.25	1ST QTR ALLOCATION		APPROPRIATIONS	N
	9001 INTER COUNTY NURSING		14,365.25	1 Transactions			
32	12373 LEADSONLINE LLC 01-220-000-0000-6263		1,223.64	INVESTIGATION SYSTEM SERV 2022	323268	COMPUTER SERVICES & SUPPLIES	N
	12373 LEADSONLINE LLC		1,223.64	1 Transactions			
6	12037 LEE PLUMBING & HEATING 01-111-000-0000-6300	AP	33.00	ELEMENTS FOR WATER HEATER - GC	039893	REPAIRS & MAINTENANCE	N
7	01-111-000-0000-6300	AP	24.50	UPPER THERMOSTAT - GOV'T CTR	039893	REPAIRS & MAINTENANCE	N
8	01-111-000-0000-6300	AP	16.50	LOWER THERMOSTAT - GOV'T CTR	039893	REPAIRS & MAINTENANCE	N
	12037 LEE PLUMBING & HEATING		74.00	3 Transactions			
45	13416 MACA 01-041-000-0000-6241		771.00	2022 MEMBERSHIP DUES	8274	DUES - AUDITOR	N
	13416 MACA		771.00	1 Transactions			
15	13400 MN ASSOCIATION OF COUNTY OFFICERS 01-041-000-0000-6241		1,080.00	2022 MACO DUES		DUES - AUDITOR	N
	13400 MN ASSOCIATION OF COUNTY OFFICERS		1,080.00	1 Transactions			
27	13355 MN COUNTIES COMPUTER COOP 01-070-000-0000-6241		1,800.00	2022 TAX USER GROUP DUES	2201150	DUES - DP	N
28	01-070-000-0000-6241		1,800.00	2022 CAMA USER GROUP DUES	2201150	DUES - DP	N
29	01-070-000-0000-6241		1,800.00	2022 ISSG GROUP DUES	2201150	DUES - DP	N
30	01-070-000-0000-6241		900.00	2022 JIC DUES	2201150	DUES - DP	N
31	01-070-000-0000-6241		1,800.00	2022 FINANCE/GENERAL DUES	2201150	DUES - DP	N
16	01-070-000-0000-6263		8,955.00	22 1ST QTR - TAX SUPPORT	2201150	COMPUTER SERVICES - DP	N
17	01-070-000-0000-6263		412.50	22 1ST QTR - BETA TESTING	2201150	COMPUTER SERVICES - DP	N
18	01-070-000-0000-6263		600.00	22 1ST QTR - ENHANCEMENT FUND	2201150	COMPUTER SERVICES - DP	N
19	01-070-000-0000-6263		3,310.00	22 1ST QTR - CAMA MAINT & SUPP	2201150	COMPUTER SERVICES - DP	N
20	01-070-000-0000-6263		300.00	22 1ST QTR - ISSG ENHANCEMENT	2201150	COMPUTER SERVICES - DP	N
21	01-070-000-0000-6263		115.00	22 1ST QTR - GOLDEN WIKI	2201150	COMPUTER SERVICES - DP	N
22	01-070-000-0000-6263		6,585.00	22 1ST QTR - SUPPORT AUD/TREAS	2201150	COMPUTER SERVICES - DP	N
23	01-070-000-0000-6263		300.00	22 1ST QTR - IFS ENHANCEMENT	2201150	COMPUTER SERVICES - DP	N
24	01-070-000-0000-6263		300.00	22 1ST QTR - FINANCE/GENERAL	2201150	COMPUTER SERVICES - DP	N
25	01-070-000-0000-6263		1,294.25	22 1ST QTR - PAYMATE	2201150	COMPUTER SERVICES - DP	N

Pennington County Financial System



KEVIN
1/4/22 9:12AM

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1 County Revenue

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26	01-070-000-0000-6263		383.25	22 1ST QTR - CAPITAL ASSETS	2201150	COMPUTER SERVICES - DP	N
	13355 MN COUNTIES COMPUTER COOP		30,655.00	16 Transactions			
	13033 MN COUNTIES INTERGOVERNMENTAL TRU						
12	01-605-000-0000-6354		4,225.00	2022 WORKMAN'S COMP	19198R	INSURANCE - WORKMAN'S COMP	N
13	01-605-000-0000-6355		5,794.00	2022 PROPERTY/CASUALTY	19198R	INSURANCE - PROPERTY CASUALTY	N
	13033 MN COUNTIES INTERGOVERNMENTAL TRU		10,019.00	2 Transactions			
	13347 MN RED RIVER VALLEY						
14	01-003-000-0000-6813		900.00	2022 APPROPRIATION	2022-10	RED RIVER VALLEY DEVELOPEMEN	N
	13347 MN RED RIVER VALLEY		900.00	1 Transactions			
	15323 OFFICE DEPOT						
119	01-041-000-0000-6401		20.89	WIRELESS KEYBOARD	216842591001	SUPPLIES - AUDITOR	N
	15323 OFFICE DEPOT		20.89	1 Transactions			
	15370 ONSOLVE, LLC						
37	01-223-000-0000-6801		4,647.00	CODE RED 2022	54661833817	MISCELLANEOUS EXPENSE-E911	N
	15370 ONSOLVE, LLC		4,647.00	1 Transactions			
	16310 POLK COUNTY AUDITOR						
56	01-801-000-0000-6801		19.02	SPECIAL ASSESSMENT PAYOFF	10.0013900	MISCELLANEOUS EXPENSE	N
	16310 POLK COUNTY AUDITOR		19.02	1 Transactions			
	18440 READITECH IT SOLUTIONS						
60	01-041-000-0000-6210		222.86	IT GLOBAL JANUARY - AUD/TREAS	223998	E-MAIL SERVICES	N
61	01-070-000-0000-6263		445.71	IT GLOBAL JANUARY - HIGHWAY	223998	COMPUTER SERVICES - DP	N
62	01-070-000-0000-6263		297.14	IT GLOBAL JANUARY - ICN	223998	COMPUTER SERVICES - DP	N
63	01-070-000-0000-6263		891.43	IT GLOBAL JANUARY - WELFARE	223998	COMPUTER SERVICES - DP	N
64	01-070-000-0000-6263		49.52	IT GLOBAL JANUARY - DATA	223998	COMPUTER SERVICES - DP	N
65	01-070-000-0000-6263		140.00	IT GLOBAL JANUARY - DATA	223998	COMPUTER SERVICES - DP	N
66	01-091-000-0000-6300		99.05	IT GLOBAL JANUARY - ATTORNEY	223998	REPAIRS & MAINTENANCE	N
67	01-101-000-0000-6300		123.81	IT GLOBAL JANUARY - RECORDER	223998	REPAIRS & MAINTENANCE	N
68	01-106-000-0000-6300		74.29	IT GLOBAL JANUARY - ASSESSOR	223998	REPAIRS & MAINTENANCE	N
69	01-121-000-0000-6300		49.52	IT GLOBAL JANUARY - VET SERVIC	223998	Repairs & Maintenance	N
70	01-132-000-0000-6300		148.57	IT GLOBAL JANUARY - MV	223998	REPAIRS & MAINTENANCE	N
71	01-270-000-0000-6300		24.77	IT GLOBAL JANUARY - CRIME VICT	223998	REPAIRS & MAINTENANCE	N
72	01-290-000-0000-6300		49.52	IT GLOBAL JANUARY - EMER MGMT	223998	Repairs & Maintenance	N
73	01-601-000-0000-6300		123.81	IT GLOBAL JANUARY - EXTENSION	223998	REPAIRS & MAINTENANCE	N
75	01-003-000-0000-6210		42.45	HOSTED EXCHANGE - JANUARY	224013	E-MAIL SERVICES	N

Pennington County Financial System



KEVIN
1/4/22 9:12AM

Audit List for Board **COMMISSIONER'S VOUCHERS ENTRIES**

1 County Revenue

Vendor No.	Name Account/Formula	Rpt Accr	Amount	Warrant Description Service Dates	Invoice # Paid On Bhf #	Account/Formula Description On Behalf of Name	1099
88	01-003-000-0000-6210		17.35	ARCHIVING JANUARY	224013	E-MAIL SERVICES	N
114	01-003-000-0000-6210		43.75	HOSTED OFFICE APPS - JANUARY	224013	E-MAIL SERVICES	N
76	01-041-000-0000-6210		16.98	HOSTED EXCHANGE - JANUARY	224013	E-MAIL SERVICES	N
85	01-041-000-0000-6210		20.82	ARCHIVING JANUARY	224013	E-MAIL SERVICES	N
98	01-041-000-0000-6210		6.00	POP EMAIL - JANUARY	224013	E-MAIL SERVICES	N
111	01-041-000-0000-6210		43.75	HOSTED OFFICE APPS - JANUARY	224013	E-MAIL SERVICES	N
86	01-070-000-0000-6210		3.47	ARCHIVING JANUARY	224013	E-MAIL SERVICES	N
87	01-070-000-0000-6210		10.41	ARCHIVING JANUARY	224013	E-MAIL SERVICES	N
99	01-070-000-0000-6210		8.00	POP EMAIL - JANUARY	224013	E-MAIL SERVICES	N
104	01-070-000-0000-6210		114.46	ENCRYPTION JANUARY - COURTHSE	224013	E-MAIL SERVICES	N
105	01-070-000-0000-6210		23.60	ENCRYPTION JANUARY - ICN	224013	E-MAIL SERVICES	N
106	01-070-000-0000-6210		114.46	ENCRYPTION JANUARY - WELFARE	224013	E-MAIL SERVICES	N
77	01-091-000-0000-6210		42.45	HOSTED EXCHANGE - JANUARY	224013	E-MAIL SERVICES	N
89	01-091-000-0000-6210		17.35	ARCHIVING JANUARY	224013	E-MAIL SERVICES	N
110	01-091-000-0000-6300		43.75	HOSTED OFFICE APPS - JANUARY	224013	REPAIRS & MAINTENANCE	N
84	01-101-000-0000-6300		16.98	HOSTED EXCHANGE - JANUARY	224013	REPAIRS & MAINTENANCE	N
90	01-101-000-0000-6300		13.88	ARCHIVING JANUARY	224013	REPAIRS & MAINTENANCE	N
100	01-101-000-0000-6300		2.00	POP EMAIL - JANUARY	224013	REPAIRS & MAINTENANCE	N
112	01-101-000-0000-6300		17.50	HOSTED OFFICE APPS - JANUARY	224013	REPAIRS & MAINTENANCE	N
83	01-106-000-0000-6300		8.49	HOSTED EXCHANGE - JANUARY	224013	REPAIRS & MAINTENANCE	N
91	01-106-000-0000-6300		17.35	ARCHIVING JANUARY	224013	REPAIRS & MAINTENANCE	N
101	01-106-000-0000-6300		8.00	POP EMAIL - JANUARY	224013	REPAIRS & MAINTENANCE	N
113	01-106-000-0000-6300		17.50	HOSTED OFFICE APPS - JANUARY	224013	REPAIRS & MAINTENANCE	N
81	01-111-000-0000-6210		8.49	HOSTED EXCHANGE - JANUARY	224013	E-MAIL SERVICES	N
97	01-111-000-0000-6300		3.47	ARCHIVING JANUARY	224013	REPAIRS & MAINTENANCE	N
78	01-121-000-0000-6210		8.49	HOSTED EXCHANGE - JANUARY	224013	E-MAIL SERVICES	N
92	01-121-000-0000-6210		3.47	ARCHIVING JANUARY	224013	E-MAIL SERVICES	N
109	01-121-000-0000-6300		8.75	HOSTED OFFICE APPS - JANUARY	224013	Repairs & Maintenance	N
93	01-132-000-0000-6300		17.35	ARCHIVING JANUARY	224013	REPAIRS & MAINTENANCE	N
102	01-132-000-0000-6300		10.00	POP EMAIL - JANUARY	224013	REPAIRS & MAINTENANCE	N
108	01-132-000-0000-6300		35.00	HOSTED OFFICE APPS - JANUARY	224013	REPAIRS & MAINTENANCE	N
79	01-270-000-0000-6202		8.49	HOSTED EXCHANGE - JANUARY	224013	TELEPHONE	N
94	01-270-000-0000-6300		3.47	ARCHIVING JANUARY	224013	REPAIRS & MAINTENANCE	N
80	01-290-000-0000-6210		8.49	HOSTED EXCHANGE - JANUARY	224013	E-MAIL SERVICES	N
95	01-290-000-0000-6210		3.47	ARCHIVING JANUARY	224013	E-MAIL SERVICES	N
115	01-290-000-0000-6210		8.75	HOSTED OFFICE APPS - JANUARY	224013	E-MAIL SERVICES	N
82	01-601-000-0000-6300		8.49	HOSTED EXCHANGE - JANUARY	224013	REPAIRS & MAINTENANCE	N
96	01-601-000-0000-6300		13.88	ARCHIVING JANUARY	224013	REPAIRS & MAINTENANCE	N
103	01-601-000-0000-6300		2.00	POP EMAIL - JANUARY	224013	REPAIRS & MAINTENANCE	N

Pennington County Financial System



KEVIN
1/4/22 9:12AM

Audit List for Board **COMMISSIONER'S VOUCHERS ENTRIES**

1 County Revenue

Vendor No.	Name	Accr	Rpt	Amount	Warrant Description	Invoice #	Account/Formula Description	1099
No.	Account/Formula				Service Dates	Paid On Bhf #	On Behalf of Name	
107	01-601-000-0000-6300			17.50	HOSTED OFFICE APPS - JANUARY	224013	REPAIRS & MAINTENANCE	N
74	01-070-000-0000-6263			40.00	REMOTE BACK UP MANAGER - JAN	224219	COMPUTER SERVICES - DP	N
18440	READITECH IT SOLUTIONS			3,620.31	56 Transactions			
19086	SJOBORG'S CABLE TV							
39	01-255-000-0000-6202			84.62	STS INTERNET - JAN	1034374	TELEPHONE - S.T.S.	N
38	01-223-000-0000-6801			225.00	ARMOUR WIRELESS CONNECT - JAN	1036082	MISCELLANEOUS EXPENSE-E911	N
19086	SJOBORG'S CABLE TV			309.62	2 Transactions			
19362	SUNDBY CLEANING, LLC							
10	01-800-000-0000-6262	AP		1,800.00	DECEMBER CLEANING - SS	LEC1221	OTHER SERVICES-WELFARE BUILD	Y
9	01-218-000-0000-6262	AP		1,300.00	DECEMBER CLEANING - LEC	PCHS1221	OTHER SERVICES	Y
19362	SUNDBY CLEANING, LLC			3,100.00	2 Transactions			
20389	THIEF RIVER FALLS SNO DRIFTERS							
48	01-522-000-0000-6801	AP		11,061.59	RIVERLAND NORTH BM 1		SNOWMOBILE EXPENDITURE	N
20389	THIEF RIVER FALLS SNO DRIFTERS			11,061.59	1 Transactions			
12332	TRITECH SOFTWARE SYSTEMS							
33	01-220-000-0000-6263			28,559.66	ANNUAL SOFTWARE MAINTENANCE	336893	COMPUTER SERVICES & SUPPLIES	N
34	01-220-000-0000-6263			3,150.00	HOSTING & SUPPORT MAINTENANCE	336893	COMPUTER SERVICES & SUPPLIES	N
35	01-220-000-0000-6263			491.99	LETG SOFTWARE ANNUAL MAINT	336893	COMPUTER SERVICES & SUPPLIES	N
36	01-220-000-0000-6263			945.00	ANNUAL (6) VPN HOSTING	336893	COMPUTER SERVICES & SUPPLIES	N
12332	TRITECH SOFTWARE SYSTEMS			33,146.65	4 Transactions			
20307	TVEITBAKK/DARRYL							
44	01-003-000-0000-6401	AP		34.98	WALMART - INK	121521	SUPPLIES - BOARD	N
40	01-003-000-0000-6330	AP		178.01	FLIGHT - AMC - MPLS	12621	TRAVEL & EXPENSE	N
42	01-003-000-0000-6330	AP		17.20	MEAL - AMC - MPLS	12621	TRAVEL & EXPENSE	N
43	01-003-000-0000-6330	AP		18.36	MEAL - AMC - MPLS	12721	TRAVEL & EXPENSE	N
41	01-003-000-0000-6330	AP		19.46	MEAL - AMC - MPLS	12821	TRAVEL & EXPENSE	N
20307	TVEITBAKK/DARRYL			268.01	5 Transactions			
1 Fund Total:				160,572.73	County Revenue		26 Vendors	113 Transactions

Pennington County Financial System



KEVIN
1/4/22 9:12AM

Audit List for Board **COMMISSIONER'S VOUCHERS ENTRIES**

3 Road & Bridge

Vendor No.	Name Account/Formula	Rpt Accr	Amount	Warrant Description Service Dates	Invoice # Paid On Bhf #	Account/Formula Description On Behalf of Name	1099
55	4353 DLT SOLUTIONS 03-330-000-0000-6554		3,755.32	AUTO CAD RENEWAL		ENGINEERING & SURVEYING SUPPLI	N
	4353 DLT SOLUTIONS		3,755.32	1 Transactions			
52	13393 MINNESOTA NORTHERN RAILROAD INC 03-330-000-0000-6269	AP	195,997.17	INSTALLATION OF RR SIGNAL SYS		GENERAL CONTRACTS	N
53	03-330-000-0000-6269	AP	5,100.00	2022 MTC FOR SIGNALS CSAH 16		GENERAL CONTRACTS	N
54	03-350-000-0000-6252	AP	73.00	ELECTRICITY FOR RR SIGNAL		ELECTRICITY	N
	13393 MINNESOTA NORTHERN RAILROAD INC		201,170.17	3 Transactions			
51	16027 PENNINGTON COUNTY TREASURER 03-320-000-0000-6263	DTF	445.71	IT GLOBAL - DECEMBER	4146	COMPUTER SERVICES	N
	16027 PENNINGTON COUNTY TREASURER		445.71	1 Transactions			
50	17002 QUILL CORPORATION 03-320-000-0000-6401	AP	525.94	TONER		SUPPLIES	N
	17002 QUILL CORPORATION		525.94	1 Transactions			
49	99999997 RONDORF/JAMES 03-330-000-0000-6341	AP	125.00	CULTIVATE DITCH SEED PREP		EQUIPMENT RENTAL	N
	99999997 RONDORF/JAMES		125.00	1 Transactions			
3 Fund Total:			206,022.14	Road & Bridge	5 Vendors	7 Transactions	
Final Total:			366,594.87	31 Vendors	120 Transactions		

Pennington County Financial System



Recap by Fund

<u>Fund</u>	<u>AMOUNT</u>	<u>Name</u>
1	160,572.73	County Revenue
3	206,022.14	Road & Bridge
All Funds	366,594.87	Total

Approved by,

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Pennington County Financial System



Print List in Order By: 1
1 - Fund (Page Break by Fund)
2 - Department (Totals by Dept)
3 - Vendor Number
4 - Vendor Name

Explode Dist. Formulas?: Y

Paid on Behalf Of Name
on Audit List?: N

Type of Audit List: D
D - Detailed Audit List
S - Condensed Audit List

Save Report Options?: N

DRAFT

Pennington County Financial System



KEVIN
1/4/22 9:13AM

Audit List for Board **COMMISSIONER'S VOUCHERS ENTRIES**

1 County Revenue

Vendor No.	Name Account/Formula	Rpt Accr	Amount	Warrant Description Service Dates	Invoice # Paid On Bhf #	Account/Formula Description On Behalf of Name	1099
14478	NELSON/SETH						
12	01-003-000-0000-6103	AP	75.00	PER DIEM - TECHNOLOGY - TRF	121321	PER DIEMS - BOARD	N
13	01-003-000-0000-6103	AP	75.00	PER DIEM - NW REG/EMERG - TRF	121521	PER DIEMS - BOARD	N
14478	NELSON/SETH		150.00	2 Transactions			
20307	TVEITBAKK/DARRYL						
7	01-003-000-0000-6103	AP	75.00	PER DIEM - SEH ARCHITECT - TRF	121021	PER DIEMS - BOARD	N
1	01-003-000-0000-6103	AP	75.00	PER DIEM - AMC POLICY - TRF	12121	PER DIEMS - BOARD	N
8	01-003-000-0000-6103	AP	100.00	PER DIEM - TVFAA BUDGET - TRF	121321	PER DIEMS - BOARD	N
9	01-003-000-0000-6103	AP	75.00	PER DIEM - TVFAA BOARD - TRF	121521	PER DIEMS - BOARD	N
10	01-003-000-0000-6103	AP	75.00	PER DIEM - NWRL BOARD - TRF	121621	PER DIEMS - BOARD	N
2	01-003-000-0000-6103	AP	75.00	PER DIEM - NCLUCB - TRF	12221	PER DIEMS - BOARD	N
11	01-003-000-0000-6103	AP	75.00	PER DIEM - PERSONNEL - TRF	122921	PER DIEMS - BOARD	N
3	01-003-000-0000-6103	AP	125.00	PER DIEM - AMC CONF - MPLS	12621	PER DIEMS - BOARD	N
4	01-003-000-0000-6103	AP	125.00	PER DIEM - AMC CONF - MPLS	12721	PER DIEMS - BOARD	N
5	01-003-000-0000-6103	AP	100.00	PER DIEM - AMC CONF - MPLS	12821	PER DIEMS - BOARD	N
6	01-003-000-0000-6103	AP	75.00	PER DIEM - TVFAA PERSON - TRF	12921	PER DIEMS - BOARD	N
20307	TVEITBAKK/DARRYL		975.00	11 Transactions			
1 Fund Total:			1,125.00	County Revenue		2 Vendors	13 Transactions
Final Total:			1,125.00	2 Vendors		13 Transactions	

Pennington County Financial System



Recap by Fund

<u>Fund</u>	<u>AMOUNT</u>	<u>Name</u>
1	1,125.00	County Revenue
All Funds	1,125.00	Total

Approved by,

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DRAFT

Colleen Hoffman, Director
Crystelle Philipp, CPA
Marit Martell, CPA



Hoffman, Philipp, & Martell, PLLC

1541 Highway 59 South Thief River Falls, MN 56701 Phone: 218-681-4078 cphilipp@hpmaudit.com

AUDIT ENGAGEMENT LETTER

January 4, 2022

The Honorable Jennifer Herzberg
Pennington County Auditor/Treasurer
101 Main Avenue North
Thief River Falls, Minnesota 56701

We are pleased to confirm our understanding of the services we are to provide Pennington County for the year ended December 31, 2021.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements of Pennington County, as of and for the year ended December 31, 2021. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as Management's Discussion and Analysis (MD&A), budgetary comparison schedules, Other Post-Employment (OPEB) schedules, and Public Employees Retirement Association (PERA) schedules, to supplement Pennington County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Auditing 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. As part of our engagement, we will apply certain limited procedures to Pennington County's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will 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. The RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited.

We have also been engaged to report on supplementary information other than RSI that accompanies Pennington County's financial statements. We will subject the supplementary information, as listed in the table of contents of your financial report, to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the

financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements. To accompany the financial statements, your report will also include other information including introductory and other schedules sections that will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information. If, based on the work performed, we conclude that an uncorrected material misstatement in the other information exists, we are required to describe it in our report.

The objectives of our audit 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 issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and the Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by

management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of any significant inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions when deemed appropriate. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

Audit planning, including the assessment of significant risks, is not concluded at this time. If significant risks are identified they will be communicated to those charged with governance to assist with understanding those matters and why they require special attention, and better allow those charged with governance to perform their oversight duties with regard to the financial reporting process.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls

and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Pennington County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Pennington County's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Pennington County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the cash to accrual journal entries, reconciliations, financial statements and related disclosures, and the schedule of expenditures of federal awards of Pennington County in conformity with GAAP and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the cash to accrual journal entries, reconciliations, financial statements and related disclosures, and the schedule of expenditures of federal awards services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also

responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with GAAP, and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, the schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review during the audit fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on,

the schedule of expenditures of federal awards. You also agree make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information. With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities for the cash to accrual journal entries, reconciliations, financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the cash to accrual journal entries, reconciliations, financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the cash to accrual journal entries, reconciliations, financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. We understand that your employees will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Pennington County Board; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Hoffman, Philipp, & Martell, PLLC, (HPM) and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of HPM personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the a cognizant or oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Marit Martell is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in June, and some preliminary work before that.

Our fee for these services will be \$24,000 for the fifth year of our five-year contract, and includes all out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Pennington County Board. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to Pennington County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact me at (218) 681-4078. If you agree with the terms of our engagement as described in this letter, please sign where provided below and return it to us.

Sincerely,



Crystelle Philipp, CPA
Hoffman, Philipp & Martell, PLLC

Approved: This letter correctly sets forth the understanding of Pennington County.

Chair of Board of County Commissioners (Governance)

Date

County Auditor/Treasurer (Management)

Date