

CROW WING COUNTY, MINNESOTA



Popular Annual Financial Report

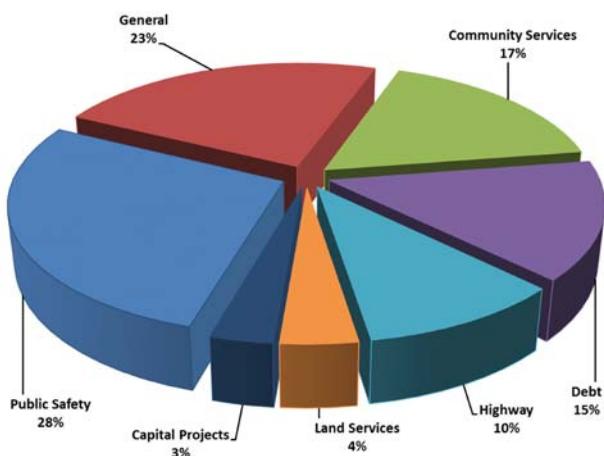
For the fiscal year ended December 31, 2015

Crow Wing County presents its third annual Popular Annual Financial Report (PAFR). The purpose of this report is to inform the community of the County's financial activity in a simple, easy-to-read format for the fiscal year ending December 31, 2015. These highlights are based upon the County's Comprehensive Annual Financial Report (CAFR) which is a more inclusive document prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by the County's independent auditors. The CAFR received an unmodified, or "clean," opinion.

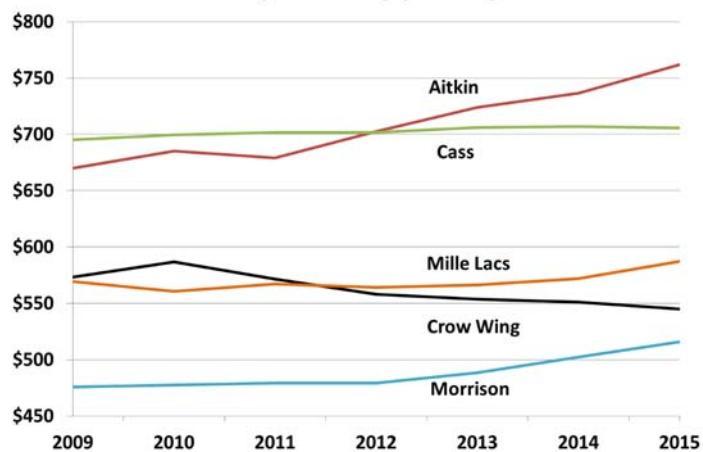
Crow Wing County Property Tax

In a 2015 comparison of four nearby counties, Crow Wing County had the second-lowest County tax levy per capita, at \$545.19. The chart to the right shows the downward trend of Crow Wing County's property tax levy per capita over the past five years. The pie chart below shows where your County property tax dollars go. This does not include the portion of your taxes that go to the city/township, school, or special taxing district. The 2015 property tax levy marked the fifth year the County decreased the levy. Over the past five years, the County has decreased the levy by 4.9 percent. For 2015, the County property tax levy was \$34,464,912

Where does the County portion of your property tax go?



County Tax Levy per Capita



Dividing Up Your Tax Dollar

On average, for all property taxes levied, the County keeps 33¢ of every dollar to provide services. The remaining 67¢ is distributed to cities, townships, school districts, and special districts such as hospitals, HRAs, or sewer districts.

33¢ County
28¢ City or Township
38¢ School District or State General Tax*
1¢ Special districts

Our Vision: Being Minnesota's favorite place.

Our Mission: Serve well. Deliver value. Drive results.

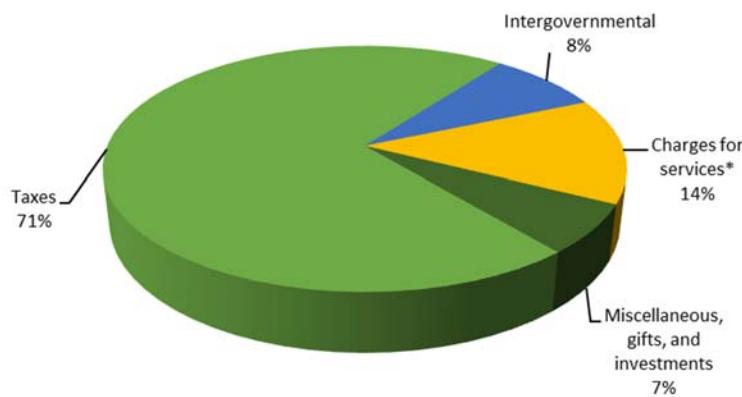
Our Values: Be responsible. Treat people right. Build a better future.

*In most instances, commercial and seasonal recreational properties will pay state general tax in addition to a portion of the school district tax.

General Fund Revenues

The General Fund is the primary fund for the County. It accounts for revenues and expenditures associated with the general operations of the County that are not required to be accounted for in separate funds. Revenues for the General Fund totaled \$27,904,998 for 2015, an increase of \$1,156,717, or 4.3 percent from 2014. Property taxes were the largest revenue of the General Fund, at \$19,930,821.

Where does the money come from?



The General Fund accounts for services such as attorney; public safety, including dispatch, bomb squad, the County Jail, and boat and water; maintenance of property records; vital statistics; elections; administration of property tax assessment and collection; and the distribution of local governments' property taxes within the County.

The General Fund also accounts for internal services such as human resources, payroll and finance, information technology, and facility services.

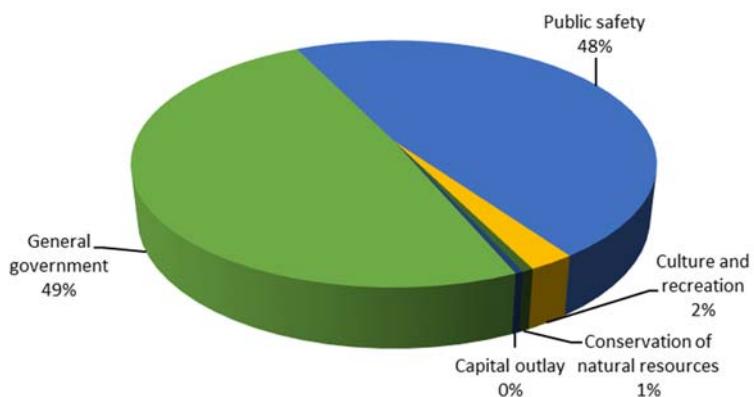
*Charges for services includes charges, licenses and permits, and fines and forfeits.

General Fund Expenditures

The County's General Fund expenditures for 2015 were \$27,724,392, an increase of \$1,783,076, or 6.4 percent, from 2014. General government and public safety account for the majority of expenditures out of the General Fund. The General Fund had revenues in excess of expenditures in the amount of \$180,606.

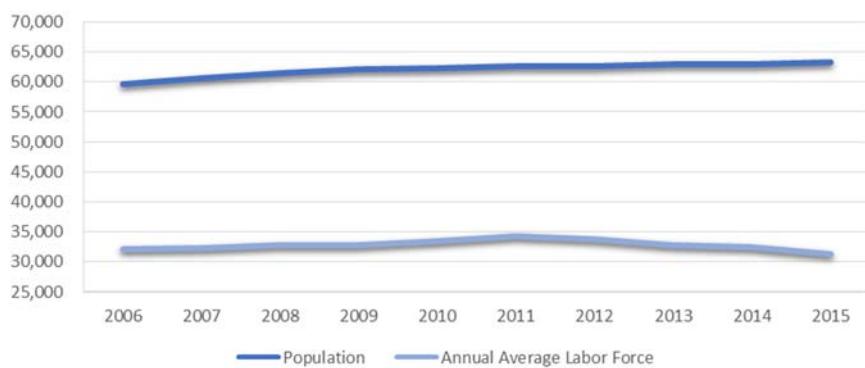
The General Fund reported a positive variance of \$536,332 against the budgeted revenues and expenditures for 2015: the General Fund's revenues were greater than anticipated, and expenditures were less than anticipated.

Where does the money go?



Economic Condition and Outlook

Population and Labor Force



services. Tourism is an important facet of the local economy. During the height of tourism season the County's population swells to an estimated 300,000 when tourists and seasonal residents are taken into consideration. Leisure and hospitality industries brought in more than \$219 million in gross sales in 2014. The leisure and hospitality industry is the largest employing industry in the County, with an annual average of 4,151 employed in 2015. The single largest employer in the County is Essentia Health, with 1,460 employees, followed by Cuyuna Regional Medical Center with 947 employees, and Independent School District #181 with 893 employees.

The State Demographic Center estimated the 2015 population of Crow Wing County at 63,371, an increase of 4.5 percent since 2006. The annual average labor force has been estimated at 30,946 for 2015, a decrease of 4.4 percent since 2006.

The County's per capita personal income in 2014 (the most recent year available) was \$37,819, an increase of \$1,851 over 2013, or 5.1 percent.

The County contains a variety of commercial and industrial businesses in areas such as retail and wholesale; health care; education; manufacturing and construction; and financial and information

Governmental Revenues and Expenditures

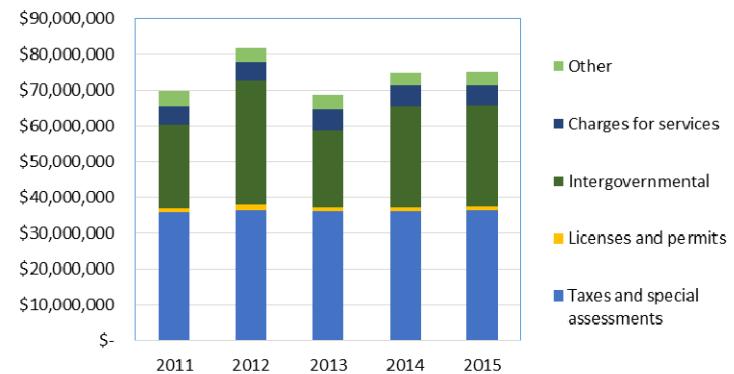
Crow Wing County Fund Types

The County maintains five types of governmental funds: general, special revenue, debt service, capital projects, and permanent; an enterprise fund, the Landfill Fund; and various agency funds (a type of fiduciary fund).

- The **General Fund** is the primary fund for the County. It accounts for all revenues and expenditures associated with the general operations of the County not required to be accounted for in separate funds.
- **Special Revenue Funds** account for proceeds of specific revenue sources that are restricted or committed for specific purposes. The County maintains six Special Revenue Funds: Highway, Community Services, Public Land Management, Solid Waste (Non-Landfill), Unorganized Townships, and Small Cities Development Program.
- The **Debt Service Fund** is used to account for financial resources used for the repayment of debt.
- The **Capital Projects Fund** is used to account for the financial resources used for the acquisition or construction of capital facilities and other capital assets.
- The County maintains one **Permanent Fund**, the Environmental Trust, to account for resources that are non-spendable or restricted for environmental purposes pursuant to Minn. Stat. § 373.475.
- The County reports one **Enterprise Fund**, the Landfill Fund, which is operated and accounted for much like a business.
- **Fiduciary Funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's own programs.

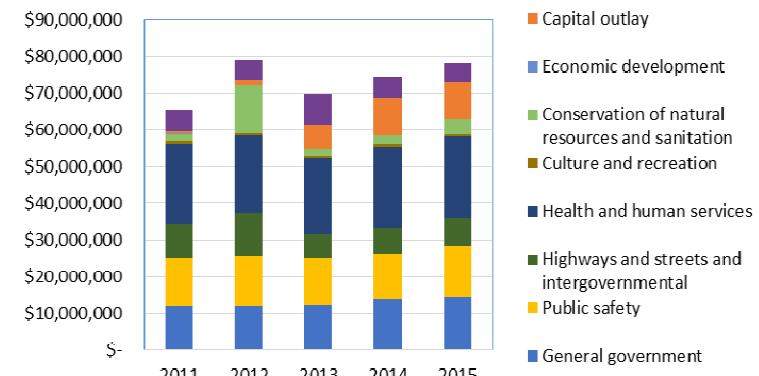
The County's revenues for 2015 (for all funds except the Landfill) were \$75,005,530 an increase of \$167,614 over the prior year. Revenues remained fairly stable from 2014, with little variances among major categories of revenues. The graph below provides a five-year comparison of governmental revenues.

Five Year Revenue Comparison



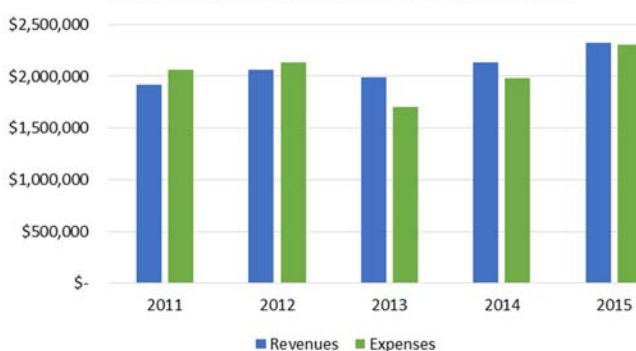
The County's expenditures for 2015 (for all funds except the Landfill) were \$78,140,713, an increase of \$3,477,911 over the prior year. Expenditures were greater in the current year largely due to increases for sanitation of \$1,239,329 for the North Long Lake Sanitary Sewer District project.

Five Year Expenditure Comparison



Landfill Fund

Landfill Operating Revenues and Expenses



The County's Landfill Fund operates like a business, supporting itself with user fees and charges. For 2015, the Landfill Fund reported an operating income of \$22,425. Operating revenues and expenses are those that occur in the normal course of business. The principal operating revenues of the Landfill Fund are charges to customers for services provided and for the issuance of licenses and permits. Operating expenses include the cost of services, administrative expenses, depreciation, and costs relating to landfill closure and postclosure. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to
Crow Wing County
Minnesota

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Jeffrey P. Evans
Executive Director/CEO



About this Report

Crow Wing County reports financial year-end results in the Comprehensive Annual Financial Report (CAFR). The Popular Annual Financial Report (PAFR) is an unaudited report that summarizes the most significant data from the 2015 CAFR, and is consistent with Generally Accepted Accounting Principles (GAAP).

For a complete review of the County's financial position for 2015, please consult the 2015 CAFR available on the County's website at www.crowwing.us, or contact Finance at 218-824-1047.

Improved Customer Service Experience

In 2015 the County secured special legislation to appoint the Auditor/Treasurer and Recorder, which were previously elected positions, in order to improve service delivery for land and vital record transactions. This allowed the County to create a single Customer Service center for all land-related transactions, thereby improving customer experience and reducing expenses by over \$300,000. In early 2016, the Recorder and Auditor/Treasurer functions became fully restructured into Land Services. Additionally, an Administrative Services department was created, which contains internal-operational divisions such as Finance, Information Technology, and Facilities



How Your Tax Dollars Buy County Services

Residents receive a variety of County services at an affordable price. The cost of County services in 2016 for a homeowner in Crow Wing County with an assessor's market value of \$176,000 (the County's average market value) was \$43.26 per month. The value received from County services compared favorably to charges of other monthly bills.

Property Tax-Supported Services

The checkbook shows how the monthly cost of property tax-supported services was divided among County departments. Public safety costs include sheriff and 911 dispatch, as well as the operation of the County Jail. General government includes services such as the attorney, property tax assessment and collection, library services, courts, environmental services, and the recorder, as well as costs for administrative services. Highway costs go to support road maintenance and improvements within the County.

Description of Transaction	Amount
Public safety	\$ 12.11
General government	\$ 9.95
Community services	\$ 7.35
Debt service	\$ 6.49
Highway	\$ 4.33
Land services	\$ 1.73
Capital projects	\$ 1.30

