



COMPREHENSIVE ANNUAL FINANCIAL REPORT 2015



One County
many helping hands.

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015
CROW WING COUNTY, MINNESOTA

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
CROW WING COUNTY,
MINNESOTA**

For The Year Ended December 31, 2015

Prepared By
The Financial Services Division of Administrative Services
Deborah A. Erickson, Administrative Services Director

**CROW WING COUNTY
BRAINERD, MINNESOTA**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	5
Map – Congressional Districts	6
Map – Legislative Districts	7
Map – Political Subdivisions	8
Map – Commissioner Districts	9
List of Elected and Appointed Officials	10
Organizational Chart	11
FINANCIAL SECTION	
Independent Auditor’s Report	13
Management’s Discussion and Analysis	16
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	27
Statement of Activities	30
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position – Governmental Activities	36
Statement of Revenues, Expenditures, and Changes in Fund Balances	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities	40
Landfill Enterprise Fund:	
Statement of Net Position	41
Statement of Revenues, Expenses, and Changes in Fund Net Position	42
Statement of Cash Flows	43
Fiduciary Funds:	
Statement of Fiduciary Net Position	45
Notes to the Financial Statements	46

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**TABLE OF CONTENTS
(Continued)**

	<u>Page</u>
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	85
Highway Special Revenue Fund	88
Community Services Special Revenue Fund	89
Public Land Management Special Revenue Fund	90
Schedule of Funding Progress – Other Post Employment Benefits Plan	91
Schedule of Proportionate Share of Net Pension Liability –	
PERA General Employees Retirement Fund	92
Schedule of Contributions – PERA General Employees Retirement Fund	92
Schedule of Proportionate Share of Net Pension Liability –	
PERA Public Employees Police and Fire Fund	93
Schedule of Contributions – PERA Public Employees Police and Fire Fund	93
Schedule of Proportionate Share of Net Pension Liability –	
PERA Public Employees Correctional Fund	94
Schedule of Contributions – PERA Public Employees Correctional Fund	94
Notes to the Required Supplementary Information	95
 Supplementary Information:	
Budgetary Comparison Schedules:	
Debt Service Fund	96
Capital Projects Fund	97
Combining Balance Sheet – Nonmajor Governmental Funds	100
Combining Statement of Revenues, Expenditures, and	
Changes in Fund Balances – Nonmajor Governmental Funds	102
Budgetary Comparison Schedules:	
Solid Waste (Non-Landfill) Special Revenue Fund	104
Unorganized Townships Special Revenue Fund	105
Small Cities Development Program Special Revenue Fund	106
Environmental Trust Permanent Fund	107
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	108
 Other Schedules:	
Schedule of Intergovernmental Revenue	111
Schedule of Expenditures of Federal Awards	112
Notes to the Schedule of Expenditures of Federal Awards	113

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**TABLE OF CONTENTS
(Continued)**

	<u>Page</u>
STATISTICAL SECTION	
Financial Trends:	
Net Position by Component	116
Changes in Net Position	118
Fund Balances, Governmental Funds	122
Changes in Fund Balances, Governmental Funds	124
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	126
Direct and Overlapping Property Tax Rates	128
Principal Property Taxpayers	129
Property Tax Levies and Collections	130
Debt Capacity:	
Ratios of Outstanding Debt by Type	131
Ratios of Net General Bonded Debt Outstanding	132
Direct and Overlapping Governmental Activities Debt	133
Legal Debt Margin Information	134
Demographic and Economic Information:	
Demographic and Economic Statistics	136
Principal Employers	137
Operating Information:	
Full-Time Equivalent County Government Employees by Function/Program	138
Operating Indicators by Function/Program	140
Capital Asset Statistics by Function/Program	142



DATE: June 14, 2016

TO: The Citizens of Crow Wing County, Minnesota
The Crow Wing County Board of Commissioners
All Other Interested Parties

Subject: 2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report (CAFR) of Crow Wing County is submitted for the fiscal year ending December 31, 2015. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Internal controls are designed to safeguard assets as well as to ensure that accounting data is accurate for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Crow Wing County is audited annually, as required by Minnesota Statute § 6.48. This requirement has been complied with and the Office of the State Auditor has issued an unmodified ("clean") opinion on the Crow Wing County financial statements for the year ending December 31, 2015. The independent auditor's report is located in the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Crow Wing County was established in 1857 and formally organized in 1870. The original Courthouse was built in Brainerd in 1872; it was replaced in 1920 by the building now known as the Historic Courthouse. The County campus expanded during the period of 2004-2007 with the addition of new Jail, Judicial Center, and Community Services buildings. Other structures remodeled included Central Services, Land Services, and the Historic Courthouse. The Highway Department moved to a new off-site campus near the Brainerd Lakes Regional Airport. The Environmental Services Solid Waste offices also moved to a new site located on the County Landfill property.

Crow Wing County is located in north-central Minnesota, about 125 miles northwest of the Minneapolis/St. Paul metropolitan area, and covers 999 square miles. The County seat is the City of Brainerd, which is the largest community in the County with a population of 13,659 residents in 2014.

The County Board of Commissioners is the governing body of Crow Wing County. There are five members of the County Board, each representing one of five Districts, elected to four-year overlapping terms. The County Board appoints a County Administrator who is the chief appointed administrative officer of the County. The Administrator is responsible for the administration of Board policy and for the management of various County divisions and departments. The Attorney and Sheriff are elected officials.

The County provides a full range of services contemplated by statute. These services include public safety, highway, health, attorney, human services, recreational, maintenance of property records, vital statistics, issuance of various permits and licenses, administration of property tax assessment and collection, and the distribution of local governments' property taxes within the County.

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.

The Crow Wing County Board of Commissioners is required by state law to annually adopt a budget for the next fiscal year for the General, Special Revenue and Debt Service Funds. The County Administrator incorporates budgetary controls which ensure that County departments comply with the annual budget. County departments are comprised of one or more sub-departments (agencies). County departments can spend their agency level budgets on any line item within that agency as long as the total agency budget is not overspent. Cost-neutral budgetary amendments or reallocations across departments are approved by the County Administrator. Authority to spend additional resources must be approved by the County Board of Commissioners.

Local Economy

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 services. Tourism is an important facet of the local economy.

Tourism

Located in the heart of the Brainerd Lakes region, Crow Wing County is one of Minnesota's most popular destinations for outdoor recreation. 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 most recent year data is available, making a 6.8 percent increase in gross sales when compared to 2013. In 2015, 240 leisure and hospitality businesses employed an annual average of 4,151 employees. This was an increase of 185 jobs over 2014, or 4.7 percent. The seasonality of leisure and hospitality businesses creates employment data fluctuations throughout the year.

Tourists in Crow Wing County enjoy the following:

- Water activities on over 465 lakes including Mille Lacs Lake, the Whitefish Chain, and the Gull Lake Chain
- Golfing on over two dozen golf courses
- Activities such as hiking or biking in Crow Wing State Park or Cuyuna Country State Recreation Area

Retail and Wholesale

In 2015, 325 retail trade businesses employed an annual average of 4,601 employees, an increase of 130 jobs, or 2.9 percent, over the previous year. In 2015, an annual average of 564 individuals were employed by 60 wholesale trade businesses, an increase of 1.6 percent. One of the largest wholesale employers, Costco, employs 175 individuals.

Health Care

Crow Wing County is served by a number of first-rate medical facilities. The Cuyuna Regional Medical Center (CRMC) consists of a medical campus providing cardiovascular, optometry, long-term care, and memory loss services, among others. The campus continues to expand and is the major employer in the Crosby-Ironton-Deerwood area, employing more than 900 physicians, nurses, health care professionals, and support staff.

Essentia Health currently operates the St. Joseph's Medical Center in Brainerd, a 162-bed nonprofit hospital offering services in a wide variety of medical specialties. Essentia Health St. Joseph's Clinics are a group of integrated clinics throughout the lakes area. Together, the Essentia Health System employs more than 1,400 medical professionals and support staff in Crow Wing County and is considered the largest integrated health system in north central Minnesota.

In 2015, 189 Crow Wing County establishments provided an annual average of 5,727 jobs in the areas of health care and social assistance. This was an increase of 36 jobs over 2014, or 0.6 percent.

Education

The K-12 schools in the Brainerd Lakes Area educate approximately 9,350 students annually, making the combined districts the 15th largest in the state. The largest of these is Independent School District (ISD) #181, serving Brainerd and surrounding communities with enrollment of approximately 6,430. Brainerd also hosts the campus of Central Lakes College (CLC), a comprehensive community and technical college. CLC serves about 6,000 students per year.

In 2015, 35 establishments provided 2,012 jobs in the area of educational services, a decrease of 68 jobs, or 3.3 percent, when compared to 2014 employment data.

Manufacturing and Construction

In 2015, 111 companies employed an annual average of 2,464 people in a variety of manufacturing arenas, from plastics to precision machining and metal fabrication. Clow Stamping and Bang Printing are the largest manufacturing employers in the County with approximately 435 and 235 employees, respectively. In 2015, 246 area construction firms employed 1,730 people, an increase of 68 jobs in Crow Wing County. This makes up a 4.1 percent increase when compared to 2014 employment data.

Finance and Insurance

The finance and insurance industries are well represented in the region. In 2015, 117 firms provided an annual average of 1,222 jobs, an increase of 19 jobs over the prior year. This makes up a 1.6 percent increase when compared to 2014 employment data. One of the area's largest financial services employers is Ascensus, which employs around 500 people in its Brainerd and Baxter offices.

Key Population, Labor Force and Employment Trends

- The County's population changed from 59,606 residents in 2005 to 63,371 residents in 2014; the total population rank was 15th of 87 counties in Minnesota.
- The County's annual average labor force changed from 32,080 workers in 2005 to 30,946 workers in 2015, a decrease of 3.5 percent.
- The County's average unemployment rate in 2015 was 5.4 percent. In 2015, the average state and national unemployment rates were 3.7 percent and 5.3 percent, respectively.
- In 2014, Crow Wing County had a per capita personal income (PCPI) of \$37,819. Crow Wing County's PCPI rank was 72nd of the 87 counties in the state. Crow Wing County was 77.2 percent of the state average of \$48,998, and 82.1 percent of the national average of \$46,049.

Major Initiatives by Crow Wing County

The Crow Wing County government took action to reduce costs:

- In 2015, Crow Wing County continued to see economic and operating budget challenges. Between 2008 and 2015, Crow Wing County reduced staffing by 40 Full-Time Equivalents (FTEs), representing a workforce reduction of 8.8 percent.
- The County Board approved a levy decrease of 0.1 percent for taxes payable 2016. Since 2011, the County Board has approved a levy decrease each year. The total levy decrease over this time period is 5.0 percent.

Future Crow Wing County Plans:

- Continue improvement of the County's performance assessment system and increase alignment between organization-wide objectives and personalized employee goals.
- Address issues arising from continuing development and the growing County population. Develop talent internally to replace positions open due to retirements in the upcoming years.
- Protect the County's water quality and environment, including implementing strategies to reduce the spread of Aquatic Invasive Species (AIS), which are critical to the health of Crow Wing County residents and the tourism industry.
- Continue assessing and improving the Ride Quality Index (RQI) on County roads. Partner with MnDOT and cities within the County to successfully expand Highway 371 to four lanes. Increase road projects paid for with a new funding stream – the County's 0.5 percent sales tax option, effective April 1, 2016.

Debt Administration

The ratio of outstanding net debt per capita is a useful indicator of the County's debt position for County management, citizens, and investors. The data for Crow Wing County at the end of the 2015 fiscal year follows:

	<u>Amount</u>	<u>Net debt per capita</u>
Net General Bonded Debt Outstanding	\$20,511,442	\$324

The County has an 'AA' credit rating from Standard & Poor's (S&P).

Employee Labor Contracts

The eleven collective bargaining units listed below represent approximately 90 percent of the County's employees. The status of the contracts is as of the publication date of the Comprehensive Annual Financial Report.

<u>Bargaining Unit</u>	<u>Term of Contract</u>
AFSCME	2014-2016
Assistant County Attorney Association	2015-2017
LELS Local #14 Deputies	2014-2016
LELS Local #13 Dispatchers	2014-2016
LELS Local #16 Correctional Officers	2014-2015
IUOE Local #49 Facilities	2015-2017
IUOE Local #49 Highway	2015-2017
Organization of Non-Contract Employees	2016
Teamsters Local #320 Social Services	2015-2017
Teamsters Local #346 Sheriff's Licensed Supervisory	2015-2017
Teamsters Local #346 Corrections and Dispatch Supervisory	2014-2016

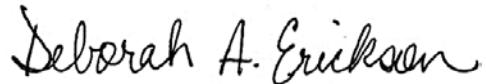
All contracts begin January 1 and end December 31.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Crow Wing County for its comprehensive annual financial report for the fiscal year ended December 31, 2014. This was the second consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the Financial Services Division staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the County Board for their unfailing support for maintaining the highest standards of professionalism in the management of Crow Wing County finances.



Respectfully submitted,
Deborah A. Erickson
Administrative Services Director



Jason J. Rausch
Finance Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Crow Wing County
Minnesota**

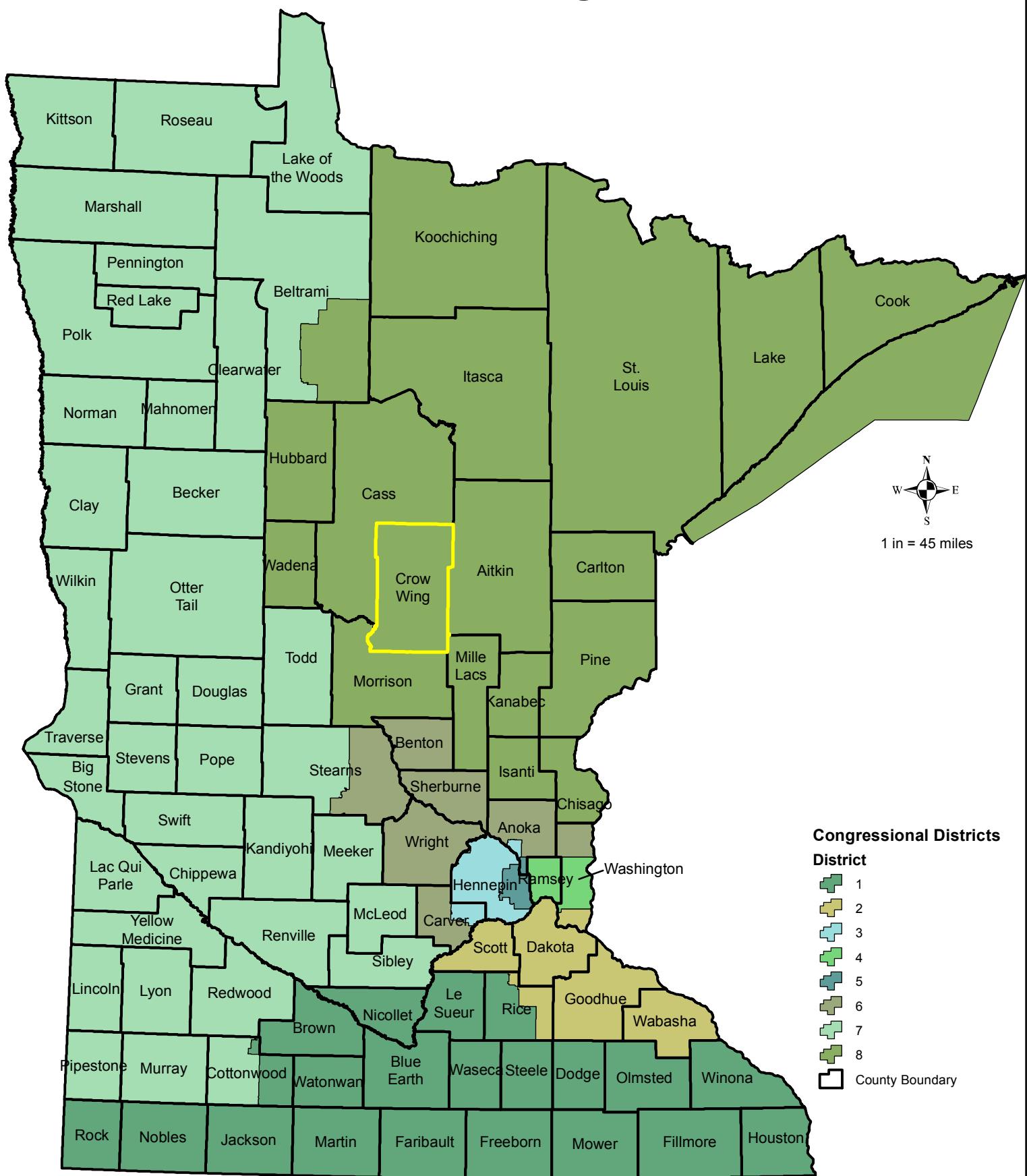
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

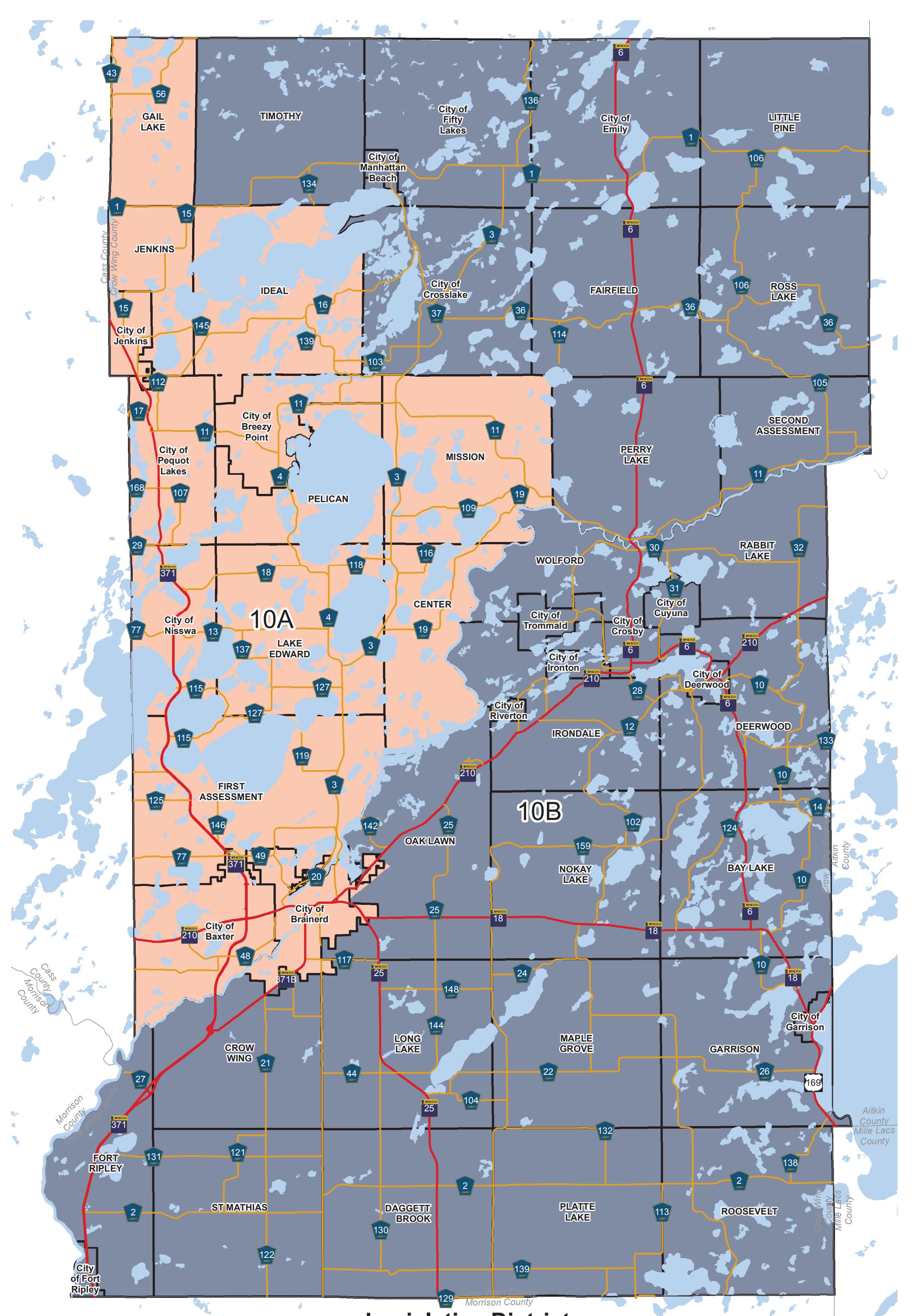
December 31, 2014

A handwritten signature in black ink that reads "Jeffrey P. Emer". The signature is fluid and cursive, with "Jeffrey" on the top line and "P. Emer" on the bottom line.

Executive Director/CEO

State of Minnesota Congressional Districts



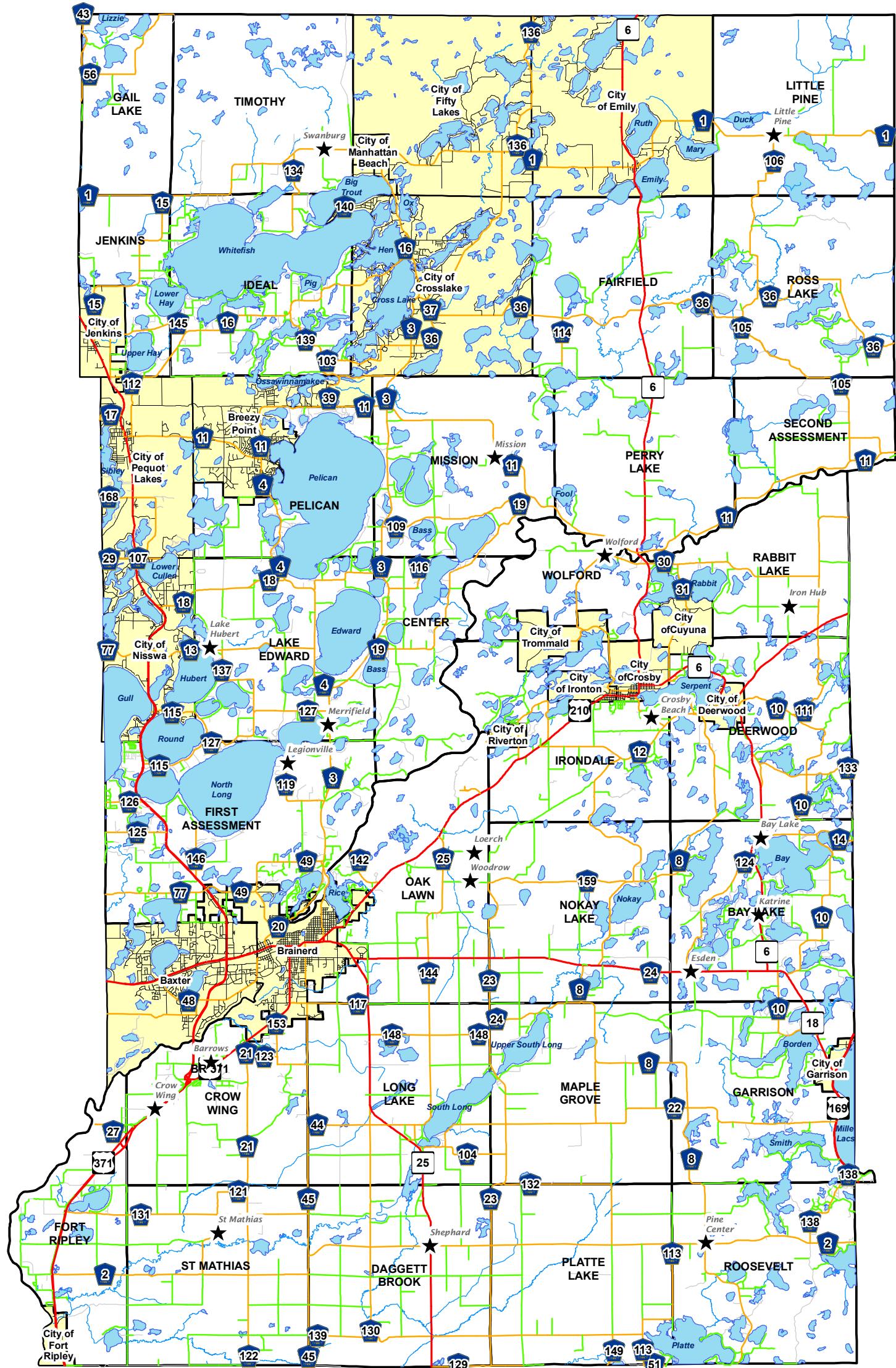


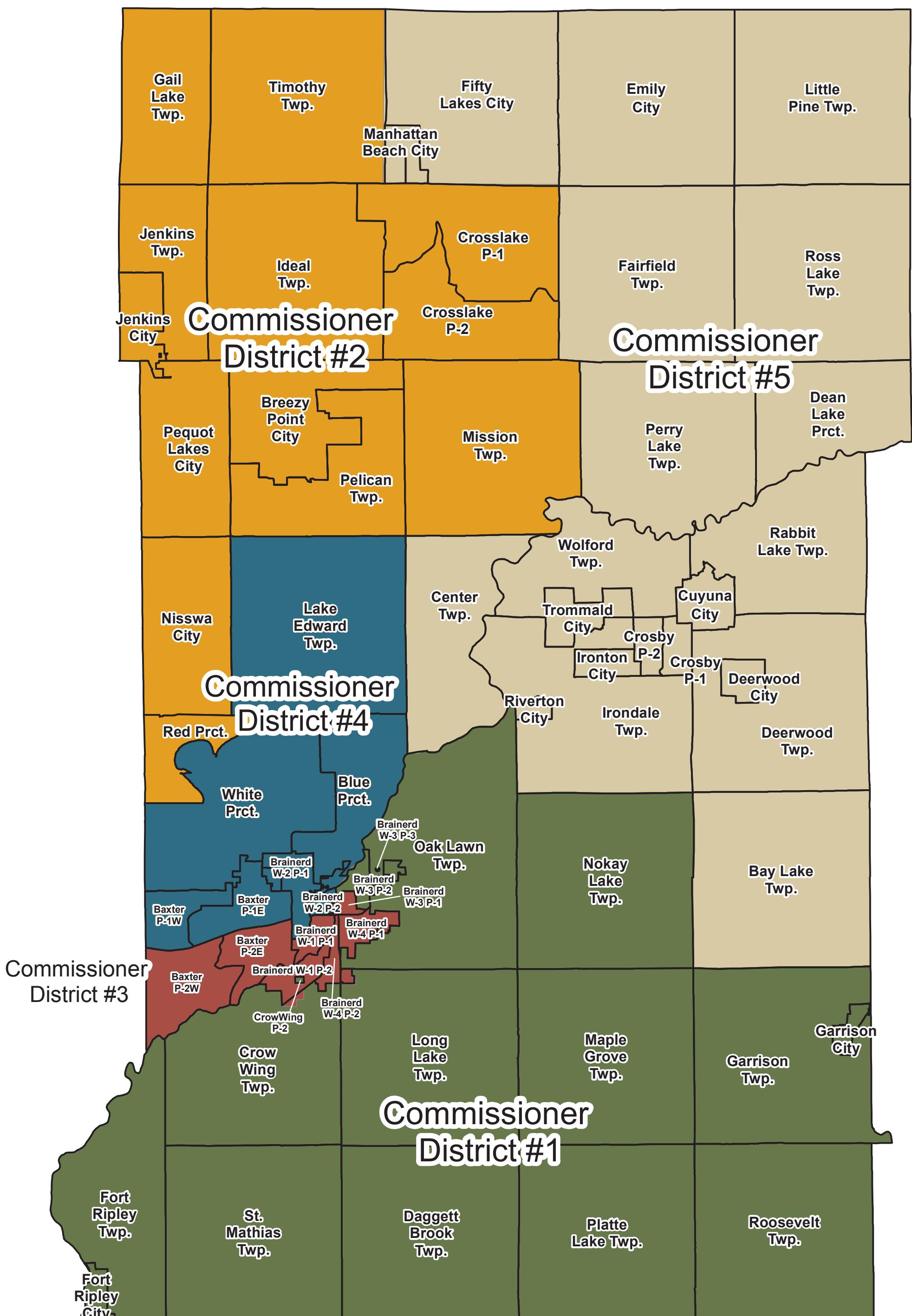
Legislative Districts

Legislative District Boundary

10A

10B

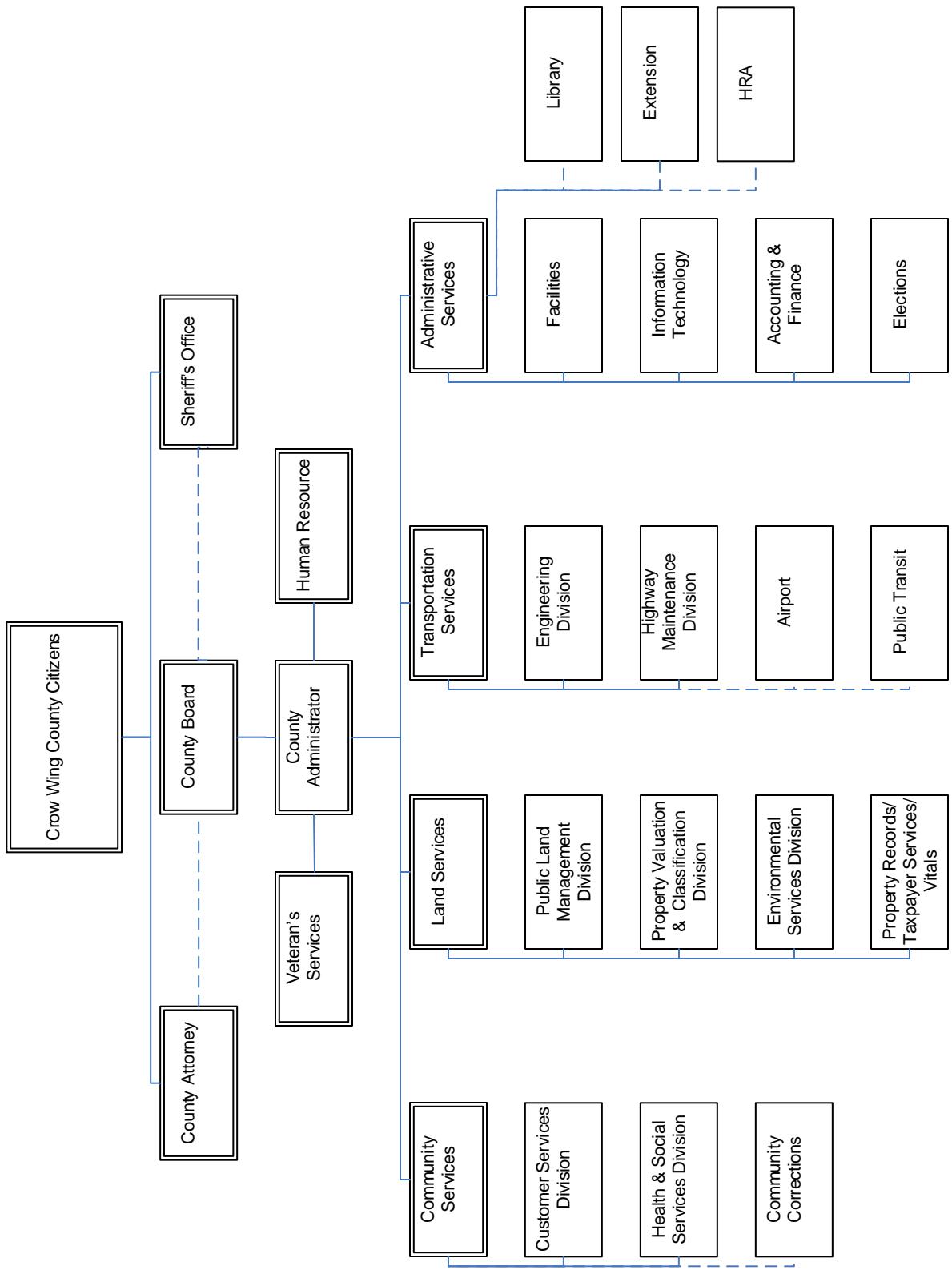




**CROW WING COUNTY
BRAINERD, MINNESOTA**

**LIST OF ELECTED AND APPOINTED OFFICIALS
2015**

Office	Name	Elected or Statutory Term Expires
County Board of Commissioners		
1 st District	Paul Koering*	January 2017
2 nd District	Paul M. Thiede	January 2019
3 rd District	Rachel Reabe Nystrom	January 2019
4 th District	Rosemary Franzen	January 2019
5 th District	Doug Houge**	January 2017
*Denotes 2015 Chair		
**Denotes 2016 Chair		
County Offices		
Elected		
Attorney	Donald F. Ryan	January 2019
Auditor-Treasurer	Deborah A. Erickson	January 2019
Recorder	Mark Liedl	January 2019
Sheriff	Todd O. Dahl	January 2019
Appointed		
Administrator	Timothy J. Houle	Indefinite
Assessor	Gary Griffin	January 2017
Engineer	Timothy V. Bray	May 2019
Examiner of Titles	Glen A. Gustafson	Indefinite
Land Commissioner	Kirk Titus	Indefinite
Veterans Service Officer	Robert M. Nelson	June 2019
Zoning Administrator and County Planner	Christopher Pence	Indefinite



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REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Crow Wing County
Brainerd, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crow Wing County, Minnesota, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Brainerd Lakes Regional Airport (Airport), included in the City of Brainerd, Minnesota, financial statements as a discrete component unit, for the year ended December 31, 2014 (the most recent information available). The Airport is a joint venture between Crow Wing County and the City of Brainerd, as discussed in Note IV.B. to the financial statements. The County's investment in the Airport is accounted for by the equity method of accounting and represents the \$18,882,699 investment in joint venture. The financial statements of the Airport were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amount included as an investment in joint venture is based solely on the report of other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crow Wing County as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note I.F. to the financial statements, in 2015 the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No. 82, *Pension Issues*, which represents a change in accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the GASB, 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crow Wing County's basic financial statements. The introductory section, the supplementary information, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2016, on our consideration of Crow Wing County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Crow Wing County's internal control over financial reporting and compliance. It does not include the Brainerd Lakes Regional Airport, which was audited by other auditors.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 14, 2016

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015
(Unaudited)**

The financial management of Crow Wing County offers readers of Crow Wing County's financial statements this narrative overview and analysis of the financial activities of Crow Wing County for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Crow Wing County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$199,428,052 (net position). Of this amount, \$25,978,033 is classified as unrestricted net position. Unrestricted net position includes \$18,882,699 of investments in joint ventures. The remaining \$7,095,334 may be used to meet the government's ongoing obligations to citizens and creditors. Total net position increased by \$3,627,389 over the prior year, after restatement of beginning net position related to GASB Statement No. 68, GASB Statement No. 71, and GASB Statement No. 82.
- As of the close of the 2015 fiscal year, Crow Wing County's governmental funds reported combined ending fund balances of \$46,756,237, compared to \$49,710,021 reported at the close of the 2014 fiscal year. Approximately 69.2 percent of this amount, \$32,369,145, is available for spending at the government's discretion (unrestricted fund balance: committed, assigned, or unassigned).
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$14,858,248, or 53.6 percent, of total General Fund expenditures, an increase of \$1,008,988 in comparison with the prior year. The unassigned amount of fund balance for the General Fund was \$13,265,687, or 47.8 percent, of total General Fund expenditures. This increase of \$821,680 is due to a favorable operating surplus.
- Crow Wing County's long-term liabilities (due in more than one year) increased by \$16,538,486, or 38.4 percent, to \$59,603,328 during the current fiscal year. This change is primarily the result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required the County to recognize \$19,061,736 of net pension liability. Other impacts are a reduction due to debt principal payments of \$3,907,750 and an increase in the net OPEB obligation. The net OPEB obligation increased in the amount of \$1,704,519, for a total obligation of \$15,250,877.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to Crow Wing County's basic financial statements. Crow Wing County's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The statement of net position presents information on all of Crow Wing County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Crow Wing County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (such as uncollected taxes and earned but unused paid time off and severance leave).

Both government-wide financial statements distinguish functions of Crow Wing County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of Crow Wing County include general government, public safety, highways and streets, sanitation, health and human services, culture and recreation, conservation of natural resources, economic development, and interest. The business-type activity of Crow Wing County is the Crow Wing County Landfill.

The government-wide financial statements may be found on pages 27 through 31 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Crow Wing County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Crow Wing County can be divided into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Within the governmental funds, Crow Wing County maintains five fund types: general, special revenue, debt service, capital projects, and permanent. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund; Highway, Community Services, and Public Land Management Special Revenue Funds; Debt Service Fund; and Capital Projects Fund, all of which are considered to be major funds. Data from the other three special revenue nonmajor governmental funds and the permanent fund are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Crow Wing County adopts an annual appropriated budget for the following governmental funds: General, Highway, Community Services, Public Land Management, Debt Service, Capital Projects, Solid Waste (Non-Landfill), Unorganized Townships, and Environmental Trust. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements may be found on pages 32 through 40 of this report.

General Fund – The General Fund is the County's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

(Unaudited)

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital assets. The special revenue funds include:

- Highway
- Community Services
- Public Land Management
- Solid Waste (Non-Landfill)
- Unorganized Townships
- Small Cities Development Program

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Fund – The Permanent Fund is used to report resources legally restricted to the extent that only earnings, and not principal from the Environmental Trust Permanent Fund, may be used for environmental purposes.

Proprietary funds – Crow Wing County maintains one proprietary fund, an enterprise fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. Crow Wing County uses an enterprise fund to account for its landfill operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Landfill Enterprise Fund, which is considered to be a major fund of Crow Wing County.

The basic proprietary fund financial statements can be found on pages 41 through 44 of this report.

Fiduciary funds – Fiduciary funds (trust and agency funds) are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Crow Wing County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 45 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46 through 83 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information that can be found on pages 85 through 95 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are in the supplementary information section and follow the required supplementary information. Combining and individual fund statements can be found on pages 100 through 110 of this report.

(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Crow Wing County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$199,428,052 at the close of the most recent fiscal year.

Net investment in capital assets of \$157,591,986 represents the largest portion of net position (79.0 percent). Crow Wing County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Crow Wing County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Crow Wing County's net position, \$15,858,033, or 8.0 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$25,978,033 or 13.0 percent, of the total net position. Unrestricted net position includes \$18,882,699 of investments in joint ventures, or 9.5 percent of the total net position.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 73,454,037	\$ 75,610,361	\$ 13,791,122	\$ 12,947,129	\$ 87,245,159	\$ 88,557,490
Capital assets	177,132,780	172,975,266	3,230,662	3,714,862	180,363,442	176,690,128
Total assets	\$ 250,586,817	\$ 248,585,627	\$ 17,021,784	\$ 16,661,991	\$ 267,608,601	\$ 265,247,618
 Total deferred outflows of resources	 \$ 5,146,144	 \$ 2,292,020	 \$ 14,876	 \$ -	 \$ 5,161,020	 \$ 2,292,020
 Long-term liabilities	 outstanding	 \$ 55,161,803	 \$ 46,005,345	 \$ 4,441,525	 \$ 4,081,277	 \$ 59,603,328
 Other liabilities	 11,046,588	 3,720,341	 54,093	 48,696	 11,100,681	 3,769,037
 Total liabilities	 \$ 66,208,391	 \$ 49,725,686	 \$ 4,495,618	 \$ 4,129,973	 \$ 70,704,009	 \$ 53,855,659
 Total deferred inflows of resources	 \$ 2,624,020	 \$ -	 \$ 13,540	 \$ -	 \$ 2,637,560	 \$ -
 Net position						
Net investment in capital assets	\$ 154,361,324	\$ 146,262,282	\$ 3,230,662	\$ 3,714,862	\$ 157,591,986	\$ 149,977,144
Restricted	14,387,092	14,440,695	1,470,941	1,678,777	15,858,033	16,119,472
Unrestricted	18,152,134	40,448,984	7,825,899	7,138,379	25,978,033	47,587,363
Total net position, as reported	\$ 186,900,550	201,151,961	\$ 12,527,502	12,532,018	\$ 199,428,052	213,683,979
Change in accounting principle*		(17,782,044)		(101,272)		(17,883,316)
Total net position, as restated		<u>\$ 183,369,917</u>		<u>\$ 12,430,746</u>		<u>\$ 195,800,663</u>

* This is the first year the County implemented the new pension accounting and financial reporting standard authorized by the Governmental Accounting Standards Board (GASB). To comply with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date, an amendment of GASB Statement No. 68*, the County had to make a prior year change in accounting principle to record the pension liability of \$18,741,670 for governmental activities and \$106,051 for business-type activities, and deferred outflows of resources of \$959,626 for governmental activities and \$4,779 for business-type activities. See Note I.F.

(Unaudited)

In 2015 and 2014, the County was able to report positive balances in all three categories of net position, including the government as a whole, as well as for its separate governmental and business-type activities. Crow Wing County's net position increased \$3,627,389 over 2014, after restatement of beginning balance.

Governmental Activities

Governmental activities increased Crow Wing County's net position by \$3,530,633 after restatement, thereby accounting for the majority of total growth in the net position of Crow Wing County. Primary components of this change are an increase in net investment in capital assets of \$8,099,042 due to increased asset purchases and decreased debt related to them; and a decrease in unrestricted net position of \$22,296,850, which is primarily attributable to the recognition of the net pension liability as required by GASB Statement No. 68.

Approximately 73.5% of the unrestricted net position of \$25,978,033 in the government-wide statements are fund balances from governmental fund statements that are either committed by Board action for specific purposes or assigned, indicating County management's intent to use the funds for specific purposes. Unrestricted net position also includes \$18,882,699 of investments in joint ventures and \$7,825,899 of unrestricted net position related to the Landfill operations. These components account for more unrestricted net position than is reported, due to the recognition of the net pension liability, which reduces the amount of unrestricted net position available.

Charges for services decreased by \$638,267 from the prior year. Larger components of this change were an increase of \$239,195 related to general government for increases in sales of licenses and permits as well as an increase in rental revenue; a decrease of \$272,879 for public safety primarily attributable to a decrease in state prisoner reimbursement; and a decrease of \$513,937 for conservation of nature resources, which was related to a lower volume of land sales by contract than the prior year.

Operating grants and contributions increased \$1,064,480 over the prior year. This increase is largely due to an increase in highways and streets in the amount of \$675,874 related to state allotments and grants, and grants from the Minnesota Department of Public Safety for cleanup from a severe summer storm.

Capital grants and contributions increased \$2,364,458 over the prior year. This change is due to the receipt of a grant from the Minnesota Public Facilities Authority in the amount of \$1,102,479 for a sanitary sewer project, as well as an increase in road allotments and grants for capital improvements in the amount of \$1,261,979.

Other notable changes in revenues are an increase in grants and contributions not restricted to specific programs in the amount of \$243,890 due to increases in funds received from the state for County Program Aid, Local Disaster Abatement, and Market Value Credit. Additionally, investment income increased by \$101,652 over the prior year, due to a more favorable economic environment.

Total expenses increased \$4,945,722 from 2014; of this, increased expenses due to required pension expense recognition totaled \$832,231. Increases or decreases in expenses for general government, health and human services, culture and recreation, and conservation were less than 5.0 percent of the prior year. Notable variances from the prior year include expenses for public safety (14.7 percent increase), highways and streets, (12.6 percent increase), and sanitation (no expenses in the prior year).

Expenses for public safety increased \$2,066,030 from 2014; of this, increased expenses due to required pension expense recognition totaled \$469,716. The remaining difference results from increases in the areas of patrol, investigations, operations, support, jail, and other public safety services.

Expenses for highways and streets increased \$1,146,584 from 2014; of this, increased expenses due to required pension expense recognition totaled \$42,635. Highway engineering and construction had an increase of \$820,827 due to increased road construction costs.

Sanitation expenses increased \$1,102,479 from 2014. These expenses are related to the improvements of a sanitary sewer district, and are covered by the receipt of a grant from the Minnesota Public Facilities Authority.

(Unaudited)

Business-Type Activities

Business-type activities increased Crow Wing County's net position by \$96,756. This increase is the result of a favorable operating surplus. Charges for services increased \$195,083 from the prior year. This change is primarily due to increases in landfill tipping fees and hauler fees. Expenses related to the landfill increased \$322,982 from 2014, and are largely related to contracted fees for the operation of the County Landfill.

Changes in Net Position

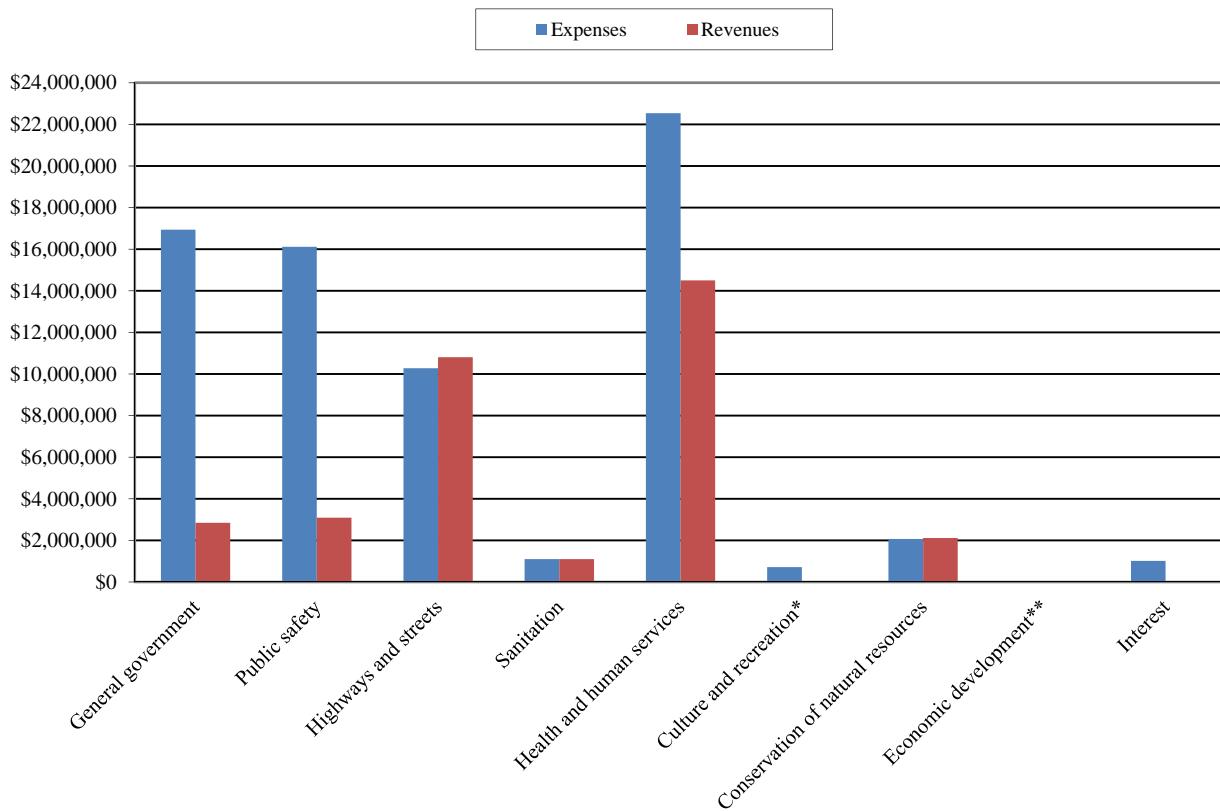
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 8,458,844	\$ 9,097,111	\$ 2,327,381	\$ 2,132,298	\$ 10,786,225	\$ 11,229,409
Operating grants and contributions	22,449,358	21,384,878	-	-	22,449,358	21,384,878
Capital grants and contributions	3,597,081	1,232,623	-	-	3,597,081	1,232,623
General revenues						
Property taxes	35,684,227	35,541,480	-	-	35,684,227	35,541,480
Mortgage registry and deed tax	73,139	72,421	-	-	73,139	72,421
Payments in lieu of tax	505,242	505,570	-	-	505,242	505,570
Grants and contributions not restricted to specific programs	2,814,469	2,570,579	595	595	2,815,064	2,571,174
Investment income	450,410	348,758	73,736	60,762	524,146	409,520
Miscellaneous	291,139	224,011	-	-	291,139	224,011
Total Revenues	\$ 74,323,909	\$ 70,977,431	\$ 2,401,712	\$ 2,193,655	\$ 76,725,621	\$ 73,171,086
Expenses						
General government	\$ 16,937,785	\$ 16,542,474	\$ -	\$ -	\$ 16,937,785	\$ 16,542,474
Public safety	16,111,366	14,045,336	-	-	16,111,366	14,045,336
Highways and streets	10,277,136	9,130,552	-	-	10,277,136	9,130,552
Sanitation	1,102,479	-	-	-	1,102,479	-
Health and human services ¹	22,537,452	20,730,571	-	-	22,537,452	20,730,571
Health ¹	-	1,448,443	-	-	-	1,448,443
Culture and recreation	720,945	741,199	-	-	720,945	741,199
Conservation of natural resources	2,070,712	1,994,144	-	-	2,070,712	1,994,144
Economic development	17,053	-	-	-	17,053	-
Interest	1,018,348	1,214,835	-	-	1,018,348	1,214,835
Landfill	-	-	2,304,956	1,981,974	2,304,956	1,981,974
Total Expenses	\$ 70,793,276	\$ 65,847,554	\$ 2,304,956	\$ 1,981,974	\$ 73,098,232	\$ 67,829,528
Increase (decrease) in Net Position						
Net Position, beginning, as restated ²	\$ 3,530,633	\$ 5,129,877	\$ 96,756	\$ 211,681	\$ 3,627,389	\$ 5,341,558
Net Position, ending, as reported	<u>183,369,917</u>	<u>196,022,084</u>	<u>12,430,746</u>	<u>12,320,337</u>	<u>195,800,663</u>	<u>208,342,421</u>
	<u><u>\$ 186,900,550</u></u>	<u><u>\$ 201,151,961</u></u>	<u><u>\$ 12,527,502</u></u>	<u><u>\$ 12,532,018</u></u>	<u><u>\$ 199,428,052</u></u>	<u><u>\$ 213,683,979</u></u>

¹ In 2015 Crow Wing County combined Health and Human Services.

² Amount includes a change in accounting principle. See Note I.F.

(Unaudited)

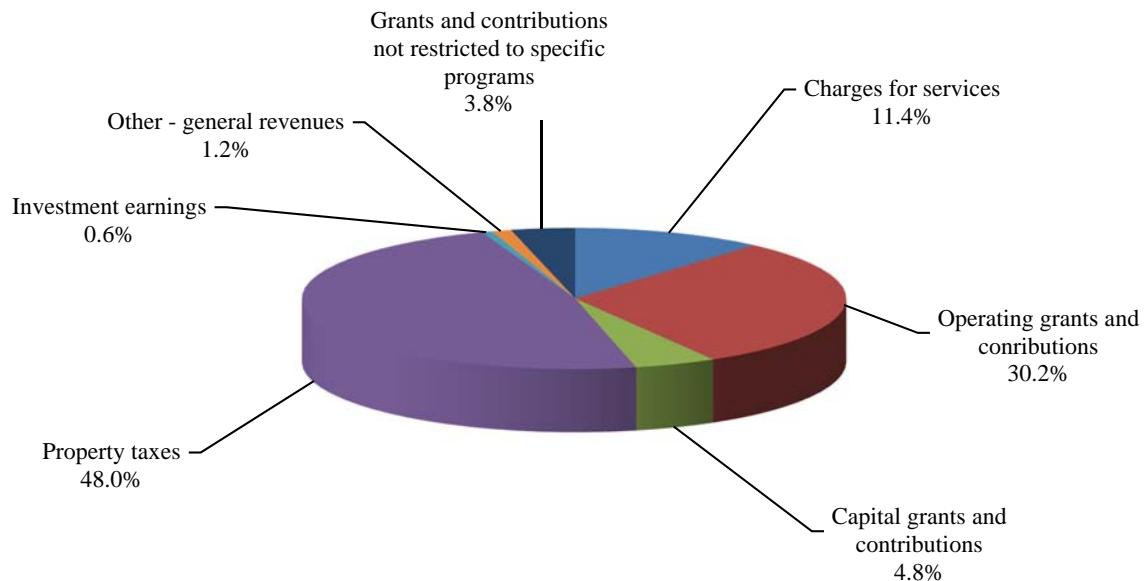
Expenses and Program Revenues - Governmental Activities



*Culture and recreation had revenues of \$19,951, which are difficult to measure using the above graph.

**Economic development had expenses of \$17,053 and revenues of \$13,881, which are difficult to measure using the above graph.

Revenue by Source - Governmental Activities



(Unaudited)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Crow Wing County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of Crow Wing County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Crow Wing County's financing requirements. In particular, total unrestricted fund balances (i.e., Committed, Assigned, and Unassigned classifications) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, Crow Wing County's governmental funds reported combined ending fund balances of \$46,756,237, a decrease of \$2,953,784 in comparison with the prior year. Of this total amount, \$32,369,145 constitutes unrestricted fund balance, which is available for spending at the government's discretion. The remaining \$14,387,092 of governmental funds fund balance is either Nonspendable or Restricted, indicating that it is not available for spending at the government's discretion. The most significant Nonspendable and Restricted fund balances are as follows: Restricted for Debt service \$4,540,823; Restricted for Unorganized townships \$2,275,368; Restricted for Solid waste (non-landfill) \$1,903,299; Nonspendable Environmental trust corpus \$1,846,499; and Nonspendable Inventories \$1,042,175.

The General Fund is the chief operating fund of Crow Wing County. At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$14,858,248, while the total fund balance was \$16,407,593. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance (combining committed, assigned, and unassigned) and total unassigned fund balance to total fund expenditures. Unrestricted fund balance represents 53.6 percent of the total General Fund expenditures, while unassigned fund balance represents 47.8 percent of that same amount.

The fund balance of Crow Wing County's General Fund increased \$126,442 in comparison to 2014. This change is due to a favorable operating surplus: taxes increased by \$791,735; licenses and permits increased by \$32,068; intergovernmental revenues increased by \$332,593, which is primarily attributable to increases in grants received from the Minnesota Board of Water and Soil Resources and the Minnesota Department of Revenue; and investment earnings increased by \$125,333. Expenditures for the General Fund increased \$1,783,076, or 6.9 percent. The General Fund saw greater expenditures in the current year related to the movement of Veterans Services to the General Fund, as well as increases in operational costs for elections, human resources, facilities, recorder, environmental, assessing, attorney, patrol, investigations, and jail. The operating budget of the General Fund is structurally balanced.

The Highway Special Revenue Fund had a total fund balance of \$9,560,040 at the end of the fiscal year. The fund balance of the Highway Special Revenue Fund decreased by \$1,639,260 during the current fiscal year. On the modified accrual basis, revenues decreased \$1,561,350 from the prior year; a significant portion of this decrease is related to regular construction revenues received from the state. Expenditures increased by \$440,084 due to greater capital outlay in the current year, as well as increases in highway maintenance and highway engineering and construction costs. Engineering and construction costs vary year to year due to project timelines in the County's Highway Improvement Plan.

The Community Services Special Revenue Fund had a total fund balance of \$4,939,508 at the end of the fiscal year. The fund balance of the Community Services Special Revenue Fund decreased by \$1,789,588 during the current fiscal year. Revenues decreased \$1,356,738 from the prior year; this change is primarily related to a decrease in property tax revenues in the amount of \$644,950 and a decrease in federal grants received in the amount of \$430,185. The amount of the Temporary Assistance for Needy Families (TANF) grant decreased by \$250,328 from the prior year, due to a decrease in Minnesota Family Investment Program (MFIP) Consolidated TANF grant funds available to the County. This was also impacted as the County has shifted some responsibilities for the application of this grant to a private provider.

The Public Land Management Special Revenue Fund had a total fund balance of \$568,453 at the end of the fiscal year. The fund balance of the Public Land Management Special Revenue Fund increased by \$74,574 during the current fiscal year. Increases are attributable to an increase of \$390,473 in revenues, primarily related to increased timber sales and sales of tax-forfeited property. Expenditures increased \$353,667 from the prior year, due to an increase in the tax-forfeited settlement to other governmental agencies.

(Unaudited)

The Debt Service Fund had a total fund balance of \$4,555,648 at the end of the fiscal year. The fund balance of the Debt Service Fund increased by \$85,343 during the current fiscal year. Changes in fund balance of the Debt Service Fund are due to taxes collected and principal and interest payments disbursed.

The Capital Projects Fund had a total fund balance of \$3,857,264 at the end of the fiscal year. The fund balance of the Capital Projects Fund decreased by \$121,253 during the current fiscal year. The Capital Projects Fund had increased revenues and expenditures related to the sanitary sewer district project. These revenues and expenditures were offsetting, each totaling \$1,102,479, and as such had no impact on fund balance. Disregarding these increases, other revenues increased by \$161,132 due largely to an increase in County Program Aid, and expenditures increased \$459,343, primarily due to increases in project costs for the County's Highway Department and Sheriff's Office.

Proprietary fund – Crow Wing County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Factors concerning the finances of the Landfill Enterprise Fund have already been addressed in the discussion of Crow Wing County's business-type activities.

General Fund Budgetary Highlights

Budgets can be amended during the year by the County Board. Budget change requests are reviewed by the County Administrator's Office and submitted to the County Board for their review and approval.

During the year, supplemental budgetary appropriations in the General Fund were not considered significant. Larger budget to actual variances in the General Fund include a variance of \$313,229 intergovernmental revenue (actual amount \$2,300,437) over a final budget of \$1,987,208 (original budget \$1,955,534), attributed to greater market value credit, and grant from the Minnesota Board of Water and Soil Resources. Other notable variances include:

- A favorable variance for Auditor-Treasurer current expenditures of \$174,447 related to salary savings due to retirements,
- A favorable variance for Other general government current expenditures of \$164,485 related to savings from the Paid Time Off buyback program.
- A favorable variance for Information Technology current expenditures of \$178,098 primarily related to salary savings due to retirements.
- An unfavorable variance for Recorder current expenditures of \$203,861 due to costs associated with a document scanning project.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Crow Wing County's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$180,363,442 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; infrastructure – right-of-way; buildings; land improvements; machinery, furniture, and equipment; infrastructure; and landfill. The total increase in Crow Wing County's investment in capital assets for the current fiscal year was 2.1 percent.

Major capital asset events during 2015 included an increase in infrastructure of \$6,665,175 related to highway improvement projects, and increases in construction in progress of \$2,161,023 related to infrastructure, software projects, and remodels and restorations.

(Unaudited)

Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 14,769,116	\$ 14,711,887	\$ 412,334	\$ 412,334	\$ 15,181,450	\$ 15,124,221
Construction in progress	7,956,896	7,092,580	-	-	7,956,896	7,092,580
Infrastructure -						
right-of-way	6,495,574	5,570,191	-	-	6,495,574	5,570,191
Buildings	44,919,514	46,446,198	475,062	503,604	45,394,576	46,949,802
Land improvements	1,248,878	1,360,117	-	-	1,248,878	1,360,117
Machinery, furniture, and equipment	6,630,143	6,834,636	44,445	56,700	6,674,588	6,891,336
Infrastructure	95,112,659	90,959,657	-	-	95,112,659	90,959,657
Landfill	-	-	2,298,821	2,742,224	2,298,821	2,742,224
Total	\$ 177,132,780	\$ 172,975,266	\$ 3,230,662	\$ 3,714,862	\$ 180,363,442	\$ 176,690,128

Additional information on Crow Wing County's capital assets may be found in Note III.A.3 of this report.

Long-Term Debt

At the end of 2015, Crow Wing County had total bonded debt outstanding of \$22,102,500. This is a decrease of \$3,815,000 from the prior year, which is due to principal payments. During 2015 the County entered into an agreement with the Minnesota Public Facilities Authority for the upgrade of a sanitary sewer system. The County had drawn down \$136,850 of a G.O. Sewer Revenue Note Series 2015 as of December 31, 2015. Current and future County tax levies are used to finance the bonded indebtedness.

Crow Wing County maintains an "AA" rating from Standard and Poor's for general obligation debt.

Outstanding Debt

General Obligation and Capital Lease

	Governmental Activities	
	2015	2014
General obligation bonds	\$ 22,102,500	\$ 25,917,500
General obligation sewer revenue note	136,850	-
Capital lease	824,150	916,900
Total	\$ 23,063,500	\$ 26,834,400

State statutes limit the amount of general obligation debt a county can incur to no more than three percent of the market value of taxable property in the county. The 2015 debt limitation for Crow Wing County is \$259,379,091, which is significantly in excess of Crow Wing County's outstanding debt obligations.

Additional information on Crow Wing County's long-term debt may be found in Note III.C.4 of this report.

(Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2015 budget, tax rates, and fees that will be charged for the business-type activities.

- The County's estimated market value increased by 3.3 percent in 2015.
- Crow Wing County continues to have one of the five lowest tax capacity rates in the State of Minnesota. Crow Wing County's tax capacity rate for 2016 is 33.57 percent.
- On December 1, 2015, the Crow Wing County Board of Commissioners approved the 2016 budget for \$77,382,514, related to the County's Governmental Funds. The 2016 total levy is \$34,426,999, which is a decrease of \$37,913 compared to the 2014 levy of \$34,464,912. The 2015 budget includes a 0.1 percent overall property tax levy decrease.
- Crow Wing County will continue to budget in 2016 for County Program Aid in the Capital Projects Fund. If these funds are received from the State they will be used to finance the Capital Improvement Plan.

INDEPENDENT AUDIT

Minn. Stat. § 6.48 requires an annual examination of books of accounts, financial records, and transactions of all County functions by the Office of the State Auditor. When complete, the report will be available for inspection upon request at Administrative Services – Financial Services Division during normal working hours.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Crow Wing County's finances for all those with an interest. If you have a question about this report or need information, contact the County Administrative Services – Financial Services Division, 326 Laurel Street, Suite 22, Brainerd, Minnesota 56401. You may also contact us via email at FinanceAP@crowwing.us or visit our web site at www.crowwing.us.

(Unaudited)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and investments	\$ 45,751,626	\$ 7,880,482	\$ 53,632,108
Taxes receivable - delinquent (net)	1,262,469	-	1,262,469
Accounts receivable (net)	301,670	105,652	407,322
Accrued interest receivable	155,342	-	155,342
Contracts receivable	845,968	-	845,968
Due from other governments	4,034,915	-	4,034,915
Internal balances	(25)	25	-
Loans receivable (net)	305,804	-	305,804
Inventories	1,042,175	-	1,042,175
Prepaid items	719,544	211	719,755
Noncurrent assets			
Restricted assets			
Cash and investments	-	5,804,752	5,804,752
Advance to other governments	15,000	-	15,000
Long-term receivable	136,850	-	136,850
Investment in joint venture	18,882,699	-	18,882,699
Capital assets			
Non-depreciable	29,221,586	412,334	29,633,920
Depreciable - net of accumulated depreciation	<u>147,911,194</u>	<u>2,818,328</u>	<u>150,729,522</u>
Total Assets	\$ 250,586,817	\$ 17,021,784	\$ 267,608,601
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ 1,841,131	\$ -	\$ 1,841,131
Deferred outflow for pensions	<u>3,305,013</u>	<u>14,876</u>	<u>3,319,889</u>
Total Deferred Outflows of Resources	\$ 5,146,144	\$ 14,876	\$ 5,161,020

(Continued)

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2015
(Continued)**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 952,374	\$ 23,700	\$ 976,074
Salaries payable	854,888	4,190	859,078
Accrued payroll taxes	126,130	544	126,674
Contracts payable	25,485	-	25,485
Retainage payable	126,261	-	126,261
Due to other governments	780,853	-	780,853
Accrued interest payable	462,063	-	462,063
Claims payable	118,988	-	118,988
Unearned revenue	394,388	-	394,388
Customer deposits	64,827	-	64,827
Compensated absences payable - current	2,494,025	25,659	2,519,684
Capital leases payable - current	95,400	-	95,400
General obligation bonds payable - current	4,550,906	-	4,550,906
Long-term liabilities			
Compensated absences payable	269,767	2,851	272,618
Capital leases payable	728,750	-	728,750
General obligation bonds payable	19,818,686	-	19,818,686
Revenue notes payable	136,850	-	136,850
Other post employment benefits obligations	15,250,877	-	15,250,877
Net pension liability	18,956,873	104,863	19,061,736
Estimated liability for landfill closure/postclosure	-	4,333,811	4,333,811
Total Liabilities	\$ 66,208,391	\$ 4,495,618	\$ 70,704,009
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow for pensions	\$ 2,624,020	\$ 13,540	\$ 2,637,560
NET POSITION			
Net investment in capital assets	\$ 154,361,324	\$ 3,230,662	\$ 157,591,986
Restricted for			
General government	960,615	-	960,615
Public safety	383,777	-	383,777
Highways and streets	3,317,543	-	3,317,543
Health and human services	99,733	-	99,733
Culture and recreation	425,842	-	425,842
Conservation of natural resources	2,701,512	-	2,701,512
Environmental uses - expendable	30,749	-	30,749
Environmental uses - nonexpendable	1,846,499	-	1,846,499
Economic development	79,999	-	79,999
Debt service	4,540,823	-	4,540,823
Landfill closure/postclosure	-	1,470,941	1,470,941
Unrestricted	18,152,134	7,825,899	25,978,033
Total Net Position	\$ 186,900,550	\$ 12,527,502	\$ 199,428,052

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

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Capital Grants and Contributions</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
Governmental activities					
General government	\$ 16,937,785	\$ 2,065,967	\$ 783,012	\$ -	
Public safety	16,111,366	2,335,386	757,799	-	
Highways and streets	10,277,136	327,438	7,987,649	2,494,602	
Sanitation	1,102,479	-	-	1,102,479	
Health and human services	22,537,452	1,861,936	12,637,829	-	
Culture and recreation	720,945	-	19,951	-	
Conservation of natural resources	2,070,712	1,854,236	263,118	-	
Economic development	17,053	13,881	-	-	
Interest	1,018,348	-	-	-	
Total governmental activities	\$ 70,793,276	\$ 8,458,844	\$ 22,449,358	\$ 3,597,081	
Business-type activities					
Landfill	\$ 2,304,956	\$ 2,327,381	\$ -	\$ -	
Total Primary Government	\$ 73,098,232	\$ 10,786,225	\$ 22,449,358	\$ 3,597,081	

General Revenues

Property taxes
Mortgage registry and deed tax
Payments in lieu of tax
Grants and contributions not restricted to specific programs
Investment income
Miscellaneous

Total general revenues

Change in net position

Net Position - Beginning, as restated (Note I.F.)

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position

Primary Government					
Governmental Activities	Business-Type Activities		Total		
\$ (14,088,806)	\$ -	\$ (14,088,806)			
(13,018,181)	-	(13,018,181)			
532,553	-	532,553			
-	-	-			
(8,037,687)	-	(8,037,687)			
(700,994)	-	(700,994)			
46,642	-	46,642			
(3,172)	-	(3,172)			
(1,018,348)	-	(1,018,348)			
\$ (36,287,993)	\$ -	\$ (36,287,993)			
\$ -	\$ 22,425	\$ 22,425			
\$ (36,287,993)	\$ 22,425	\$ (36,265,568)			
\$ 35,684,227	\$ -	\$ 35,684,227			
73,139	-	73,139			
505,242	-	505,242			
2,814,469	595	2,815,064			
450,410	73,736	524,146			
291,139	-	291,139			
\$ 39,818,626	\$ 74,331	\$ 39,892,957			
\$ 3,530,633	\$ 96,756	\$ 3,627,389			
183,369,917	\$ 12,430,746	\$ 195,800,663			
\$ 186,900,550	\$ 12,527,502	\$ 199,428,052			

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	General	Highway	Community Services	Public Land Management
ASSETS				
Cash and investments	\$ 16,474,866	\$ 8,477,802	\$ 3,901,990	\$ 1,588,724
Taxes receivable - delinquent (net)	667,016	132,987	221,202	-
Accounts receivable (net)	88,360	-	190,820	-
Accrued interest receivable	112,396	-	-	-
Due from other funds	460,930	299,800	-	-
Contracts receivable	-	-	-	845,968
Due from other governments	268,592	1,866,497	1,857,031	39,276
Loans receivable (net)	-	-	-	-
Inventories	-	1,042,175	-	-
Prepaid items	592,770	16,200	108,021	2,342
Advances to other governments	15,000	-	-	-
Total Assets	<u>\$ 18,679,930</u>	<u>\$ 11,835,461</u>	<u>\$ 6,279,064</u>	<u>\$ 2,476,310</u>
LIABILITIES				
Accounts payable	\$ 388,264	\$ 108,245	\$ 410,516	\$ 5,003
Salaries payable	482,066	69,712	286,576	9,918
Accrued payroll taxes	73,411	10,050	40,349	1,394
Contracts payable	-	-	-	25,485
Retainage payable	-	126,261	-	-
Due to other funds	40,871	25	6,142	705,882
Due to other governments	270,811	1,605	194,230	314,207
Claims payable	118,988	-	-	-
Unearned revenue	88,584	-	-	-
Customer deposits	64,827	-	-	-
Total Liabilities	<u>\$ 1,527,822</u>	<u>\$ 315,898</u>	<u>\$ 937,813</u>	<u>\$ 1,061,889</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue (Note III.D.)	\$ 744,515	\$ 1,959,523	\$ 401,743	\$ 845,968

Debt Service	Capital Projects	Nonmajor Funds	Total
\$ 4,555,648	\$ 3,643,978	\$ 7,108,618	\$ 45,751,626
179,315	32,936	29,013	1,262,469
-	-	22,490	301,670
-	-	42,946	155,342
-	240,698	-	1,001,428
-	-	-	845,968
-	3,519	-	4,034,915
-	-	305,804	305,804
-	-	-	1,042,175
-	-	211	719,544
-	-	-	15,000
\$ 4,734,963	\$ 3,921,131	\$ 7,509,082	\$ 55,435,941
\$ -	\$ 30,931	\$ 9,415	\$ 952,374
-	-	6,616	854,888
-	-	926	126,130
-	-	-	25,485
-	-	-	126,261
-	-	248,533	1,001,453
-	-	-	780,853
-	-	-	118,988
-	-	305,804	394,388
-	-	-	64,827
\$ -	\$ 30,931	\$ 571,294	\$ 4,445,647
\$ 179,315	\$ 32,936	\$ 70,057	\$ 4,234,057

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**
(Continued)

	General	Highway	Community Services	Public Land Management
FUND BALANCES				
Nonspendable:				
Advances and loans to other governments	\$ 15,000	\$ -	\$ -	\$ -
Inventorys	- -	1,042,175	- -	- -
Environmental trust corpus	- -	- -	- -	- -
Restricted for:				
Enhanced 911	291,672	- -	- -	- -
Sheriff's drug contingency	5,788	- -	- -	- -
Sheriff's forfeited property	6,000	- -	- -	- -
DUI assessment	31,660	- -	- -	- -
Lakes area drug investigation forfeiture	14,803	- -	- -	- -
Tobacco compliance	33,854	- -	- -	- -
Water plan	18,782	- -	- -	- -
Recreation	425,842	- -	- -	- -
Land based improvements	217,261	- -	- -	- -
Recorder's technology equipment	327,521	- -	- -	- -
Law library	64,224	- -	- -	- -
Drug court	4,812	- -	- -	- -
Attorney's forfeited property	23,171	- -	- -	- -
Missing heirs	49,146	- -	- -	- -
Aquatic invasive species	19,809	- -	- -	- -
Child protection allocation	- -	- -	99,733	- -
Resource development	- -	- -	- -	568,453
Debt service	- -	- -	- -	- -
Building improvements	- -	- -	- -	- -
Solid waste (non-landfill)	- -	- -	- -	- -
Greater Minnesota Landfill Cleanup Fee	- -	- -	- -	- -
Economic development revolving loans	- -	- -	- -	- -
Environmental uses	- -	- -	- -	- -
Unorganized townships	- -	- -	- -	- -
Committed for:				
Dive team	22,464	- -	- -	- -
Honor guard	700	- -	- -	- -
Facilities	98,353	- -	- -	- -
Mounted patrol	17,484	- -	- -	- -
Triad	6,229	- -	- -	- -
Veterans' service van	17,524	- -	- -	- -
Information technology	427,660	- -	- -	- -
Employee recognition program	2,147	- -	- -	- -
Other post-employment benefits (OPEB)	1,000,000	- -	- -	- -
Highway Improvement Plan	- -	3,617,838	- -	- -
Breastfeeding peer counseling project	- -	- -	17,500	- -
Assigned for:				
Highway	- -	4,900,027	- -	- -
Community services	- -	- -	4,822,275	- -
Capital projects	- -	- -	- -	- -
Solid waste (non-landfill)	- -	- -	- -	- -
Debt service	- -	- -	- -	- -
Unassigned				
	13,265,687	- -	- -	- -
Total Fund Balances	\$ 16,407,593	\$ 9,560,040	\$ 4,939,508	\$ 568,453
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,679,930	\$ 11,835,461	\$ 6,279,064	\$ 2,476,310

Debt Service	Capital Projects	Nonmajor Funds	Total
\$ -	\$ -	\$ -	\$ 15,000
-	-	-	1,042,175
-	-	1,846,499	1,846,499
-	-	-	291,672
-	-	-	5,788
-	-	-	6,000
-	-	-	31,660
-	-	-	14,803
-	-	-	33,854
-	-	-	18,782
-	-	-	425,842
-	-	-	217,261
-	-	-	327,521
-	-	-	64,224
-	-	-	4,812
-	-	-	23,171
-	-	-	49,146
-	-	-	19,809
-	-	-	99,733
-	-	-	568,453
4,540,823	-	-	4,540,823
-	240,698	-	240,698
-	-	1,903,299	1,903,299
-	-	209,951	209,951
-	-	79,999	79,999
-	-	30,749	30,749
-	-	2,275,368	2,275,368
-	-	-	22,464
-	-	-	700
-	-	-	98,353
-	-	-	17,484
-	-	-	6,229
-	-	-	17,524
-	-	-	427,660
-	-	-	2,147
-	-	-	1,000,000
-	-	-	3,617,838
-	-	-	17,500
-	-	-	4,900,027
-	-	-	4,822,275
-	3,616,566	-	3,616,566
-	-	521,866	521,866
14,825	-	-	14,825
-	-	-	13,265,687
\$ 4,555,648	\$ 3,857,264	\$ 6,867,731	\$ 46,756,237
\$ 4,734,963	\$ 3,921,131	\$ 7,509,082	\$ 55,435,941

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2015**

Fund balance - total governmental funds	\$ 46,756,237
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	177,132,780
Long-term receivables are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	136,850
Investment in joint venture is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds.	18,882,699
Deferred outflows resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.	3,305,013
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	4,234,057
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
General obligation bonds	\$ (22,102,500)
Discount on bonds issued	8,680
Premium on bonds issued	(2,275,772)
Deferred charge on refunding	1,841,131
Revenue notes	(136,850)
Accrued interest payable	(462,063)
Net OPEB obligation	(15,250,877)
Net pension liability	(18,956,873)
Compensated absences payable	(2,763,792)
Capital lease payable	(824,150)
	<u>(60,923,066)</u>
Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in governmental funds.	<u>(2,624,020)</u>
Net position of governmental activities	<u>\$ 186,900,550</u>

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

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Highway	Community Services	Public Land Management
REVENUES				
Taxes	\$ 19,930,821	\$ 3,561,557	\$ 5,479,241	\$ -
Special assessments	-	-	2,645	-
Licenses and permits	534,794	-	-	746,214
Intergovernmental	2,300,437	9,163,805	12,650,840	128,351
Charges for services	3,284,828	529,896	1,299,790	7,963
Fines and forfeits	45,354	-	-	-
Gifts and contributions	45,223	-	26,197	-
Investment earnings	446,100	-	-	57,142
Sales	-	-	-	622,047
Miscellaneous	1,317,441	159,057	524,608	187,915
Total Revenues	\$ 27,904,998	\$ 13,414,315	\$ 19,983,321	\$ 1,749,632
EXPENDITURES				
Current				
General government	\$ 13,631,641	\$ -	\$ -	\$ -
Public safety	13,150,494	-	460,468	-
Highways and streets	-	6,258,210	-	-
Health and human services	-	-	21,396,210	-
Sanitation	-	-	-	-
Culture and recreation	663,326	-	-	-
Conservation of natural resources	162,100	-	-	1,675,058
Economic development	-	-	-	-
Capital outlay				
General government	7,370	-	-	-
Public safety	90,469	-	-	-
Highways and streets	-	8,377,999	-	-
Health and human services	-	-	-	-
Culture and recreation	18,992	-	-	-
Conservation of natural resources	-	-	-	-
Intergovernmental				
Debt service				
Principal	-	92,750	-	-
Interest	-	18,233	-	-
Administrative charges	-	-	-	-
Total Expenditures	\$ 27,724,392	\$ 15,098,124	\$ 21,856,678	\$ 1,675,058
Excess of Revenues Over (Under) Expenditures	\$ 180,606	\$ (1,683,809)	\$ (1,873,357)	\$ 74,574
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 29,605	\$ -	\$ 83,769	\$ -
Transfers out	(83,769)	-	-	-
Draw-downs from revenue note	-	-	-	-
Total Other Financing Sources (Uses)	\$ (54,164)	\$ -	\$ 83,769	\$ -
Net Change in Fund Balances	\$ 126,442	\$ (1,683,809)	\$ (1,789,588)	\$ 74,574
Fund Balance - January 1	16,281,151	11,199,300	6,729,096	493,879
Increase (decrease) in inventories	-	44,549	-	-
Fund Balance - December 31	\$ 16,407,593	\$ 9,560,040	\$ 4,939,508	\$ 568,453

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

Debt Service	Capital Projects	Nonmajor Funds	Total
\$ 4,996,285	\$ 1,129,998	\$ 769,790	\$ 35,867,692
-	-	606,347	608,992
-	-	100	1,281,108
95,441	3,235,915	478,007	28,052,796
-	-	311,759	5,434,236
-	-	-	45,354
-	-	-	71,420
-	-	26,374	529,616
-	-	-	622,047
-	208,173	95,075	2,492,269
\$ 5,091,726	\$ 4,574,086	\$ 2,287,452	\$ 75,005,530
\$ -	\$ 726,703	\$ 103,437	\$ 14,461,781
-	445,772	168,868	14,225,602
-	92,324	661,286	7,011,820
-	716,866	-	22,113,076
-	1,239,329	-	1,239,329
-	-	-	663,326
-	-	940,016	2,777,174
-	-	17,053	17,053
-	429,513	-	436,883
-	344,461	-	434,930
-	817,149	-	9,195,148
-	20,072	-	20,072
-	-	-	18,992
-	-	57,229	57,229
-	-	-	350,932
3,815,000	-	-	3,907,750
1,185,708	-	-	1,203,941
5,675	-	-	5,675
\$ 5,006,383	\$ 4,832,189	\$ 1,947,889	\$ 78,140,713
\$ 85,343	\$ (258,103)	\$ 339,563	\$ (3,135,183)
\$ -	\$ -	\$ 73,736	\$ 187,110
-	-	(103,341)	(187,110)
-	136,850	-	136,850
\$ -	\$ 136,850	\$ (29,605)	\$ 136,850
\$ 85,343	\$ (121,253)	\$ 309,958	\$ (2,998,333)
4,470,305	3,978,517	6,557,773	49,710,021
-	-	-	44,549
\$ 4,555,648	\$ 3,857,264	\$ 6,867,731	\$ 46,756,237

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Net change in fund balances - total governmental funds \$ (2,998,333)

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

In the funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenue between the fund statements and the statement of activities is the increase (decrease) in unavailable revenue.

Deferred Inflows of Resources - December 31	\$ 4,234,057	
Deferred Inflows of Resources - January 1	<u>(3,139,655)</u>	1,094,402

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. In the statement of activities, only the gain or loss on the disposal of capital assets is reported; whereas, in the governmental funds, the proceeds from the sale increase financial resources. Therefore, the change in net position differs from the change in fund balance by the net book value of the assets sold.

Expenditures for general capital assets and infrastructure	\$ 10,163,254	
Net book value of assets sold or disposed	<u>(61,619)</u>	
Trade-in value received for capital assets	<u>(90,757)</u>	
Current year depreciation	<u>(5,853,364)</u>	4,157,514

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 premiums and discounts, and similar items when debt is first issued; whereas those amounts are deferred and amortized over the life of the debt in the statement of activities.

Issuance of new debt	\$ (136,850)	
Revenue notes issued	<u>136,850</u>	
Long-term receivable related to revenue notes issued	<u>136,850</u>	
Principal repayments	<u>3,815,000</u>	
General obligation bonds	<u>92,750</u>	
Capital lease	<u>555,906</u>	
Amortization of premium and discount on bonds	<u>(450,889)</u>	4,012,767

Decrease in joint venture does not provide current financial resources and is not reported as revenue in the funds. (705,959)

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	\$ 86,251	
Change in compensated absences	<u>37,797</u>	
Change in inventories	<u>44,549</u>	
Change in net OPEB obligation	<u>(1,704,519)</u>	
Change in net pension liability, as restated	<u>(215,203)</u>	
Change in deferred outflows of resources, as restated	<u>2,345,387</u>	
Change in deferred inflows of resources, as restated	<u>(2,624,020)</u>	<u>(2,029,758)</u>
Change in net position of governmental activities	<u>\$ 3,530,633</u>	

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET POSITION
LANDFILL ENTERPRISE FUND
DECEMBER 31, 2015**

ASSETS

Current assets

Cash and investments	\$ 7,880,482
Accounts receivable (net)	105,652
Due from other funds	25
Prepaid items	<u>211</u>
Total current assets	<u>7,986,370</u>

Noncurrent assets

Restricted assets	\$ 5,804,752
Cash and investments	412,334
Capital assets	<u>2,818,328</u>
Non-depreciable	9,035,414
Depreciable - net of accumulated depreciation	<u>17,021,784</u>
Total noncurrent assets	<u>14,876</u>
Total Assets	<u>17,021,784</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow for pensions	<u>14,876</u>
-------------------------------	---------------

LIABILITIES

Current liabilities

Accounts payable	\$ 23,700
Salaries payable	4,190
Accrued payroll taxes	544
Compensated absences payable - current	<u>25,659</u>
Total current liabilities	<u>54,093</u>

Noncurrent liabilities

Compensated absences payable - long-term	\$ 2,851
Net pension liability	104,863
Estimated liability for landfill closure/postclosure	<u>4,333,811</u>
Total noncurrent liabilities	<u>4,441,525</u>
Total Liabilities	<u>4,495,618</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflow for pensions	<u>13,540</u>
------------------------------	---------------

NET POSITION

Net investment in capital assets	\$ 3,230,662
Restricted for landfill closure/postclosure	1,470,941
Unrestricted	<u>7,825,899</u>
Total Net Position	<u>12,527,502</u>

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
LANDFILL ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

OPERATING REVENUES

Charges for services	\$ 2,325,506
Licenses and permits	1,875
Total Operating Revenues	\$ 2,327,381

OPERATING EXPENSES

Personnel services	\$ 88,688
Employee benefits and payroll taxes	31,577
Professional services	129,578
Contracted services	670,079
Maintenance	122,210
Supplies	74,277
Telephone	483
Utilities	51,483
Fuel	4,079
Advertising	3,731
Staff training	389
Licenses and dues	1,250
Postage	4,556
Engineering costs	272,924
Miscellaneous	13,391
Depreciation	554,688
Landfill closure and postclosure costs	281,573
Total Operating Expenses	\$ 2,304,956

Operating Income (Loss) **\$ 22,425**

NONOPERATING REVENUES (EXPENSES)

Intergovernmental	\$ 595
Investment earnings	73,736

Total Nonoperating Revenues (Expenses) **\$ 74,331**

**Income (Loss) Before Contributions and
Transfers** **\$ 96,756**

Transfers in	73,736
Transfers out	(73,736)

Change in Net Position **\$ 96,756**

Net Position - January 1, as restated (Note I.F.) **\$ 12,430,746**

Net Position - December 31 **\$ 12,527,502**

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF CASH FLOWS
LANDFILL ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015
Increase (Decrease) in Cash and Cash Equivalents**

Cash Flows from Operating Activities

Receipts from customers and users	\$ 2,328,401
Payments to suppliers	(1,369,732)
Payments to employees for salaries and benefits	<u>(118,416)</u>
Net cash provided by (used in) operating activities	<u>\$ 840,253</u>

Cash Flows from Noncapital Financing Activities

Intergovernmental	\$ 595
Transfers in from other funds	73,736
Transfers out to other funds	<u>(73,736)</u>

Net cash provided by (used in) noncapital financing activities

\$ 595

Cash Flows from Capital and Related Financing Activities

Purchases of capital assets	<u>\$ (70,488)</u>
-----------------------------	--------------------

Cash Flows from Investing Activities

Investment earnings received	<u>\$ 73,736</u>
------------------------------	-------------------------

Net Increase (Decrease) in Cash and Cash Equivalents

\$ 844,096

Cash and Cash Equivalents at January 1

12,841,138

Cash and Cash Equivalents at December 31

\$ 13,685,234

Cash and Cash Equivalents - Statement of Net Position

Cash and investments	\$ 7,880,482
Restricted cash and investments	<u>5,804,752</u>

Total Cash and Cash Equivalents

\$ 13,685,234

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF CASH FLOWS
LANDFILL ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015
Increase (Decrease) in Cash and Cash Equivalents
(Continued)**

**Reconciliation of Operating Income (Loss) to Net
Cash Provided by (Used in) Operating Activities**

Operating income (loss)	\$ <u>22,425</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation expense	\$ 554,688
(Increase) decrease in accounts receivable	1,020
(Increase) decrease in due from other funds	(25)
(Increase) decrease in prepaid items	(211)
Increase (decrease) in accounts payable	(20,385)
Increase (decrease) in salaries payable	123
Increase (decrease) in due to other funds	(681)
Increase (decrease) in compensated absences payable	(529)
(Increase) decrease in deferred outflow for pensions	(14,876)
Increase (decrease) in deferred inflow for pensions	13,540
Increase (decrease) in pension liability	3,591
Increase (decrease) in landfill closure/postclosure costs liability	<u>281,573</u>
Total adjustments	<u>\$ 817,828</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 840,253</u>

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015**

	<u>Agency</u>
ASSETS	
Cash and investments	<u>\$ 5,565,159</u>
LIABILITIES	
Accounts payable	\$ 439,463
Salaries payable	70,172
Accrued payroll taxes	10,096
Due to other governments	<u>5,045,428</u>
Total Liabilities	<u>\$ 5,565,159</u>

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

I. Summary of Significant Accounting Policies

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2015. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, issued in June 1999.

A. Financial Reporting Entity

Crow Wing County was established May 23, 1857, and is an organized county having the powers, duties, and privileges granted to counties by Minn. Stat. ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Crow Wing County. The County is governed by a five-member Board of Commissioners elected from districts within the County. The County Board is organized with a chair and vice chair elected at the annual meeting in January of each year. The County Administrator serves as the clerk of the County Board of Commissioners but has no vote.

Joint Ventures

The County participates in several joint ventures described in Note IV.B. The County also participates in jointly-governed organizations described in Note IV.C.

B. Basic Financial Statements

Government-Wide Statements

The government-wide financial statements (the statement of net position and the statement of activities) display information about the government. These statements include the financial activities of the overall County government, except for fiduciary activities. The effect of interfund activity has been removed from these statements, but interfund services provided and used are not eliminated in the consolidation process. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties for support.

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

The statement of activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities and business-type activities are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given

CROW WING COUNTY BRAINERD, MINNESOTA

function or activity; and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or activity. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Landfill Enterprise Fund are charges to customers for services provided and for the issuance of licenses and permits. Operating expenses for the Landfill Enterprise Fund 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.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The Highway Special Revenue Fund is used to account for all costs for maintenance and construction of streets and highways. Financing comes primarily from an annual property tax levy and restricted intergovernmental revenue from the state and federal governments.

The Community Services Special Revenue Fund is used to account for all costs for human services, and health. Financing comes primarily from an annual property tax levy and restricted intergovernmental revenue from the state and federal governments.

The Public Land Management Special Revenue Fund is used to account for financial transactions resulting from the management of Crow Wing County's tax-forfeited lands. Financing comes primarily from issuance of timber permits and timber sales.

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The County reports the following major enterprise fund:

The Landfill Fund is used to account for the operation, maintenance, and development of the County's solid waste landfill.

CROW WING COUNTY BRAINERD, MINNESOTA

Additionally, the County reports the following fund types:

The *Permanent Fund* is used to report resources legally restricted to the extent that only earnings, and not principal from the Environmental Trust Permanent Fund may be used for environmental purposes in accordance with Minn. Stat. § 373.475.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used for a variety of purposes: to account for the collection and disbursement of taxes on behalf of other local governments within the County; as an agent for a mental health collaborative, child protection services, and estate recoveries; as an agent for local lake improvement districts, recreational trails, and other environmental purposes; and as an agent for a passenger safety seatbelt and child carseat organization.

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Crow Wing County considers all revenues as available if collected within 60 days after the end of the current period. Property taxes, special assessments, intergovernmental revenue, 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 capital leases are reported as other financing sources.

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

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

1. Cash and Investments

The cash balances of substantially all funds are pooled and invested by the Administrative Services Director for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2015, based on market prices. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments of governmental and fiduciary funds are credited to the General Fund. The pooled investment earnings for 2015 were \$446,100. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants.

Crow Wing County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers

CROW WING COUNTY BRAINERD, MINNESOTA

agreement pursuant to Minn. Stat. § 471.59. The MAGIC Fund is not registered with the Securities and Exchange Commission. The investment in the pool is measured at the amortized cost per share provided by the pool, which would closely approximate fair value.

Cash and cash equivalents are identified only for the purpose of the statement of cash flows reporting by the proprietary fund. Crow Wing County has defined cash and cash equivalents to include cash on hand, demand deposits, certificates of deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, each fund's equity in the County's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

2. Receivables and Payables

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

All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for uncollectibles.

3. Property Taxes

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

4. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories in governmental funds are recorded as expenditures when purchased rather than when consumed. Reported inventories are equally offset by nonspendable fund balance to indicate that they do not constitute "available spendable resources." Inventories at the government-wide level are recorded as expenses when consumed.

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

5. Restricted Assets

Restricted cash represents monies set aside to be used in the future for monitoring and closing County landfills. Interest earned on cash balances is allocated to cash and restricted cash balances.

CROW WING COUNTY BRAINERD, MINNESOTA

6. Capital Assets

Capital assets, which include land; construction in progress; infrastructure – right-of-way; buildings; land improvements; machinery, furniture, and equipment; infrastructure; and landfill are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the Landfill Enterprise Fund. 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 three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 the useful life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current period, the County did not have any capitalized interest.

Property, plant, and equipment of the government are depreciated using the straight-line method to allocate the cost on an annual basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30 – 100
Building improvements	7 – 30
Infrastructure	50 – 75
Machinery, furniture, and equipment	3 – 20
Improvements other than buildings	20 – 30
Landfill	4 – 25

7. Pension Plan

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

8. Deferred Outflows 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, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category: deferred charge on refunding and deferred outflow for pensions, both reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or

CROW WING COUNTY BRAINERD, MINNESOTA

refunding debt. The pension obligation amounts are deferred and the length of the expense recognition period is equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan, determined as of the beginning of the measurement period.

9. Compensated Absences

Compensated absences will be reported for paid time off (PTO) hours and vested extended leave bank (ELB) hours. The County accrues the compensated absences liability when earned in both the government-wide and proprietary fund financial statements.

PTO

PTO hours are accrued by both full-time and part-time County employees. Under the County's personnel policies and union contracts, employees are granted PTO leave in varying amounts based on their years of service. PTO leave accrual varies from 21 to 34 days per year. County employees are allowed to carry a maximum balance of 480 hours (60 days) at any given time.

PTO Severance Pay – Employees leaving County service voluntarily and in good standing, and who provide proper advance notice of two weeks, are entitled to receive 100 percent of their remaining accrued PTO leave at their current hourly rate.

PTO Current and Long-Term Compensated Absences – The County estimates that 90 percent of the year-end balances of PTO severance pay compensated absences will be used in the following year (assumes a FIFO methodology). Subsequently, ten percent of PTO severance pay compensated absences will be used beyond the following year.

ELB

ELB Severance Pay – Vested ELB applies only to employees that were hired before January 1, 1986, and who did not select the buy-out option. Vested ELB, up to 120 days, is paid upon retirement or, in the event of death, to the beneficiary. Any County employee separating his/her employment with the County will forfeit any accrued ELB other than the one exception listed above.

ELB Current and Long-Term Compensated Absences – ELB severance pay compensated absences are treated as current for employees that have met Public Employees Retirement Association (PERA) of Minnesota eligibility requirements for retirement in the following year and long-term for employees who will not have met PERA eligibility requirements in the following year.

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. 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 issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources, except in the case of an advance refunding where current year equity contributions are reported as a current expenditure – payment to refunded bond escrow agent,

CROW WING COUNTY BRAINERD, MINNESOTA

in addition to the face amount reported in other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Because the rates of interest paid on tax exempt debt are normally lower than those paid on taxable securities, it is sometimes possible for state and local governments to profit from this disparity in interest rates by temporarily reinvesting unexpended proceeds of lower interest tax exempt borrowings in higher yielding taxable securities. When the proceeds of tax-exempt debt are reinvested in this manner, the profits realized are referred to as "arbitrage earnings," which must be rebated to the federal government.

11. Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items. The first, unavailable revenue, arises only under a modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The government also has deferred inflows related to pension obligations. The differences between expected and actual economic experience are recognized over a four or six year period, depending on retirement plan. The other deferred inflows related to pension are deferred and the length of the expense recognition period is equal to the average of the expected remaining services lives of all employees that are provided with pensions through the pension plan, determined as of the beginning of the measurement period.

12. Classification of Net Position

Net position in the government-wide and proprietary fund 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.

CROW WING COUNTY BRAINERD, MINNESOTA

13. Classification of Fund Balances

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 in the governmental funds. The classifications are as follows:

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted

The restricted fund balance category includes the portion of spendable fund balance that reflects constraints on spending because of legal restrictions stipulated by outside parties, or any legal restrictions based on state statutes or grant requirements placed on the use for specific purposes. In addition, funds imposed by law through constitutional provisions or enabling legislation are deemed “restricted.”

Committed

The committed fund balance classification includes the portion of spendable fund balance that reflects constraints that the County has imposed upon itself by a formal action of the County Board (for example, a resolution passed by the County Board). This constraint must be imposed prior to year end but the amount can be determined at a later date, and once adopted, the limitation imposed remains in place until a similar action (i.e., a resolution) is taken to remove or revise the limitation.

Assigned

The assigned fund balance is the portion of spendable fund balance that reflects funds intended to be used by the government for specific purposes assigned by more informal operational plans. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or limited. The authority to assign fund balances for certain purposes resides with the County Administrator or Finance Director, in accordance with the *Fund Balance and Reserves Policy* adopted by the County Board.

Unassigned

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

CROW WING COUNTY BRAINERD, MINNESOTA

Unassigned amounts are available for any purpose. These are the current resources available for which there are no government self-imposed limitations or set spending plan. Although there is generally no set spending plan for the unassigned portion, there is a need to maintain a certain funding level. Unassigned fund balance is commonly used for emergency expenditures not previously considered. In addition, the resources classified as unassigned can be used to cover expenditures for revenues not yet received.

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

14. 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

E. Revenues

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs. The modified accrual basis of accounting is used by all governmental fund types. Under this basis, revenue is not recognized in the financial statements unless it is available to finance current expenditures.

Imposed Nonexchange Transactions

Imposed nonexchange transactions result from assessments by governments on nongovernmental entities and individuals. Property taxes, fines and penalties, and property forfeitures are imposed nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes were levied, to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable but not available are reported as unavailable revenue and will be recognized as revenue in the fiscal year that they become available. Fines and penalties and property forfeitures are recognized in the period received.

Intergovernmental

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for a specific purpose. The provider government establishes purpose restrictions and also may establish time requirements. Federal and state grants mandating the County perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when eligibility and time requirements are met, usually when the corresponding expenditure is incurred.

CROW WING COUNTY BRAINERD, MINNESOTA

Voluntary nonexchange transactions result from legislative or contractual agreements, such as grants, entitlements, appropriations, and donations. The provider may establish purpose restrictions or eligibility requirements. Revenues are recognized in the year to which they apply according to the statute or contract. Gifts and contributions from individuals are also considered voluntary nonexchange transactions and are generally recognized when received.

Tax credits paid by the state are included in intergovernmental revenues and are recognized as revenue in the fiscal year that they become available. Subject to the availability criterion, state-aid highway allotments for highway maintenance and construction are recognized as revenue in the year of allotment.

Exchange Transactions

Special assessments levied against benefiting properties are recognized under the modified accrual basis when available to finance current expenditures. Other revenues, such as licenses and permits, charges for services, and investment income, are recognized as revenue when earned.

F. Change in Accounting Principles

During the year ended December 31, 2015, the County adopted new accounting guidance by implementing the provisions of GASB Statements 68, 71, and 82. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, requires governments providing defined benefit pensions to employees through pension plans administered through trusts to record their proportionate share of the net pension obligation as a liability on their financial statements along with related deferred outflows of resources, deferred inflows of resources, and pension expense. This statement also requires additional note disclosures and schedules in the required supplementary information.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, addresses an issue regarding amounts associated with contributions made to a pension plan after the measurement date of the net pension liability.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statements 68, 71, and 82 require the County to report its proportionate share of the PERA total employers' unfunded pension liability. As a result, beginning net position has been restated to record the County's net pension liability and related deferred outflows of resources.

	Governmental Activities	Business-Type Activities
Net Position, January 1, 2015, as previously reported Change in accounting principles	\$ 201,151,961 (17,782,044)	\$ 12,532,018 (101,272)
Net Position, January 1, 2015, as restated	<u>\$ 183,369,917</u>	<u>\$ 12,430,746</u>

CROW WING COUNTY BRAINERD, MINNESOTA

The prior year adjustment for change in accounting principles recognizes pension liability of \$18,741,670 and deferred outflows of resources of \$959,626 for governmental activities, and pension liability of \$106,051 and deferred outflows of resources of \$4,779 for business-type activities.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

The purpose of establishing an operating budget is to ensure the County's annual operating expenditures are based on a stable stream of revenues.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Between April and August of each year, the County Administrator and Administrative Services Finance Division staff provides all department heads with budget worksheets. Department heads prepare a proposed operating budget and return the worksheets for review. The County Administrator and Finance Division staff meets with department heads and accepts proposed budget workpapers.
2. On or before September 15th, the County Administrator submits to the County Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
3. In December, public meetings or hearings are conducted in accordance with the state truth-in-taxation statutes to obtain taxpayer comments and adopt the final tax levy and budgets for the General Fund, Special Revenue Funds except for the Small Cities Development Program Fund, Capital Projects Fund, Debt Service Fund, Permanent Fund, and the Landfill Enterprise Fund.
4. Revisions that alter the net budgeted revenues or expenditures of any fund must be approved by the County Board of Commissioners.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds except for the Small Cities Development Program Fund, Capital Projects Fund, Debt Service Fund, Permanent Fund, and the Landfill Enterprise Fund.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts will be reported as originally adopted and as amended by the County Board of Commissioners on the budgetary comparison schedules.
7. Operating budgets are prepared and presented for the following funds: General; Highway, Community Services, Public Land Management, Solid Waste (Non-Landfill), Unorganized Townships; Debt Service; Capital Projects; and Environmental Trust. Operating budgets are prepared, but not presented, for the Landfill Enterprise Fund.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

B. Excess of Expenditures Over Budget

The following funds had expenditures in excess of final budget for the year ended December 31, 2015:

	<u>Expenditures</u>	<u>Final Budget</u>	<u>Excess</u>
Special Revenue Funds:			
Highway	\$ 15,098,124	\$ 15,026,414	\$ 71,710
Community Services	21,856,678	21,020,743	835,935
Public Land Management	1,675,058	1,183,201	491,857
Debt Service	5,006,383	5,002,208	4,175
Solid Waste (Non-Landfill)	940,016	930,346	9,670

Expenditures in excess of appropriations for the Highway, Public Land Management, and Solid Waste (Non-Landfill) Special Revenue funds, and the Debt Service fund, were offset by revenues in excess of budget. Expenditures in excess of appropriations for the Community Services Special Revenue fund were funded by fund balance usage.

III. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

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

Government-wide statement of net position		
Governmental activities		
Cash and investments	\$	45,751,626
Business-type activities		
Cash and investments	\$	7,880,482
Cash and investments - restricted assets	\$	5,804,752
Statement of fiduciary net position		
Cash and investments	\$	5,565,159
Total Cash and Investments	<u><u>\$</u></u>	<u><u>65,002,019</u></u>
Deposits	\$	29,297,613
Petty Cash and Change Funds		2,930
Investments		<u>35,701,476</u>
Total	<u><u>\$</u></u>	<u><u>65,002,019</u></u>

a) **Deposits**

Minn. Stat. §§ 118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all County deposits be protected by insurance, surety bond, or collateral. The market value of collateral

CROW WING COUNTY BRAINERD, MINNESOTA

pledged shall be at least ten percent more than the amount on deposit at the close of the financial institution's banking day, not covered by insurance or bonds.

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. The County deposit policy for custodial credit risk follows Minnesota Statutes regarding pledging collateral. The market value of collateral must equal 110% of the deposits not covered by insurance or surety bonds. As of December 31, 2015, the County's deposits were fully covered by insurance, surety bonds, and collateral and were not exposed to custodial credit risk.

b) Investments

Minn. Stat. §§ 118A.04 and 118A.05 generally authorize the following types of investments as available to the County:

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

c) Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County minimizes its exposure to interest rate risk by investing in both short-term and long-term investments and by timing cash flows from maturities so that a

**CROW WING COUNTY
BRAINERD, MINNESOTA**

portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of December 31, 2015, the County had the following investments and maturities:

	Credit Risk	Less Than 1 Year	1-5 Years	More Than 5 Years	Total Fair Value
Repurchase Agreements	NR	\$ 4,603,701	\$ -	\$ -	\$ 4,603,701
U.S. Treasuries	AA	910,937	12,392,053	-	13,302,990
Mutual Funds	NR	715,591	-	-	715,591
Federal National Mortgage Association	AA	401,493	748,910	-	1,150,403
Federal Home Loan Mortgage Corporation	AA	-	1,290,333	-	1,290,333
Federal Home Loan Bank	AA	400,246	1,228,847	-	1,629,093
Federal Farm Credit Banks	AAA	-	350,290	-	350,290
Negotiable Certificates of Deposit	NR	-	6,016,673	-	6,016,673
Municipal Bonds	AA	771,347	2,856,930	1,013,666	4,641,943
Municipal Bonds	AAA	379,668	1,509,593	99,034	1,988,295
Series E Bonds	NR	-	-	12,164	12,164
Total Investments		\$ 8,182,983	\$26,393,629	\$ 1,124,864	\$35,701,476

d) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The risk of loss due to failure of the security issuer or backer will be minimized by:

- (1) Limiting investments to the types of securities listed in Section IV of the County's *Investment Policy*.
- (2) Pre-qualifying the financial institutions, broker/dealers, and investment managers with which the County will do business in accordance with Section VI of the County's *Investment Policy*.
- (3) Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Insurance or collateral may be required to ensure return of principal.

The County's exposure to credit risk as of December 31, 2015, is listed in the table above.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

e) Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Bremer repurchase agreement has custodial credit risk. The County has no other custodial credit risk for investments as December 31, 2015.

Securities purchased shall be held in a segregated account for the County's benefit at a third party trustee as safekeeping agent. The investment dealer or bank in which the security is purchased shall issue a confirmation ticket to the County listing the specific instrument, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information. The financial service provider which executes the transaction on the County's behalf shall deliver all securities on a delivery versus payment method (DVP) to the designated third party. Delivery versus payment (DVP) is a way of controlling the risk to which securities market participants are exposed. Delivery of securities (i.e. the change in their ownership) is done simultaneously with payment. This means that neither the buyer nor the seller is exposed to the risk that the other will default.

Investments, contracts, and agreements may be held in safekeeping with:

- (1) Any Federal Reserve bank;
- (2) Any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased;
- (3) A primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
- (4) A securities broker-dealer, or affiliate of it, that meets the following requirements:
 - (a) It is registered as a broker-dealer under chapter 80A or is exempt from the registration requirements;
 - (b) It is regulated by the Securities and Exchange Commission; and
 - (c) It maintains insurance through the Securities Investor Protection Corporation or excess insurance coverage in an amount equal to or greater than the value of the securities held.

The County's ownership of all securities should be evidenced by written acknowledgments identifying the securities by:

- (1) The names of issuers
- (2) The maturity dates
- (3) The interest rates
- (4) CUSIP numbers or other distinguishing marks

f) Concentration of Credit Risk

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

CROW WING COUNTY BRAINERD, MINNESOTA

limit. These investments are implicitly guaranteed by the U.S. government.

Diversification strategies will be implemented with the following constraints:

Issuer Type	Maximum % of Total Portfolio ¹
Savings/demand deposits ²	50%
Certificates of Deposit	75%
U.S. Treasury Obligations	100%
U.S. Agency Securities	100%
Per issuer:	30%
Municipal Securities	50%
Per issuer:	15%

¹Due to fluctuations in the value of the portfolio, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase or maturity of a particular security. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made.

²The savings/demand deposits held by the County will fluctuate significantly as a result of property tax collection and settlement. Ideally, the County will hold no more than five percent of its "core investments" in savings/demand deposits.

More than 5% of the County's investments are in U.S. Treasuries (37%), Negotiable Certificates of Deposit (17%), Repurchase Agreements (13%), Municipal Bonds rated AA (13%), and Municipal Bonds rated AAA (6%).

2. Receivables

Receivables as of December 31, 2015, for the County's governmental activities, including the applicable allowances for uncollectible accounts, are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Taxes - delinquent (net)	\$ 1,262,469	\$ -
Accounts (net)	301,670	-
Accrued interest	155,342	-
Contracts	845,968	657,523
Due from other governments	4,034,915	-
Loans (net)	305,804	293,375
Long-term receivable	136,850	136,850
Total Governmental Activities	\$ 7,043,018	\$ 1,087,748

Loans receivable relate to the amount of Small Cities Development grant funds anticipated to be collected as part of the County's development programs. The long-term receivable is due from the North Long Lake Sanitary Sewer District for the repayment of the General Obligation Revenue Note the County holds on behalf of the District.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

3. Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

Governmental Activities

	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital assets not depreciated				
Land	\$ 14,711,887	\$ 57,229	\$ -	\$ 14,769,116
Construction in progress	7,092,580	2,161,023	(1,296,707)	7,956,896
Infrastructure - right-of-way	5,570,191	925,383	-	6,495,574
Total capital assets not depreciated	<u>\$ 27,374,658</u>	<u>\$ 3,143,635</u>	<u>\$ (1,296,707)</u>	<u>\$ 29,221,586</u>
Capital assets depreciated				
Buildings	\$ 64,925,654	\$ 97,520	\$ (20,300)	\$ 65,002,874
Land improvements	2,231,835	-	-	2,231,835
Machinery, furniture, and equipment	18,318,353	1,462,874	(932,598)	18,848,629
Infrastructure	121,176,103	6,665,175	-	127,841,278
Total capital assets depreciated	<u>\$ 206,651,945</u>	<u>\$ 8,225,569</u>	<u>\$ (952,898)</u>	<u>\$ 213,924,616</u>
Less: accumulated depreciation for				
Buildings	\$ (18,479,456)	\$ (1,612,531)	\$ 8,627	\$ (20,083,360)
Land improvements	(871,718)	(111,239)	-	(982,957)
Machinery, furniture, and equipment	(11,483,717)	(1,617,421)	882,652	(12,218,486)
Infrastructure	(30,216,446)	(2,512,173)	-	(32,728,619)
Total accumulated depreciation	<u>\$ (61,051,337)</u>	<u>\$ (5,853,364)</u>	<u>\$ 891,279</u>	<u>\$ (66,013,422)</u>
Total capital assets depreciated, net	<u>\$ 145,600,608</u>	<u>\$ 2,372,205</u>	<u>\$ (61,619)</u>	<u>\$ 147,911,194</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 172,975,266</u></u>	<u><u>\$ 5,515,840</u></u>	<u><u>\$ (1,358,326)</u></u>	<u><u>\$ 177,132,780</u></u>

Depreciation expense for 2015 was charged to functions/programs of the government's governmental activities as follows:

Governmental Activities

General government	\$ 1,252,924
Public safety	1,165,342
Highways and streets (including depreciation of infrastructure assets)	3,162,025
Health and human services	226,232
Culture and recreation	13,989
Conservation of natural resources	<u>32,852</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 5,853,364</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

Business-Type Activities

	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital assets not depreciated				
Land	\$ 412,334	\$ -	\$ -	\$ 412,334
Capital assets depreciated				
Buildings	\$ 781,973	\$ -	\$ -	\$ 781,973
Landfill	13,247,975	70,488	-	13,318,463
Machinery, furniture, and equipment	301,079	-	-	301,079
Total capital assets depreciated	\$ 14,331,027	\$ 70,488	\$ -	\$ 14,401,515
Less: accumulated depreciation for				
Buildings	\$ (278,369)	\$ (28,542)	\$ -	\$ (306,911)
Landfill	(10,505,751)	(513,891)	-	(11,019,642)
Machinery, furniture, and equipment	(244,379)	(12,255)	-	(256,634)
Total accumulated depreciation	\$ (11,028,499)	\$ (554,688)	\$ -	\$ (11,583,187)
Total capital assets depreciated, net	\$ 3,302,528	\$ (484,200)	\$ -	\$ 2,818,328
Business-Type Activities Capital Assets, Net	<u>\$ 3,714,862</u>	<u>\$ (484,200)</u>	<u>\$ -</u>	<u>\$ 3,230,662</u>

Depreciation expense for 2015 was charged to functions/programs of the government's business-type activities as follows:

Business-Type Activities

Landfill	<u>\$ 554,688</u>
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**CROW WING COUNTY
BRAINERD, MINNESOTA**

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2015, is as follows:

1. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Public Land Management	\$ 460,930
Highway	General	\$ 40,871
	Community Services	6,142
	Public Land Management	4,254
	Unorganized Townships	248,533
Total Due to Highway Fund		\$ 299,800
Capital Projects	Public Land Management	\$ 240,698
Landfill Enterprise	Highway	\$ 25
Total Due To/From Other Funds		\$ 1,001,453

Balances at year-end are receivable/payable for goods or services or are the undistributed settlement from tax-forfeited land sales.

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2015, consisted of the following:

Transfer In Fund	Transfer Out Fund	Amount
General	Solid Waste (Non-Landfill)	\$ 29,605
Community Services	General	83,769
Solid Waste (Non-Landfill)	Landfill	73,736
Landfill	Solid Waste (Non-Landfill)	73,736
Total Interfund Transfers		\$ 260,846

Transfers occurred between Solid Waste (Non-Landfill), General, and Landfill Funds to fully utilize the financial assurance interest earnings. Transfers occurred between the General Fund and the Community Services Special Revenue Fund to account for the movement of Veterans' Services.

CROW WING COUNTY BRAINERD, MINNESOTA

C. Liabilities

1. Other Post Employment Benefits

Plan Description

Crow Wing County provides a single-employer defined benefits healthcare plan to eligible retirees and their spouses. At January 1, 2015, the most recent actuarial valuation date, there were approximately 635 participants in the plan. Of the 635 participants, 235 were retirees (including LTD participants) and spouses receiving benefits. The County also provides benefits for retirees as required by Minn. Stat. § 471.61, subd. 2b.

Funding Policy

OPEB benefits have historically been funded on a pay-as-you-go basis (PAYGO). Under GASB Statement No. 45, the County may set up a trust and pre-fund the benefits. There is no requirement to pre-fund benefits under GASB Statement No. 45. During 2015, the County contributed \$1,508,494 to the plan. Results throughout the actuarial report assume continued funding under PAYGO.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC, which represents a level of funding that if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for 2015, the amount contributed to the plan, and changes in the County's net OPEB obligation to the plan.

Annual required contribution (ARC)	\$ 3,489,982
Interest on net OPEB obligation	541,854
Adjustment to ARC	<u>(818,823)</u>
Annual OPEB Cost	\$ 3,213,013
Contributions during the year	<u>(1,508,494)</u>
Increase in net OPEB obligation	\$ 1,704,519
Net OPEB beginning of year	<u>13,546,358</u>
Net OPEB end of year	<u>\$ 15,250,877</u>

CROW WING COUNTY BRAINERD, MINNESOTA

Summary of Annual OPEB Costs

The County's employer contribution, annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013, 2014, and 2015 were as follows:

Year Ended	Employer Contribution	Annual OPEB Cost	Percentage of Annual OPEB Cost		Net OPEB Obligation
			Contribution	46.9%	
12/31/2013	\$ 1,359,353	\$ 3,078,034	44.2%		\$ 12,067,308
12/31/2014	1,561,453	3,040,503	51.4%		13,546,358
12/31/2015	1,508,494	3,213,013	46.9%		15,250,877

Funded Status and Funding Progress

The County currently has no assets that have been irrevocably deposited in a trust for future health benefits. Therefore, the actuarial value of assets is zero.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded			Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
			Actuarial Accrued Liability	Accrued Liability (b-a)	Funded Ratio (a/b)		
			Actuarial Accrued Liability	Accrued Liability (b-a)	Funded Ratio (a/b)		
1/1/2011	\$ -	\$ 32,369,071	\$ 32,369,071	0%	\$ 21,252,877	152.30%	
1/1/2013	-	34,827,839	34,827,839	0%	21,834,994	159.50%	
1/1/2015	-	40,031,410	40,031,410	0%	22,851,210	175.18%	

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CROW WING COUNTY BRAINERD, MINNESOTA

In the January 1, 2015, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumption included a 4.0 percent investment rate of return (net of investment expenses), which is Crow Wing County's implicit rate of return on the General Fund. An annual medical trend rate of 7.25 percent in 2015 grading to 5.0 percent over nine years for Pre-65 was used. An annual healthcare cost trend rate of 4.67 percent in 2015 grading to 4.0 percent over two years for Post-65 was used. Both rates included a 2.5 percent inflation assumption. The actuarial value of assets was not determined as the County has not advance funded its obligation. The unfunded actuarial accrued liability (UAAL) is being amortized over thirty years at a level dollar amount on a closed basis. The remaining amortization period at December 31, 2015, was twenty-two years.

2. Leases

Capital Leases

Crow Wing County has entered into a sub-lease with the City of Crosslake for financing a joint public works facility (County's share in equity is 53 percent). This sub-lease agreement qualifies as a capital lease for accounting purposes and, therefore, was recorded at the present value of the future minimum lease payments as of the inception date. The present value of the building at the inception date was \$1,688,050. It is recorded as a governmental activity.

On January 1, 2012, the City of Crosslake issued General Obligation Refunding Bonds, Series 2012A to refinance the 2003 Lease. The Total Net Present Value Benefit of the refunding was \$201,431.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015, were as follows:

December 31	Lease payments
2016	\$ 111,752
2017	112,467
2018	113,130
2019	111,116
2020	111,725
2021-2023	337,409
Total minimum lease payments	\$ 897,599
Less: amount representing interest	(73,449)
Present Value of Minimum Lease Payments	<u><u>\$ 824,150</u></u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

3. Long-Term Debt

Governmental Activities

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2015
General Obligation Bonds:					
2013A G.O. Refunding Capital Improvement Plan Bonds	2020	\$2,415,000 - \$3,035,000	2.00 - 5.00	\$ 19,040,000	\$ 13,870,000
2013A G.O. Refunding County Jail Bonds	2020	\$1,325,000 - \$1,675,000	2.00 - 5.00	10,480,000	7,645,000
2010A G.O. Refunding Airport Improvement Bonds (50% County Portion)	2022	\$72,500 - \$92,500	1.00 - 3.35	885,000	587,500
2015 G.O. Sewer Revenue Note North Long Lake Sanitary Sewer District Clean Water Project*	2045	\$805 - \$8,500	1.00	136,850	136,850
Total General Obligation Bonds				<u>\$ 30,541,850</u>	<u>\$ 22,239,350</u>

* The outstanding balance for this note represents the amount received from the Minnesota Public Facilities Authority as of December 31, 2015. The County has not finished drawing down funds on this note; therefore, final debt payment schedules are not available. The payment schedule in Note III.C.4. Debt Service Requirements does not include the debt service applicable to this loan.

Advance Refunding

On July 10, 2013, the County issued \$29,520,000 of General Obligation Refunding Bonds, Series 2013A, with a true interest cost of 1.45 percent to refund \$23,920,000 of outstanding General Obligation Capital Improvement Plan Bonds, Series 2004A, and \$13,185,000 of outstanding General Obligation County Jail Bonds, Series 2004B, with true interest costs of 4.66 percent each. The County also contributed \$3,500,000 of cash equity and a \$1,443,110 transfer from prior issues towards the refunding of the Series 2004A and Series 2004B debt. The refunding was conducted by means of an advance refunding mechanism. Proceeds from the issuance of the Series 2013A bonds were placed in escrow, and the escrow agent made principal and interest payments on the refunded debt through the call date of February 1, 2015. As a result, the Series 2004A and Series 2004B bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$2,968,354. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The County refunded the Series 2004A and Series 2004B bonds to reduce its total debt service payments by \$12,022,858 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$5,022,710.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

4. Debt Service Requirements

Debt service requirements at December 31, 2015, were as follows:

Governmental Activities

<u>December 31</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 3,995,000	\$ 992,953
2017	4,180,000	790,898
2018	4,370,000	579,329
2019	4,577,500	357,588
2020	4,797,500	124,996
2021-2022	<u>182,500</u>	<u>6,066</u>
Total	<u>\$ 22,102,500</u>	<u>\$ 2,851,830</u>

5. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2015, was as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 25,917,500	\$ -	\$ 3,815,000	\$ 22,102,500	\$ 3,995,000
General obligation revenue note	-	136,850	-	136,850	-
Plus: deferred amounts for issuance premiums (discounts)	2,822,998	-	555,906	2,267,092	555,906
General obligation bonds subtotal	<u>\$ 28,740,498</u>	<u>\$ 136,850</u>	<u>\$ 4,370,906</u>	<u>\$ 24,506,442</u>	<u>\$ 4,550,906</u>
Capital lease	916,900	-	92,750	824,150	95,400
Net OPEB obligation	13,546,358	3,213,013	1,508,494	15,250,877	-
Net pension liability, beginning balance restated (Note I.F.)	18,741,670	5,639,023	5,423,820	18,956,873	-
Compensated absences	2,801,589	<u>2,857,454</u>	<u>2,895,251</u>	<u>2,763,792</u>	<u>2,494,025</u>
Governmental Activities					
Long-Term Liabilities	<u><u>\$ 64,747,015</u></u>	<u><u>\$ 11,846,340</u></u>	<u><u>\$ 14,291,221</u></u>	<u><u>\$ 62,302,134</u></u>	<u><u>\$ 7,140,331</u></u>

General obligation debt is paid from the General Fund and the Debt Service Fund. Compensated absences are paid from the General Fund and the Highway, Community Services, Public Land Management, and Solid Waste (Non-Landfill) Special Revenue Funds. Capital lease payments are paid from the Highway Special Revenue Fund. The net OPEB obligation and net pension liability are liquidated by the General Fund and the Highway, Community Services, Public Land Management, and Solid Waste (Non-Landfill) Special Revenue Funds.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

Business-Type Activities

	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
Estimated liability for landfill closure and postclosure	\$ 4,052,238	\$ 281,573	\$ -	\$ 4,333,811	\$ -
Compensated absences	29,039	17,900	18,429	28,510	25,659
Net pension liability, beginning balance restated (Note I.F.)	<u>106,051</u>	<u>26,688</u>	<u>27,876</u>	<u>104,863</u>	<u>-</u>
Business-Type Activities					
Long-Term Liabilities	<u><u>\$ 4,187,328</u></u>	<u><u>\$ 326,161</u></u>	<u><u>\$ 46,305</u></u>	<u><u>\$ 4,467,184</u></u>	<u><u>\$ 25,659</u></u>

Conduit Debt

Pequot Lakes HRA

The Crow Wing County HRA is contingently liable for debt related to General Obligation Housing Revenue Bonds issued on behalf of the Pequot Lakes HRA. As additional security for these bonds, Crow Wing County approved the pledge by the County HRA of the County's full faith and credit and taxing powers to the payment of debt service on the bonds. The conduit bonds have an outstanding principal balance of \$1,145,000 for the year ended December 31, 2015.

Essentia Health

In 2009 Crow Wing County issued a Revenue Note of \$2,245,586 on behalf of the Brainerd Lakes Integrated Health Systems to refinance the purchase of the Brainerd Medical Center (BMC) and related facilities located adjacent to BMC, in the City of Brainerd. In 2010, Brainerd Lakes Integrated Health Systems became Essentia Health.

The County is not obligated in any manner for repayment of this debt and accordingly, it is not reported as a liability on the accompanying financial statements. The debt issuance remains outstanding with a principal balance of \$356,087 at December 31, 2015.

6. Pension Plans

a. **Defined Benefit Pension Plans**

1. **Plan Description**

All full-time and certain part-time employees of Crow Wing County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Local Government Correctional Service Retirement Fund (the Public Employees Correctional Fund), which are cost-sharing multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Fund members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan

CROW WING COUNTY BRAINERD, MINNESOTA

members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on a graduated schedule starting with 50 percent after 5 years and increasing 10 percent for each year of service until fully vested after 10 years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years and increasing 5 percent for each year of service until fully vested after 20 years.

Local government employees of a county-administered facility who are responsible for the direct security, custody, and control of the county correctional facility and its inmates are covered by the Public Employees Correctional Fund. For members hired after June 30, 2010, benefits vest on a graduated schedule starting with 50 percent after 5 years and increasing 10 percent for each year of service until fully vested after 10 years.

2. Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Benefit recipients receive a future annual 1.0 percent post-retirement benefit increase. If the funding ratio reaches 90 percent for two consecutive years, the benefit increase will revert to 2.5 percent. If, after reverting to a 2.5 percent benefit increase, the funding ratio declines to less than 80 percent for one year or less than 85 percent for two consecutive years, the benefit increase will decrease to 1.0 percent.

The benefit provisions stated in the following paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Employees Retirement Fund Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years of service and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For Public Employees Correctional Fund members, the annuity accrual rate is 1.9 percent of average salary for each year of service.

CROW WING COUNTY BRAINERD, MINNESOTA

For General Employees Retirement Fund 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. For Public Employees Police and Fire Fund and Public Employees Correctional Fund members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 55. Disability benefits are available for vested members and are based on years of service and average high-five salary.

3. Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. General Employees Retirement Fund Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in 2015. Public Employees Police and Fire Fund members were required to contribute 10.80 percent of their annual covered salary in 2015. Public Employees Correctional Fund members were required to contribute 5.83 percent of their annual covered salary in 2015.

In 2015, the County was required to contribute the following percentages of annual covered salary:

General Employees Retirement Fund	
Basic Plan members	11.78%
Coordinated Plan members	7.50
Public Employees Police and Fire Fund	16.20
Public Employees Correctional Fund	8.75

The General Employees Retirement Fund Coordinated Plan member and employer contribution rates each reflect a 0.25 percent increase from 2014. The Public Employees Police and Fire Fund member and employer contribution rates increased 0.60 percent and 0.90 percent, respectively, from 2014.

The County's contributions for the year ended December 31, 2015, to the pension plans were:

General Employees Retirement Fund	\$ 1,286,104
Public Employees Police and Fire Fund	455,731
Public Employees Correctional Fund	251,713

The contributions are equal to the contractually required contributions as set by state statute.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

4. Pension Costs

General Employees Retirement Fund

At December 31, 2015, the County reported a liability of \$15,428,398 for its proportionate share of the General Employees Retirement Fund's net pension liability. The net pension liability was measured as of June 30, 2015, 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 proportion 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, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the County's proportion was 0.2977 percent. It was 0.3322 percent measured as of June 30, 2014. The County recognized pension expense of \$1,650,883 for its proportionate share of the General Employees Retirement Fund's pension expense.

The County reported its proportionate share of the General Employees Retirement Fund'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	\$ -	\$ 777,854
Difference between projected and actual investment earnings	1,460,535	-
Changes in proportion	-	1,214,210
Contributions paid to PERA subsequent to the measurement date	<u>633,041</u>	<u>-</u>
 Total	 <u>\$ 2,093,576</u>	 <u>\$ 1,992,064</u>

A total of \$633,040 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 ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2016	\$ (298,887)
2017	(298,887)
2018	(298,887)
2019	365,132

CROW WING COUNTY BRAINERD, MINNESOTA

Public Employees Police and Fire Fund

At December 31, 2015, the County reported a liability of \$3,385,977 for its proportionate share of the Public Employees Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2015, 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 proportion 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, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the County's proportion was 0.298 percent. It was 0.289 percent measured as of June 30, 2014. The County recognized pension expense of \$599,750 for its proportionate share of the Public Employees Police and Fire Fund's pension expense.

The County also recognized \$26,820 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Public Employees Police and Fire Fund. Legislation requires the State of Minnesota to contribute \$9 million to the Public Employees Police and Fire Fund each year, starting in fiscal year 2014, until the plan is 90 percent funded.

The County reported its proportionate share of the Public Employees Police and Fire Fund'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	\$ -	\$ 549,095
Difference between projected and actual investment earnings	589,951	-
Changes in proportion	81,003	-
Contributions paid to PERA subsequent to the measurement date	<u>225,481</u>	-
 Total	 <u>\$ 896,435</u>	 <u>\$ 549,095</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

A total of \$225,481 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 ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2016	\$ 53,869
2017	53,869
2018	53,869
2019	53,869
2020	(93,618)

Public Employees Correctional Fund

At December 31, 2015, the County reported a liability of \$247,360 for its proportionate share of the Public Employees Correctional Fund's net pension liability. The net pension liability was measured as of June 30, 2015, 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 proportion 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, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the County's proportion was 1.600 percent. It was 1.630 percent measured as of June 30, 2014. The County recognized pension expense of \$265,825 for its proportionate share of the Public Employees Correctional Fund's pension expense.

The County reported its proportionate share of the Public Employees Correctional Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 94,704
Difference between projected and actual investment earnings	206,192	-
Changes in proportion	-	1,697
Contributions paid to PERA subsequent to the measurement date	<u>123,686</u>	<u>-</u>
Total	\$ 329,878	\$ 96,401

CROW WING COUNTY BRAINERD, MINNESOTA

A total of \$123,686 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 ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2016	\$ 19,414
2017	19,414
2018	19,414
2019	51,546

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2015, was \$2,516,458.

5. Actuarial Assumptions

The total pension liability in the June 30, 2015, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.75 percent per year
Active member payroll growth	3.50 percent per year
Investment rate of return	7.90 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. For the General Employees Retirement Fund and the Public Employees Police and Fire Fund, cost of living benefit increases for retirees are assumed to be 1.0 percent effective every January 1 through 2035 and 2037, respectively, and 2.5 percent thereafter. Cost of living benefit increases for retirees are assumed to be 2.5 percent for all years for the Public Employees Correctional Fund.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the General Employees Retirement Fund was for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014. The experience study for the Public Employees Police and Fire Fund was for the period July 1, 2004, through June 30, 2009. The experience study for the Public Employees Correctional Fund was for the period July 1, 2006, through June 30, 2011.

In 2015, an updated experience study was done for PERA's General Employees Retirement Fund for the six-year period ending June 30, 2014, which would result in a larger pension liability. However, PERA will not implement the changes in assumptions until its June 30, 2016, estimate of pension liability.

The long-term expected rate of return on pension plan investments is 7.9 percent. The State

CROW WING COUNTY BRAINERD, MINNESOTA

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	45%	5.50%
International stocks	15	6.00
Bonds	18	1.45
Alternative assets	20	6.40
Cash	2	0.50

6. Discount Rate

The discount rate used to measure the total pension liability was 7.9 percent. The discount rate did not change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

7. 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 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.9%)	Discount Rate (7.9%)	1% Increase in Discount Rate (8.9%)
Proportionate share of the General Employees Retirement Fund net pension liability	\$ 24,258,926	\$ 15,428,398	\$ 8,135,739
Public Employees Police and Fire Fund net pension liability	6,599,305	3,385,977	731,209
Public Employees Correctional Fund net pension liability	1,722,656	247,360	(933,472)

CROW WING COUNTY BRAINERD, MINNESOTA

8. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

b. Defined Contribution Plan

Four of five County Commissioners of Crow Wing County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. ch. 353D, which may be amended by the state legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.00 percent of salary, which is matched by the employer. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00 percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by the County during the year ended December 31, 2015, were:

	Employee	Employer
Contribution amount	\$ 6,634	\$ 6,634
Percentage of covered payroll	5%	5%

7. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 20 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$4,333,811 landfill closure and postclosure care liability at December 31, 2015, represents the cumulative amount reported to date based on the use of 82.01 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,052,027 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2015. The County expects to close the landfill in 2021. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

CROW WING COUNTY BRAINERD, MINNESOTA

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements and, at December 31, 2015, investments of \$5,804,752 are held for these purposes. These are reported as restricted assets on the Landfill Enterprise Fund's statement of net position. Crow Wing County expects that future inflation costs will be paid from investment earnings on these annual contributions. However, if investment earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

8. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. 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. The County purchases commercial insurance for other risks of loss. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$490,000 per claim in 2015 and \$500,000 per claim in 2016. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

D. Deferred Inflows of Resources

Governmental funds report unavailable revenue in connection with receivables for revenues not considered available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable Revenue
Delinquent property taxes receivable	\$ 1,262,469
Contracts receivable	845,968
Charges for services	112,933
Highway aids receivable that do not provide current financial resources	1,745,733
Interest receivable that does not provide current financial resources	65,740
Grants receivable that do not provide current financial resources	201,214
Total unavailable revenue for Governmental Funds	<u><u>\$ 4,234,057</u></u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

E. Unearned Revenue

Unearned revenue reported in the governmental funds consisted of \$394,388 of grant drawdowns prior to meeting all eligibility requirements.

IV. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The County Attorney estimates that the potential claims resulting from such litigation and not covered by insurance would not materially affect the financial statements of the County.

B. Joint Ventures

Brainerd Lakes Regional Airport

Crow Wing County and the City of Brainerd have an agreement whereby each contributes equally to all locally financed costs of the operation of the Brainerd Lakes Regional Airport. An Airport Commission is responsible for operations, and the City of Brainerd provides accounting services. Any appropriation by the County for the Airport Commission is recorded as an expenditure in the year it is approved by the County Board of Commissioners. Under the terms of the 2010A General Obligation Airport Improvements Refunding Bonds, issued on December 9, 2010, in the amount of \$1,770,000, the City and the County will equally contribute to debt service payments. Therefore, only 50% of the total debt will be reflected in the County's financial statements. The 2010A bonds will mature July 1, 2022.

On December 31, 2014, the outstanding amount of the bonds was \$1,175,000. The City of Brainerd's share of this amount is \$587,500, for which the County is only contingently liable.

In 2015, the County made an appropriation of \$157,000 for the Airport Commission. The Airport does not publish separate financial statements.

Investment in the joint venture on the statement of net position is 50 percent of the County's undivided interest of the airport. This investment in the Brainerd Lakes Regional Airport joint venture was valued at \$18,882,699 on December 31, 2014, the most recent data available, and is reported as an investment in joint venture on the government-wide statement of net position.

Complete financial statements of the City of Brainerd can be obtained from:

Brainerd City Hall
502 Laurel Street
Brainerd, Minnesota 56401

Central Minnesota Community Corrections Agency

A joint community corrections agency was established in 1974, pursuant to Minn. Stat. § 471.59, between Crow Wing and Morrison Counties. Aitkin County joined the Agency on January 1, 1992, to form the Central Minnesota Community Corrections Agency. The Agency provides detention and correction services to adults and juveniles under the jurisdiction of the counties, which are parties to the

CROW WING COUNTY BRAINERD, MINNESOTA

agreement, any other Minnesota county that requests these services, and the Minnesota Department of Corrections. The governing board is composed of five County Commissioners from each of the participating counties. Crow Wing County maintains the accounting records of the Agency.

At December 31, 2014, the most recent data available, the Agency had net position of (\$969,697).

The Central Minnesota Community Corrections Agency is funded through state grants and contributions from its member counties. Crow Wing County had expenditures of \$350,677 for community corrections to the Agency for 2015.

On November 10, 2015, the Crow Wing County Board of Commissioners approved a resolution to withdraw from Central Minnesota Community Corrections and integrate probation service delivery with the County's Community Services programs. The dissolution date of Central Minnesota Community Corrections is June 30, 2016. Pursuant to the joint powers agreement, in the event of dissolution of the Agency, the unexpended balance of monies and assets held by the Agency will be divided between the counties in proportion to their contributions.

Complete financial information can be obtained from:

Central Minnesota Community Corrections Agency
322 Laurel Street
Suite 32
Brainerd, Minnesota 56401

Central Minnesota Emergency Medical Services Region

The Central Minnesota Emergency Medical Services Region (CMEMSR) was established in 2001 pursuant to Minn. Stat. § 471.59, and is currently operating under a memorandum of understanding between the Counties of Benton, Cass, Crow Wing, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, and Wright.

The purpose of the CMEMSR is to improve the planning, coordination, and implementation of emergency medical services within the member counties.

The CMEMSR has established a board which has general supervision over its activities. The Board consists of 12 County Commissioners, one from each of the member counties. Stearns County is the fiscal agent for the CMEMSR and reports the CMEMSR's activities in an agency fund in its financial statements.

Complete financial information can be obtained from:

Ms. Marion Larson, Regional EMS Coordinator
Central Minnesota Emergency Medical Services Region
Stearns County Administration Center
P.O. Box 1107
St. Cloud, Minnesota 56302

CROW WING COUNTY BRAINERD, MINNESOTA

Minnesota Counties Information Systems (MCIS)

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, pursuant to Minn. Stat. § 471.59, for the purpose of operating and maintaining data processing facilities and management information systems for use by its members.

MCIS is governed by a 13-member Board, composed of a member appointed by each of the participating counties' Boards of Commissioners. Financing is obtained through user charges to the member. Cass County is the fiscal agent for MCIS.

Separate financial information can be obtained from:

Minnesota Counties Information Systems
413 Southeast 7th Avenue
Grand Rapids, Minnesota 55744

Mississippi Headwaters Board (MHB)

The Mississippi Headwaters Board was established on February 22, 1980, by Aitkin, Beltrami, Cass, Clearwater, Crow Wing, Hubbard, Itasca, and Morrison Counties pursuant to Minn. Stat. § 471.59. The purpose of the Board is to prepare, adopt, and implement a comprehensive land use plan design to protect and enhance the Mississippi River and related shoreland areas within the counties.

The Board consists of eight members, one appointed from each participating county. Crow Wing County maintains the accounting records of the MHB. Funding consists of federal, state, and local grants; donations; and contributions from each county.

Financial information can be obtained from:

Mississippi Headwaters Board
Land Services Building
322 Laurel Street
Brainerd, Minnesota 56401

Email: mhb@mississippiheadwaters.org

Northeast Minnesota Regional Radio Board

The Northeast Minnesota Regional Radio Board was established through a joint powers agreement, pursuant to Minn. Stat. §§ 471.59 and 403.39, 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 joint powers are the Counties of Aitkin, Carlton, Cass, Cook, Crow Wing, Itasca, Kanabec, Koochiching, Lake, Pine, and St. Louis; the Cities of Duluth, Hibbing, International Falls, and Virginia; and the Tribal Councils of the Leech Lake Band of Ojibwe and the Mille Lacs Band of Ojibwe. Control of the Northeast Minnesota Regional Radio Board is vested in a Board of Directors composed of one County Commissioner from each of the member counties and one City Councilor from each of the member cities. In addition, there is one member from the Northeast Minnesota Regional Advisory Committee, one member from the Northeast Minnesota Regional Radio System User Committee, and

CROW WING COUNTY BRAINERD, MINNESOTA

one member from the Northeast Minnesota Owners and Operators Committee who are also voting members of the Board.

Itasca County is the fiscal agent for the Northeast Minnesota Regional Radio Board. Funding is provided by grants and contributions from participating members. In 2015, Crow Wing County contributed \$713 to the Northeast Minnesota Regional Radio Board.

Financial information can be obtained from:

Itasca County Auditor-Treasurer's Office
123 NE 4th Street
Grand Rapids, Minnesota 55744

C. Jointly-Governed Organizations

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

Crow Wing County Family Service Collaborative

The Crow Wing County Family Service Collaborative was established to provide leadership and facilitation to families, youth, and providers. The goal of the Collaborative is to improve and redesign the local service delivery system in a way which improves quality of lives, supports choices, and promotes self-reliance. Crow Wing County Community Services is the fiscal agent of the Collaborative. Crow Wing County has no operational or financial control over the Collaborative. Separate financial information can be obtained from:

Crow Wing County Family Service Collaborative
P. O. Box 686
Brainerd, Minnesota 56401

Kitchigami Regional Library

The Kitchigami Regional Library was formed pursuant to Minn. Stat. § 134.20. It was formed on January 1, 1992, and includes Beltrami, Cass, Crow Wing, Hubbard, and Wadena Counties, and nine separate cities. Control of the Library is vested in the Kitchigami Regional Library Board, which is composed of 19 members with three-year terms made up of the following: one member appointed by each City Council and two members appointed by each County Board consisting of one County Commissioner and one lay person. Crow Wing County appropriated \$509,127 to the Library for the year ended December 31, 2015. Separate financial information can be obtained from:

Kitchigami Regional Library
P.O. Box 84
Pine River, Minnesota 56474
www.krls.org

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 19,752,059	\$ 19,909,641	\$ 19,930,821	\$ 21,180
Licenses and permits	481,245	481,245	534,794	53,549
Intergovernmental	1,955,534	1,987,208	2,300,437	313,229
Charges for services	3,290,686	3,212,986	3,284,828	71,842
Fines and forfeits	35,000	49,837	45,354	(4,483)
Gifts and contributions	750	750	45,223	44,473
Investment earnings	405,200	405,200	446,100	40,900
Miscellaneous	1,328,470	1,363,206	1,317,441	(45,765)
Total Revenues	\$ 27,248,944	\$ 27,410,073	\$ 27,904,998	\$ 494,925
EXPENDITURES				
Current				
General government				
Commissioners	\$ 289,542	\$ 289,542	\$ 301,221	\$ (11,679)
Administrator	294,759	309,759	306,250	3,509
Auditor-Treasurer	1,888,996	1,888,996	1,714,549	174,447
Veterans service officer	276,641	276,641	280,352	(3,711)
Other general government	832,519	832,519	668,034	164,485
Administrative Services				
Elections	116,398	116,398	92,193	24,205
Human resources and risk management	841,530	826,530	821,099	5,431
Information technology	1,322,899	1,344,391	1,166,293	178,098
Facilities	1,952,682	1,952,682	1,870,436	82,246
Appropriations	242,769	242,769	242,769	-
Land Services				
Recorder	1,043,187	1,093,187	1,297,048	(203,861)
Environmental	1,195,975	1,195,975	1,289,678	(93,703)
Assessing	1,183,218	1,183,218	1,159,444	23,774
Public Safety Services				
Courts	299,924	299,924	313,726	(13,802)
Law library	70,000	70,000	71,902	(1,902)
Attorney	1,968,875	1,987,781	1,999,640	(11,859)
Transportation Services				
Transit appropriation	28,874	28,874	37,007	(8,133)
Total general government	\$ 13,848,788	\$ 13,939,186	\$ 13,631,641	\$ 307,545

(Continued)

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget		
	Original	Final				
EXPENDITURES						
Current (Continued)						
Public safety						
Community Services						
Corrections	\$ 350,677	\$ 350,677	\$ 350,677	\$ -		
Public Safety Services						
Patrol	4,240,412	4,244,622	4,380,837	(136,215)		
Investigations	1,030,032	1,030,032	1,033,840	(3,808)		
Operations	201,674	201,674	265,251	(63,577)		
Support	1,189,294	1,190,294	1,108,303	81,991		
Jail	5,541,788	5,541,788	5,494,806	46,982		
Other public safety services	432,827	461,781	516,780	(54,999)		
Total public safety	\$ 12,986,704	\$ 13,020,868	\$ 13,150,494	\$ (129,626)		
Culture and recreation						
Administrative Services						
Kitchigami library	\$ 509,127	\$ 509,127	\$ 509,128	\$ (1)		
Appropriations	39,000	39,000	39,000	-		
Land Services						
Recreation	113,230	113,230	115,198	(1,968)		
Total culture and recreation	\$ 661,357	\$ 661,357	\$ 663,326	\$ (1,969)		
Conservation of natural resources						
Administrative Services						
County extension	\$ 169,078	\$ 169,078	\$ 162,100	\$ 6,978		
Capital outlay						
General government	\$ 15,587	\$ 15,587	\$ 7,370	\$ 8,217		
Public safety	9,738	36,202	90,469	(54,267)		
Culture and recreation	6,763	6,763	18,992	(12,229)		
Total capital outlay	\$ 32,088	\$ 58,552	\$ 116,831	\$ (58,279)		
Total Expenditures	\$ 27,698,015	\$ 27,849,041	\$ 27,724,392	\$ 124,649		

(Continued)

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Excess of Revenues Over (Under) Expenditures	\$ (449,071)	\$ (438,968)	\$ 180,606	\$ 619,574
OTHER FINANCING SOURCES (USES)				
Transfers in	29,078	29,078	29,605	527
Transfers out	-	-	(83,769)	(83,769)
Total Other Financing Sources (Uses)	\$ 29,078	\$ 29,078	\$ (54,164)	\$ (83,242)
Net Change in Fund Balance	\$ (419,993)	\$ (409,890)	\$ 126,442	\$ 536,332
Fund Balance - January 1	<u>16,281,151</u>	<u>16,281,151</u>	<u>16,281,151</u>	-
Fund Balance - December 31	<u>\$ 15,861,158</u>	<u>\$ 15,871,261</u>	<u>\$ 16,407,593</u>	<u>\$ 536,332</u>

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
HIGHWAY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,560,299	\$ 3,560,299	\$ 3,561,557	\$ 1,258
Intergovernmental	7,027,692	7,027,692	9,163,805	2,136,113
Charges for services	663,500	663,500	529,896	(133,604)
Miscellaneous	35,500	35,500	159,057	123,557
Total Revenues	\$ 11,286,991	\$ 11,286,991	\$ 13,414,315	\$ 2,127,324
EXPENDITURES				
Current				
Highways and streets				
Transportation Services				
Administration	\$ 581,031	\$ 581,031	\$ 636,931	\$ (55,900)
Maintenance	2,833,594	2,833,594	2,534,692	298,902
Engineering/construction	2,169,160	2,169,160	2,199,827	(30,667)
Equipment maintenance and shop	1,440,633	1,440,633	886,760	553,873
Total highways and streets	\$ 7,024,418	\$ 7,024,418	\$ 6,258,210	\$ 766,208
Capital outlay				
Highways and streets	\$ 7,891,013	\$ 7,891,013	\$ 8,377,999	\$ (486,986)
Intergovernmental				
Highways and streets	\$ -	\$ -	\$ 350,932	\$ (350,932)
Debt service				
Principal	\$ 92,750	\$ 92,750	\$ 92,750	\$ -
Interest	18,233	18,233	18,233	-
Total debt service	\$ 110,983	\$ 110,983	\$ 110,983	\$ -
Total Expenditures	\$ 15,026,414	\$ 15,026,414	\$ 15,098,124	\$ (71,710)
Excess of Revenues Over (Under) Expenditures	\$ (3,739,423)	\$ (3,739,423)	\$ (1,683,809)	\$ 2,055,614
Fund Balance - January 1	11,199,300	11,199,300	11,199,300	-
Increase (decrease) in inventories	-	-	44,549	44,549
Fund Balance - December 31	\$ 7,459,877	\$ 7,459,877	\$ 9,560,040	\$ 2,100,163

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,449,244	\$ 5,449,244	\$ 5,479,241	\$ 29,997
Special assessments	-	-	2,645	2,645
Intergovernmental	12,717,016	13,073,316	12,650,840	(422,476)
Charges for services	1,370,560	1,370,560	1,299,790	(70,770)
Gifts and contributions	12,500	12,500	26,197	13,697
Miscellaneous	600,217	600,217	524,608	(75,609)
Total Revenues	\$ 20,149,537	\$ 20,505,837	\$ 19,983,321	\$ (522,516)
EXPENDITURES				
Current				
Public safety				
Community Services				
Juvenile detention	\$ 235,383	\$ 235,383	\$ 460,468	\$ (225,085)
Health and human services				
Community Services				
Income maintenance	\$ 5,445,622	\$ 5,588,463	\$ 5,813,305	\$ (224,842)
Human services	13,614,838	13,715,203	14,264,647	(549,444)
Health	1,461,694	1,481,694	1,318,258	163,436
Total health and human services	\$ 20,522,154	\$ 20,785,360	\$ 21,396,210	\$ (610,850)
Total Expenditures	\$ 20,757,537	\$ 21,020,743	\$ 21,856,678	\$ (835,935)
Excess of Revenues Over (Under)				
Expenditures	\$ (608,000)	\$ (514,906)	\$ (1,873,357)	\$ (1,358,451)
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ -	\$ -	\$ 83,769	\$ 83,769
Transfer out	(83,168)	(83,168)	-	83,168
Total Other Financing Sources (Uses)	\$ (83,168)	\$ (83,168)	\$ 83,769	\$ 166,937
Net Change in Fund Balance	\$ (691,168)	\$ (598,074)	\$ (1,789,588)	\$ (1,191,514)
Fund Balance - January 1	6,729,096	6,729,096	6,729,096	-
Fund Balance - December 31	\$ 6,037,928	\$ 6,131,022	\$ 4,939,508	\$ (1,191,514)

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
PUBLIC LAND MANAGEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 495,400	\$ 495,400	\$ 746,214	\$ 250,814
Intergovernmental	86,000	86,000	128,351	42,351
Charges for services	-	-	7,963	7,963
Investment earnings	32,000	32,000	57,142	25,142
Sales	207,100	207,100	622,047	414,947
Miscellaneous	31,700	31,700	187,915	156,215
Total Revenues	\$ 852,200	\$ 852,200	\$ 1,749,632	\$ 897,432
EXPENDITURES				
Current				
Conservation of natural resources				
Land Services				
County land management	798,227	1,183,201	1,675,058	(491,857)
Excess of Revenues Over (Under)				
Expenditures	\$ 53,973	\$ (331,001)	\$ 74,574	\$ 405,575
Fund Balance - January 1	493,879	493,879	493,879	-
Fund Balance - December 31	\$ 547,852	\$ 162,878	\$ 568,453	\$ 405,575

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN
DECEMBER 31, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Unfunded Actuarial Accrued Liability (UAAL) (b - a)				Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
		Actuarial Accrued Liability (b)	Funded Ratio (a/b)				
January 1, 2011	\$ -	\$ 32,369,071	\$ 32,369,071	0.00%		\$ 21,252,877	152.30%
January 1, 2013	-	34,827,839	34,827,839	0.00%		21,834,994	159.50%
January 1, 2015	-	40,031,410	40,031,410	0.00%		22,851,210	175.18%

Note: The most recent actuarial valuation date was January 1, 2015. See Note III.C.1., Other Post Employment Benefits, for more information.

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT FUND
DECEMBER 31, 2015**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.298%	\$ 15,428,399	\$ 17,553,437	87.89%	78.19%

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.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT FUND
DECEMBER 31, 2015**

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)
2015	\$ 1,286,105	\$ 1,286,105	\$ -	\$ 17,148,067	7.50%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND
DECEMBER 31, 2015**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.298%	\$ 3,385,977	\$ 2,727,702	124.13%	86.61%

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.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND
DECEMBER 31, 2015**

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)
2015	\$ 455,731	\$ 455,731	\$ -	\$ 2,813,154	16.20%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL FUND
DECEMBER 31, 2015**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.600%	\$ 247,360	\$ 2,871,120	8.62%	96.95%

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.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL FUND
DECEMBER 31, 2015**

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)
2015	\$ 251,713	\$ 251,713	\$ -	\$ 2,876,720	8.75%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

1. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except for the Small Cities Development Program Special Revenue Fund, and are presented in the Comprehensive Annual Financial Report.

On or before mid-August of each year, all departments and agencies submit requests for appropriations to the County Administrator so that a budget can be prepared. On or before September 15, the proposed budget is presented to the County Board for review. The Board holds public hearings, and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. Revisions that alter the budgeted revenues or expenditures of any fund must be approved by the County Board of Commissioners. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the agency level. During the year, supplemental budgetary appropriations in the Capital Projects fund totaling \$3,276,734 were considered significant. These amendments were due to the County Board approved *Capital Asset Investment and Management Policy* allowing for a one-year carryover of unspent capital project budgets for projects in progress. Additionally, \$1,331,957 of this increase was related to a sanitary sewer project funded by a sewer district and the Minnesota Public Facilities Authority.

2. Excess of Expenditures Over Appropriations

For the year ended December 31, 2015, expenditures exceeded appropriations in the Commissioners agency by \$11,679, due to greater health insurance costs than budgeted. The Administrator agency exceeded appropriations by \$10,293, due to expenditures in excess of budget for the State-run Court. The Attorney agency exceeded appropriations by \$11,859, primarily related to greater salaries expenditures than anticipated. The Veterans service officer agency exceeded appropriations by \$3,711, due to greater advertising costs than anticipated.

The Land Services agency exceeded appropriations by \$781,297, primarily related to the tax-forfeited land sale settlement being greater than anticipated. The Public Safety Services agency exceeded appropriations by \$149,997, primarily related to greater salaries expenditures than anticipated. The Transportation Services agency expenditures exceeded appropriations by \$79,843. This increase in expenditures was due to increased capital outlay for highways and streets, and the reported expenditure for intergovernmental Town Road funds, for which the County does not budget.

The Community Services agency exceeded appropriations by \$835,935. The excess expenditures are largely due to Foster Home Placements \$594,928 over budgeted anticipated expenditures. The Debt Service fund exceeded appropriations by \$4,175. These excess expenditures are due to greater administrative charges than anticipated.

3. Other Post Employment Benefits

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,010,416	\$ 5,010,416	\$ 4,996,285	\$ (14,131)
Intergovernmental	70,253	70,253	95,441	25,188
Total Revenues	\$ 5,080,669	\$ 5,080,669	\$ 5,091,726	\$ 11,057
EXPENDITURES				
Debt service				
Principal	\$ 3,815,000	\$ 3,815,000	\$ 3,815,000	\$ -
Interest	1,185,708	1,185,708	1,185,708	-
Administrative charges	1,500	1,500	5,675	(4,175)
Total Expenditures	\$ 5,002,208	\$ 5,002,208	\$ 5,006,383	\$ (4,175)
Excess of Revenues Over (Under) Expenditures	\$ 78,461	\$ 78,461	\$ 85,343	\$ 6,882
Fund Balance - January 1	4,470,305	4,470,305	4,470,305	-
Fund Balance - December 31	\$ 4,548,766	\$ 4,548,766	\$ 4,555,648	\$ 6,882

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 868,985	\$ 936,622	\$ 1,129,998	\$ 193,376
Intergovernmental	2,127,101	3,250,753	3,235,915	(14,838)
Miscellaneous	135,088	135,088	208,173	73,085
Total Revenues	\$ 3,131,174	\$ 4,322,463	\$ 4,574,086	\$ 251,623
EXPENDITURES				
Current				
General government				
Auditor-Treasurer	\$ -	\$ 140,816	\$ 73,001	\$ 67,815
Administrative Services				
Information Technology	307,870	440,752	217,203	223,549
Facilities	370,426	612,572	307,645	304,927
Public Safety Services				
Attorney	342,000	447,928	128,854	319,074
Total general government	\$ 1,020,296	\$ 1,642,068	\$ 726,703	\$ 915,365
Public safety				
Public Safety Services				
Sheriff	\$ 461,025	\$ 768,077	\$ 445,772	\$ 322,305
Highways and streets				
Transportation Services				
Administration	\$ 188,602	\$ 188,602	\$ 92,324	\$ 96,278
Health and human services				
Community Services				
Human services	\$ 908,135	\$ 1,096,950	\$ 716,866	\$ 380,084
Sanitation				
North Long Lake Sanitary Sewer District	\$ -	\$ 1,331,957	\$ 1,239,329	\$ 92,628
Capital outlay				
General government	\$ 492,704	\$ 865,798	\$ 429,513	\$ 436,285
Public safety	355,487	382,108	344,461	37,647
Highways and streets	661,398	1,008,821	817,149	191,672
Health and human services	-	80,000	20,072	59,928
Total capital outlay	\$ 1,509,589	\$ 2,336,727	\$ 1,611,195	\$ 725,532
Total Expenditures	\$ 4,087,647	\$ 7,364,381	\$ 4,832,189	\$ 2,532,192

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Excess of Revenues Over (Under) Expenditures	\$ (956,473)	\$ (3,041,918)	\$ (258,103)	\$ 2,783,815
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 83,168	\$ 83,168	\$ -	\$ (83,168)
Draw-downs from revenue note	-	208,305	136,850	(71,455)
Total Other Financing Sources (Uses)	\$ 83,168	\$ 291,473	\$ 136,850	\$ (154,623)
Net Change in Fund Balance	\$ (873,305)	\$ (2,750,445)	\$ (121,253)	\$ 2,629,192
Fund Balance - January 1	<u>3,978,517</u>	<u>3,978,517</u>	<u>3,978,517</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 3,105,212</u>	<u>\$ 1,228,072</u>	<u>\$ 3,857,264</u>	<u>\$ 2,629,192</u>

Nonmajor Governmental Funds

Special Revenue Funds

Solid Waste (Non-Landfill) – The Solid Waste (Non-Landfill) fund is used to account for the County's recycling program.

Unorganized Townships – This fund is used to account for the activity of the First Assessment District and the Second Assessment District. Since they are unorganized townships, the County Board is responsible for oversight.

Small Cities Development Program – This fund is used to account for the activity of an economic development grant.

Permanent Fund

Environmental Trust – This fund is used to report resources legally restricted to the extent that only earnings, and not principal, may be used for environmental purposes in accordance with Minn. Stat. § 373.475.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	Special Revenue Funds				
	Solid Waste (Non-Landfill)	Unorganized Townships	Small Cities Development Program	Total	
ASSETS					
Cash and investments	\$ 2,628,688	\$ 2,524,585	\$ 79,796	\$ 5,233,069	
Taxes receivable - delinquent (net)	-	29,013	-	29,013	
Accounts receivable (net)	22,490	-	-	22,490	
Accrued interest receivable	-	-	203	203	
Loans receivable (net)	-	-	305,804	305,804	
Prepaid items	211	-	-	211	
Total Assets	<u>\$ 2,651,389</u>	<u>\$ 2,553,598</u>	<u>\$ 385,803</u>	<u>\$ 5,590,790</u>	
LIABILITIES					
Accounts payable	\$ 8,731	\$ 684	\$ -	\$ 9,415	
Salaries payable	6,616	-	-	6,616	
Accrued payroll taxes	926	-	-	926	
Due to other funds	-	248,533	-	248,533	
Unearned revenue	-	-	305,804	305,804	
Total Liabilities	<u>\$ 16,273</u>	<u>\$ 249,217</u>	<u>\$ 305,804</u>	<u>\$ 571,294</u>	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>\$ -</u>	<u>\$ 29,013</u>	<u>\$ -</u>	<u>\$ 29,013</u>	
FUND BALANCES					
Nonspendable:					
Environmental trust corpus	\$ -	\$ -	\$ -	\$ -	
Restricted for:					
Solid waste (non-landfill)	1,903,299	-	-	1,903,299	
Greater Minnesota Landfill Cleanup Fee	209,951	-	-	209,951	
Economic development revolving loans	-	-	79,999	79,999	
Environmental uses	-	-	-	-	
Unorganized townships	-	2,275,368	-	2,275,368	
Assigned for:					
Solid waste (non-landfill)	521,866	-	-	521,866	
Total Fund Balances	<u>\$ 2,635,116</u>	<u>\$ 2,275,368</u>	<u>\$ 79,999</u>	<u>\$ 4,990,483</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,651,389</u>	<u>\$ 2,553,598</u>	<u>\$ 385,803</u>	<u>\$ 5,590,790</u>	

Permanent Fund

Environmental Trust		Total
\$	1,875,549	\$ 7,108,618
	-	29,013
	-	22,490
	42,743	42,946
	-	305,804
	-	211
\$	1,918,292	\$ 7,509,082
\$	-	\$ 9,415
	-	6,616
	-	926
	-	248,533
	-	305,804
\$	-	\$ 571,294
\$	41,044	\$ 70,057
\$	1,846,499	\$ 1,846,499
	-	1,903,299
	-	209,951
	-	79,999
	30,749	30,749
	-	2,275,368
	-	521,866
\$	1,877,248	\$ 6,867,731
\$	1,918,292	\$ 7,509,082

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Special Revenue Funds				
	Solid Waste (Non-Landfill)	Unorganized Townships	Small Cities Development Program	Total	
REVENUES					
Taxes	\$ -	\$ 769,790	\$ -	\$ 769,790	
Special assessments	595,152	11,195	-	606,347	
Licenses and permits	-	100	-	100	
Intergovernmental	209,013	268,994	-	478,007	
Charges for services	311,759	-	-	311,759	
Investment earnings	-	-	5,284	5,284	
Miscellaneous	56,026	25,168	13,881	95,075	
Total Revenues	<u>\$ 1,171,950</u>	<u>\$ 1,075,247</u>	<u>\$ 19,165</u>	<u>\$ 2,266,362</u>	
EXPENDITURES					
Current					
General government	\$ -	\$ 103,437	\$ -	\$ 103,437	
Public safety	-	168,868	-	168,868	
Highways and streets	-	661,286	-	661,286	
Conservation of natural resources	940,016	-	-	940,016	
Economic development	-	-	17,053	17,053	
Capital outlay					
Conservation of natural resources	-	-	-	-	
Total Expenditures	<u>\$ 940,016</u>	<u>\$ 933,591</u>	<u>\$ 17,053</u>	<u>\$ 1,890,660</u>	
Excess of Revenues Over (Under) Expenditures	<u>\$ 231,934</u>	<u>\$ 141,656</u>	<u>\$ 2,112</u>	<u>\$ 375,702</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 73,736	\$ -	\$ -	\$ 73,736	
Transfers out	<u>(103,341)</u>	<u>-</u>	<u>-</u>	<u>(103,341)</u>	
Total Other Financing Sources (Uses)	<u>\$ (29,605)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,605)</u>	
Net Change in Fund Balances	<u>\$ 202,329</u>	<u>\$ 141,656</u>	<u>\$ 2,112</u>	<u>\$ 346,097</u>	
Fund Balance - January 1	<u>\$ 2,432,787</u>	<u>\$ 2,133,712</u>	<u>\$ 77,887</u>	<u>\$ 4,644,386</u>	
Fund Balance - December 31	<u>\$ 2,635,116</u>	<u>\$ 2,275,368</u>	<u>\$ 79,999</u>	<u>\$ 4,990,483</u>	

Permanent Fund

Environmental Trust		Total
\$	-	\$ 769,790
	-	606,347
	-	100
	-	478,007
	-	311,759
	21,090	26,374
	-	95,075
\$	21,090	\$ 2,287,452
\$	-	\$ 103,437
	-	168,868
	-	661,286
	-	940,016
	-	17,053
	57,229	57,229
\$	57,229	\$ 1,947,889
\$	(36,139)	\$ 339,563
\$	-	\$ 73,736
	-	(103,341)
\$	-	\$ (29,605)
\$	(36,139)	\$ 309,958
	1,913,387	6,557,773
\$	1,877,248	\$ 6,867,731

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
SOLID WASTE (NON-LANDFILL) SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Special assessments	\$ 590,000	\$ 590,000	\$ 595,152	\$ 5,152
Intergovernmental	204,500	204,500	209,013	4,513
Charges for services	270,000	270,000	311,759	41,759
Miscellaneous	45,000	45,000	56,026	11,026
Total Revenues	\$ 1,109,500	\$ 1,109,500	\$ 1,171,950	\$ 62,450
EXPENDITURES				
Current				
Conservation of natural resources				
Solid waste (non-landfill)	<u>930,346</u>	<u>930,346</u>	<u>940,016</u>	<u>(9,670)</u>
Excess of Revenues Over (Under)				
Expenditures	\$ 179,154	\$ 179,154	\$ 231,934	\$ 52,780
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 65,000	\$ 65,000	\$ 73,736	\$ 8,736
Transfers out	(95,000)	(95,000)	(103,341)	(8,341)
Total Other Financing Sources (Uses)	\$ (30,000)	\$ (30,000)	\$ (29,605)	\$ 395
Net Change in Fund Balance	\$ 149,154	\$ 149,154	\$ 202,329	\$ 53,175
Fund Balance - January 1	<u>2,432,787</u>	<u>2,432,787</u>	<u>2,432,787</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 2,581,941</u>	<u>\$ 2,581,941</u>	<u>\$ 2,635,116</u>	<u>\$ 53,175</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
UNORGANIZED TOWNSHIPS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 775,415	\$ 775,415	\$ 769,790	\$ (5,625)
Special assessments	-	-	11,195	11,195
Licenses and permits	-	-	100	100
Intergovernmental	42,091	257,882	268,994	11,112
Miscellaneous	-	-	25,168	25,168
Total Revenues	\$ 817,506	\$ 1,033,297	\$ 1,075,247	\$ 41,950
EXPENDITURES				
Current				
General government				
Unorganized township general revenue	\$ 104,605	\$ 104,605	\$ 103,437	\$ 1,168
Public safety				
Unorganized township fire	169,026	169,026	168,868	158
Highways and streets				
Unorganized township roads	516,875	732,666	661,286	71,380
Total Expenditures	\$ 790,506	\$ 1,006,297	\$ 933,591	\$ 72,706
Excess of Revenues Over (Under) Expenditures				
	\$ 27,000	\$ 27,000	\$ 141,656	\$ 114,656
Fund Balance - January 1	2,133,712	2,133,712	2,133,712	-
Fund Balance - December 31	\$ 2,160,712	\$ 2,160,712	\$ 2,275,368	\$ 114,656

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL TRUST PERMANENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 58,000	\$ 58,000	\$ 21,090	\$ (36,910)
EXPENDITURES				
Capital outlay				
Conservation of natural resources	<u>57,229</u>	<u>57,229</u>	<u>57,229</u>	-
Excess of Revenues Over (Under) Expenditures	\$ 771	\$ 771	\$ (36,139)	\$ (36,910)
Fund Balance - January 1	<u>1,913,387</u>	<u>1,913,387</u>	<u>1,913,387</u>	-
Fund Balance - December 31	<u>\$ 1,914,158</u>	<u>\$ 1,914,158</u>	<u>\$ 1,877,248</u>	<u>\$ (36,910)</u>

Agency Funds

Central Minnesota Community Corrections – This fund is used to account for the activity of the Central Minnesota Community Corrections, a joint venture between the Counties of Aitkin, Crow Wing, and Morrison. The Agency provides detention and correction services to adults and juveniles.

Collaborative – This fund is used to account for the activities of the family services collaborative. The collaborative sets goals to address the health, development, educational, and family-related needs of children and youth and use outcome-based indicators to measure progress toward achieving those goals.

Child Protection Team – The Crow Wing County Child Protection Team fund was set up to account for funds raised from the Annual Regional Radiothon to End Child Abuse. The Crow Wing County Child Protection Team consists of various agencies within Crow Wing County that are responsible to make decisions regarding how those funds should be used to help prevent child abuse. Currently there are 19 agencies that are members of the CWC Child Protection Team.

Select Trust – This fund is used to account for employee expense reimbursements. This fund is no longer used as of December 31, 2015.

Taxes and Penalties – This fund is used to account for the inflows of tax collections and the disbursement of taxes during the settlement process.

MN Estate Recoveries – This fund is used to hold the estates of deceased parties within the County, until such a time they can be analyzed and disbursed appropriately.

Black Bear-Miller Lake – This fund is used to account for funds for Black Bear-Miller Lake improvements. This fund has been combined with the Lake Improvement Districts fund as of December 31, 2015.

Snowmobile, ATV, Ski Trails – This fund is used to account for the grants received for trail maintenance and trail equipment.

Passenger Safety Coalition – This fund is used to account for the grants or donations received by the Coalition, and the disbursements of the Coalition, in an effort to increase seatbelt and child car seat safety.

Mississippi Headwaters Board – This fund is used to account for the grants or appropriations received by the Board, and the disbursements made in the effort to increase water quality awareness around the Mississippi River.

Lake Improvement Districts – This fund is used to account for the activity of ten lake improvement districts within the County.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance January 1	Additions	Deductions	Balance December 31
<u>CENTRAL MINNESOTA COMMUNITY CORRECTIONS</u>				
ASSETS				
Cash and investments	<u>\$ 751,561</u>	<u>\$ 3,295,397</u>	<u>\$ 3,113,527</u>	<u>\$ 933,431</u>
LIABILITIES				
Salaries payable	\$ 62,334	\$ 70,172	\$ 62,334	\$ 70,172
Accrued payroll taxes	9,288	10,096	9,288	10,096
Due to other governments	<u>679,939</u>	<u>3,215,129</u>	<u>3,041,905</u>	<u>853,163</u>
Total Liabilities	<u>\$ 751,561</u>	<u>\$ 3,295,397</u>	<u>\$ 3,113,527</u>	<u>\$ 933,431</u>
<u>COLLABORATIVE</u>				
ASSETS				
Cash and investments	<u>\$ 1,279,675</u>	<u>\$ 642,818</u>	<u>\$ 769,086</u>	<u>\$ 1,153,407</u>
LIABILITIES				
Due to other governments	<u>\$ 1,279,675</u>	<u>\$ 642,818</u>	<u>\$ 769,086</u>	<u>\$ 1,153,407</u>
<u>CHILD PROTECTION TEAM</u>				
ASSETS				
Cash and investments	<u>\$ 19,667</u>	<u>\$ 35,679</u>	<u>\$ 12,512</u>	<u>\$ 42,834</u>
LIABILITIES				
Accounts payable	<u>\$ 19,667</u>	<u>\$ 35,679</u>	<u>\$ 12,512</u>	<u>\$ 42,834</u>
<u>SELECT TRUST</u>				
ASSETS				
Cash and investments	<u>\$ 26,036</u>	<u>\$ -</u>	<u>\$ 26,036</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	<u>\$ 26,036</u>	<u>\$ -</u>	<u>\$ 26,036</u>	<u>\$ -</u>
<u>TAXES AND PENALTIES</u>				
ASSETS				
Cash and investments	<u>\$ 1,899,170</u>	<u>\$ 115,394,824</u>	<u>\$ 115,396,329</u>	<u>\$ 1,897,665</u>
LIABILITIES				
Due to other governments	<u>\$ 1,899,170</u>	<u>\$ 115,394,824</u>	<u>\$ 115,396,329</u>	<u>\$ 1,897,665</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**
(Continued)

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<u>MN ESTATE RECOVERIES</u>				
ASSETS				
Cash and investments	<u>\$ 763,783</u>	<u>\$ 1,093,277</u>	<u>\$ 933,678</u>	<u>\$ 923,382</u>
LIABILITIES				
Due to other governments	<u>\$ 763,783</u>	<u>\$ 1,093,277</u>	<u>\$ 933,678</u>	<u>\$ 923,382</u>
<u>BLACK BEAR-MILLER LAKE</u>				
ASSETS				
Cash and investments	<u>\$ 7,153</u>	<u>\$ -</u>	<u>\$ 7,153</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	<u>\$ 7,153</u>	<u>\$ -</u>	<u>\$ 7,153</u>	<u>\$ -</u>
<u>SNOWMOBILE, ATV, SKI TRAILS</u>				
ASSETS				
Cash and investments	<u>\$ (772)</u>	<u>\$ 385,717</u>	<u>\$ 382,606</u>	<u>\$ 2,339</u>
Due from other governments	<u>799</u>	<u>-</u>	<u>799</u>	<u>-</u>
Total Assets	<u>\$ 27</u>	<u>\$ 385,717</u>	<u>\$ 383,405</u>	<u>\$ 2,339</u>
LIABILITIES				
Accounts payable	<u>\$ 27</u>	<u>\$ 385,717</u>	<u>\$ 383,405</u>	<u>\$ 2,339</u>
<u>PASSENGER SAFETY COALITION</u>				
ASSETS				
Cash and investments	<u>\$ 2,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,001</u>
LIABILITIES				
Accounts payable	<u>\$ 2,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,001</u>
<u>MISSISSIPPI HEADWATERS BOARD</u>				
ASSETS				
Cash and investments	<u>\$ 160,772</u>	<u>\$ 332,249</u>	<u>\$ 275,210</u>	<u>\$ 217,811</u>
LIABILITIES				
Due to other governments	<u>\$ 160,772</u>	<u>\$ 332,249</u>	<u>\$ 275,210</u>	<u>\$ 217,811</u>

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

	Balance January 1	Additions	Deductions	Balance December 31
LAKE IMPROVEMENT DISTRICTS				
ASSETS				
Cash and investments	<u><u>\$ 345,533</u></u>	<u><u>\$ 320,550</u></u>	<u><u>\$ 273,794</u></u>	<u><u>\$ 392,289</u></u>
LIABILITIES				
Accounts payable	\$ 345,533	\$ 313,397	\$ 266,641	\$ 392,289
Due to other governments	- 7,153	- 7,153	- 7,153	- 7,153
Total Liabilities	<u><u>\$ 345,533</u></u>	<u><u>\$ 320,550</u></u>	<u><u>\$ 273,794</u></u>	<u><u>\$ 392,289</u></u>
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 5,254,579 799	\$ 121,500,511	\$ 121,189,931 799	\$ 5,565,159 -
Total Assets	<u><u>\$ 5,255,378</u></u>	<u><u>\$ 121,500,511</u></u>	<u><u>\$ 121,190,730</u></u>	<u><u>\$ 5,565,159</u></u>
LIABILITIES				
Accounts payable	\$ 393,264	\$ 734,793	\$ 688,594	\$ 439,463
Salaries payable	62,334	70,172	62,334	70,172
Accrued payroll taxes	9,288	10,096	9,288	10,096
Due to other governments	4,790,492	120,685,450	120,430,514	5,045,428
Total Liabilities	<u><u>\$ 5,255,378</u></u>	<u><u>\$ 121,500,511</u></u>	<u><u>\$ 121,190,730</u></u>	<u><u>\$ 5,565,159</u></u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total Primary Government</u>
Shared Revenues			
State			
Highway users tax	\$ 5,926,326	\$ -	\$ 5,926,326
Market value credit	148,800	-	148,800
Supplemental homestead credit	477,454	-	477,454
PERA rate reimbursement	76,910	595	77,505
Disparity reduction aid	14,086	-	14,086
County program aid	2,097,219	-	2,097,219
Police aid	297,091	-	297,091
E-911	148,826	-	148,826
Total Shared Revenues	\$ 9,186,712	\$ 595	\$ 9,187,307
Reimbursement for Services			
State			
Minnesota Department of Human Services	<u>\$ 1,747,563</u>	<u>\$ -</u>	<u>\$ 1,747,563</u>
Payments			
Local			
Local contributions	\$ 649,348	\$ -	\$ 649,348
Payments in lieu of taxes	505,242	-	505,242
Total Payments	<u>\$ 1,154,590</u>	<u>\$ -</u>	<u>\$ 1,154,590</u>
Grants			
State			
Minnesota Department of Agriculture	\$ 782	\$ -	\$ 782
Health	448,498	-	448,498
Human Services	4,820,669	-	4,820,669
Natural Resources	85,666	-	85,666
Public Safety	380,065	-	380,065
Revenue	450,473	-	450,473
Transportation	505,522	-	505,522
Veterans Affairs	12,658	-	12,658
Historical Society	16,050	-	16,050
Peace Officers Board	14,327	-	14,327
Pollution Control Agency	202,847	-	202,847
Public Facilities Authority	1,102,479	-	1,102,479
Water and Soil Resources	219,263	-	219,263
Total State	<u>\$ 8,259,299</u>	<u>\$ -</u>	<u>\$ 8,259,299</u>
Federal			
Corporation for National and Community Service	\$ 38,557	\$ -	\$ 38,557
Department of			
Agriculture	836,877	-	836,877
Health and Human Services	4,692,221	-	4,692,221
Homeland Security	177,102	-	177,102
Transportation	1,959,875	-	1,959,875
Total Federal	<u>\$ 7,704,632</u>	<u>\$ -</u>	<u>\$ 7,704,632</u>
Total State and Federal Grants	<u>\$ 15,963,931</u>	<u>\$ -</u>	<u>\$ 15,963,931</u>
Total Intergovernmental Revenue	<u>\$ 28,052,796</u>	<u>\$ 595</u>	<u>\$ 28,053,391</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Contract Number/ Pass-Through Grant Number	Expenditures
U.S. Department of Agriculture			
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not provided	\$ 323,666
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
	10.561	15152MN10152514	<u>513,211</u>
Total U.S. Department of Agriculture			<u>\$ 836,877</u>
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation Highway Planning and Construction	20.205	00018	<u>\$ 1,938,452</u>
U.S. Environmental Protection Agency			
Passed Through Minnesota Public Facilities Authority Capitalization Grants for Clean Water State Revolving Funds	66.458	MPFA-14-0070-R-FY15	<u>\$ 136,850</u>
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	Not provided	\$ 31,962
Universal Newborn Hearing Screening	93.251	Not provided	800
Immunization Cooperative Agreements	93.268	Not provided	800
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	Not provided	150
Temporary Assistance for Needy Families	93.558	1502MNTANF	91,100
(Total Temporary Assistance for Needy Families 93.558 \$795,406)			
Maternal and Child Health Services Block Grant to the States	93.994	Not provided	70,230
Passed Through Minnesota Department of Human Services Projects for Assistance in Transition from Homelessness (PATH)	93.150	M01602414	10,000
Promoting Safe and Stable Families	93.556	1401MNFPSS	7,803
Temporary Assistance for Needy Families	93.558	1502MNTANF	704,306
(Total Temporary Assistance for Needy Families 93.558 \$795,406)			
Child Support Enforcement	93.563	1504MN4005	1,045,624
Refugee and Entrant Assistance - State Administered Programs	93.566	1501MNRCMA	806
Child Care and Development Block Grant	93.575	G1501MNCCDF	44,489
Community-Based Child Abuse Prevention Grants	93.590	1302MNFPORG	13,552
Stephanie Tubbs Jones Child Welfare Services Program	93.645	1401MNCWSS	2,491
Foster Care - Title IV-E	93.658	1501MNFOST	411,121
Social Services Block Grant	93.667	1501MNSOSR	324,063
Chafee Foster Care Independence Program	93.674	1401MN1420	10,563
Children's Health Insurance Program	93.767	1405MN5021	233
Medical Assistance Program	93.778	1505MN5ADM	<u>1,946,345</u>
Total U.S. Department of Health and Human Services			<u>\$ 4,716,438</u>
U.S. Corporation for National and Community Service			
Retired and Senior Volunteer Program	94.002	15SRNMN003	<u>\$ 38,557</u>
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	91871	\$ 18,875
(Total Boating Safety Financial Assistance 97.012 \$47,764)			
Boating Safety Financial Assistance	97.012	101290	28,889
(Total Boating Safety Financial Assistance 97.012 \$47,764)			
Passed Through Minnesota Department of Public Safety Emergency Management Performance Grants	97.042	A-EMPG-2015-CROWWICO-00018	40,060
Homeland Security Grant Program	97.067	A-SHSP-2014-CROWWICO	<u>95,500</u>
Total U.S. Department of Homeland Security			<u>\$ 183,324</u>
Total Federal Awards			<u>\$ 7,850,498</u>

The County did not pass any Federal awards through to subrecipients during the year ended December 31, 2015.

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Crow Wing County. The County's reporting entity is defined in Note I.A. to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Crow Wing County under programs of the federal government for the year ended December 31, 2015. 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 Crow Wing County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Crow Wing County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Crow Wing County has elected not to use the ten percent de minimus indirect cost rate allowed under the Uniform Guidance.

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 7,704,632
Grants received more than 60 days after year-end, deferred in 2015	
Child Support Enforcement	45,300
Homeland Security Grant Program	50,195
Funds received recorded as proceeds from revenue note rather than as revenue	
Capitalization Grants for Clean Water State Revolving Funds	136,850
Deferred in 2014, recognized as revenue in 2015	
Highway Planning and Construction	(21,423)
Temporary Assistance for Needy Families	(17,372)
Child Care and Development Block Grant	(3,711)
Emergency Management Performance Grants	<u>(43,973)</u>
Expenditures Per Schedule of Federal Awards	<u><u>\$ 7,850,498</u></u>

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Statistical Section

This part of Crow Wing County's Comprehensive Annual Financial Report presents detailed information to provide context in understanding the financial statements, note disclosures, and required supplementary information. All portions of this report should be considered when examining the County's overall financial health.

	Page
FINANCIAL TRENDS	
Net Position by Component	116
Changes in Net Position	118
Fund Balances, Governmental Funds	122
Changes in Fund Balances, Governmental Funds	124
REVENUE CAPACITY	
Assessed Value and Estimated Actual Value of Taxable Property	126
Direct and Overlapping Property Tax Rates	128
Principal Property Taxpayers	129
Property Tax Levies and Collections	130
DEBT CAPACITY	
Ratios of Outstanding Debt by Type	131
Ratios of Net General Bonded Debt Outstanding	132
Direct and Overlapping Governmental Activities Debt	133
Legal Debt Margin Information	134
DEMOGRAPHIC AND ECONOMIC INFORMATION	
Demographic and Economic Statistics	136
Principal Employers	137
OPERATING INFORMATION	
Full-Time Equivalent County Government Employees by Function/Program	138
Operating Indicators by Function/Program	140
Capital Asset Statistics by Function/Program	142

Financial Trends schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

CROW WING COUNTY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 76,199,218	\$ 85,314,269	\$ 91,545,696	\$ 102,145,334
Restricted	9,303,777	10,659,184	18,241,947	17,449,360
Unrestricted	36,669,307	40,462,702	36,176,588	35,278,917
Total governmental activities net position	<u><u>\$ 122,172,302</u></u>	<u><u>\$ 136,436,155</u></u>	<u><u>\$ 145,964,231</u></u>	<u><u>\$ 154,873,611</u></u>
Business-type activities				
Net investment in capital assets	\$ 2,722,007	\$ 4,088,810	\$ 5,302,538	\$ 5,300,525
Restricted	-	-	-	-
Unrestricted	8,610,686	7,690,373	5,711,395	5,335,081
Total business-type activities net position	<u><u>\$ 11,332,693</u></u>	<u><u>\$ 11,779,183</u></u>	<u><u>\$ 11,013,933</u></u>	<u><u>\$ 10,635,606</u></u>
Primary government				
Net investment in capital assets	\$ 78,921,225	\$ 89,403,079	\$ 96,848,234	\$ 107,445,859
Restricted	9,303,777	10,659,184	18,241,947	17,449,360
Unrestricted	45,279,993	48,153,075	41,887,983	40,613,998
Total primary governments activities net position	<u><u>\$ 133,504,995</u></u>	<u><u>\$ 148,215,338</u></u>	<u><u>\$ 156,978,164</u></u>	<u><u>\$ 165,509,217</u></u>

(Unaudited)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 110,096,199	\$ 111,954,940	\$ 132,167,372	\$ 137,032,435	\$ 146,262,282	\$ 154,361,324
13,172,796	16,532,198	14,924,912	15,100,842	14,440,695	14,387,092
43,336,787	45,124,298	46,594,361	43,888,807	40,448,984	18,152,134
\$ 166,605,782	\$ 173,611,436	\$ 193,686,645	\$ 196,022,084	\$ 201,151,961	\$ 186,900,550
\$ 4,965,555	\$ 4,985,481	\$ 4,601,273	\$ 4,137,889	\$ 3,714,862	\$ 3,230,662
-	-	-	1,823,923	1,678,777	1,470,941
6,282,130	6,467,921	7,127,230	6,358,525	7,138,379	7,825,899
\$ 11,247,685	\$ 11,453,402	\$ 11,728,503	\$ 12,320,337	\$ 12,532,018	\$ 12,527,502
\$ 115,061,754	\$ 116,940,421	\$ 136,768,645	\$ 141,170,324	\$ 149,977,144	\$ 157,591,986
13,172,796	16,532,198	14,924,912	16,924,765	16,119,472	15,858,033
49,618,917	51,592,219	53,721,591	50,247,332	47,587,363	25,978,033
\$ 177,853,467	\$ 185,064,838	\$ 205,415,148	\$ 208,342,421	\$ 213,683,979	\$ 199,428,052

(Unaudited)

CROW WING COUNTY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental activities				
General government	\$ 12,154,588	\$ 10,997,997	\$ 13,134,027	\$ 13,248,631
Public safety	11,702,501	10,143,212	13,401,676	13,306,812
Highways and streets	6,893,138	3,665,519	6,338,643	6,931,810
Sanitation	-	-	257,754	137,056
Health and human services ¹	18,616,333	20,714,263	22,308,975	20,835,333
Health ¹	1,757,764	1,963,829	2,636,852	1,684,446
Culture and recreation	822,625	747,101	688,957	634,334
Conservation of natural resources	444,774	2,109,881	1,551,623	1,579,069
Economic development	-	-	-	115,240
Interest	2,602,638	2,671,422	2,483,087	2,313,711
Total governmental activities expenses	<u>\$ 54,994,361</u>	<u>\$ 53,013,224</u>	<u>\$ 62,801,594</u>	<u>\$ 60,786,442</u>
Business-type activities				
Solid waste	\$ 1,553,355	\$ 1,441,434	\$ 2,832,091	\$ 2,263,577
Total primary governments activities expenses	<u>\$ 56,547,716</u>	<u>\$ 54,454,658</u>	<u>\$ 65,633,685</u>	<u>\$ 63,050,019</u>
Program Revenues				
Governmental activities				
Charge for services:				
General government	\$ 2,367,212	\$ 2,173,889	\$ 1,982,857	\$ 1,961,517
Public safety	2,250,647	1,253,879	2,595,331	1,924,364
Highways and streets	741,873	512,519	388,192	429,446
Health and human services ¹	1,454,321	2,090,933	1,732,921	1,658,340
Health ¹	554,011	798,784	534,839	432,704
Conservation of natural resources	978,888	11,292	445,991	1,398,724
Economic development	-	-	-	621
Operating grants and contributions	14,780,116	16,477,875	18,571,295	17,868,108
Capital grants and contributions	4,776,489	4,263,750	6,129,559	4,869,920
Total governmental activities program revenues	<u>\$ 27,903,557</u>	<u>\$ 27,582,921</u>	<u>\$ 32,380,985</u>	<u>\$ 30,543,744</u>
Business-type activities				
Charges for services:				
Solid Waste	\$ 1,781,755	\$ 1,681,951	\$ 2,046,074	\$ 1,857,324
Total primary governments activities program revenues	<u>\$ 29,685,312</u>	<u>\$ 29,264,872</u>	<u>\$ 34,427,059</u>	<u>\$ 32,401,068</u>
Net (Expense) Revenue				
Governmental activities	\$ (27,090,804)	\$ (25,430,303)	\$ (30,420,609)	\$ (30,242,698)
Business-type activities	228,400	240,517	(786,017)	(406,253)
Total primary government net expense	<u>\$ (26,862,404)</u>	<u>\$ (25,189,786)</u>	<u>\$ (31,206,626)</u>	<u>\$ (30,648,951)</u>

¹In 2015 the County combined the functions of Health and Human Services.

(Unaudited)

Fiscal Year

	2010	2011	2012	2013	2014	2015
\$ 12,871,344	\$ 12,969,897	\$ 12,956,270	\$ 13,436,948	\$ 16,542,474	\$ 16,937,785	
13,036,830	13,825,942	13,437,415	17,320,145	14,045,336	16,111,366	
6,919,926	8,380,127	7,008,995	8,871,390	9,130,552	10,277,136	
147,328	28,694	-	-	-	1,102,479	
20,416,383	21,153,044	20,570,268	20,173,438	20,730,571	22,537,452	
1,684,246	1,741,968	1,555,816	1,504,136	1,448,443	-	
684,631	647,975	669,106	683,872	741,199	720,945	
1,342,948	1,271,937	1,589,004	1,755,941	1,994,144	2,070,712	
217,807	352,710	-	-	-	17,053	
2,153,652	1,973,785	1,928,665	763,965	1,214,835	1,018,348	
\$ 59,475,095	\$ 62,346,079	\$ 59,715,539	\$ 64,509,835	\$ 65,847,554	\$ 70,793,276	
\$ 1,631,721	\$ 2,070,766	\$ 2,131,373	\$ 1,703,792	\$ 1,981,974	\$ 2,304,956	
\$ 61,106,816	\$ 64,416,845	\$ 61,846,912	\$ 66,213,627	\$ 67,829,528	\$ 73,098,232	
\$ 1,858,545	\$ 1,675,797	\$ 1,829,766	\$ 1,851,275	\$ 1,826,772	\$ 2,065,967	
1,927,995	1,440,474	1,586,547	2,177,386	2,608,265	2,335,386	
496,205	497,846	589,297	429,836	336,177	327,438	
1,647,435	2,052,157	2,030,299	1,227,820	1,786,393	1,861,936	
471,753	300,551	257,855	233,016	157,675	-	
1,461,012	1,505,233	1,421,929	1,674,068	2,368,173	1,854,236	
2,691	8,599	11,497	13,252	13,656	13,881	
23,131,686	18,684,965	19,091,574	19,929,435	21,384,878	22,449,358	
1,362,606	4,526,177	13,883,256	903,557	1,232,623	3,597,081	
\$ 32,359,928	\$ 30,691,799	\$ 40,702,020	\$ 28,439,645	\$ 31,714,612	\$ 34,505,283	
\$ 1,989,639	\$ 1,920,174	\$ 2,064,133	\$ 1,986,447	\$ 2,132,298	\$ 2,327,381	
\$ 34,349,567	\$ 32,611,973	\$ 42,766,153	\$ 30,426,092	\$ 33,846,910	\$ 36,832,664	
\$ (27,115,167)	\$ (31,654,280)	\$ (19,013,519)	\$ (36,070,190)	\$ (34,132,942)	\$ (36,287,993)	
357,918	(150,592)	(67,240)	282,655	150,324	22,425	
\$ (26,757,249)	\$ (31,804,872)	\$ (19,080,759)	\$ (35,787,535)	\$ (33,982,618)	\$ (36,265,568)	

(Continued)

(Unaudited)

CROW WING COUNTY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(Continued)

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 29,932,221	\$ 32,567,627	\$ 33,326,555	\$ 34,566,755
Mortgage registry and deed tax	126,037	111,772	82,488	79,515
Payments in lieu of tax	311,650	330,606	335,672	355,232
Unrestricted grants and contributions	4,657,577	4,208,641	4,051,908	3,170,952
Investment income	2,173,885	2,154,085	1,220,736	432,122
Miscellaneous	907,866	306,821	763,319	468,808
Gain on sale of capital assets	157	14,604	2,533	29,799
Transfers	-	-	150,000	48,895
Total governmental activities	<u>\$ 38,109,393</u>	<u>\$ 39,694,156</u>	<u>\$ 39,933,211</u>	<u>\$ 39,152,078</u>
Business-type activities:				
Unrestricted grants and contributions	\$ 595	\$ 595	\$ 595	\$ 595
Investment income	164,749	205,378	170,172	76,226
Transfers	-	-	(150,000)	(48,895)
Total business-type activities	<u>\$ 165,344</u>	<u>\$ 205,973</u>	<u>\$ 20,767</u>	<u>\$ 27,926</u>
Total primary government	<u><u>\$ 38,274,737</u></u>	<u><u>\$ 39,900,129</u></u>	<u><u>\$ 39,953,978</u></u>	<u><u>\$ 39,180,004</u></u>
Change in Net Position				
Governmental activities	\$ 11,018,589	\$ 14,263,853	\$ 9,512,602	\$ 8,909,380
Business-type activities	393,744	446,490	(765,250)	(378,327)
Total primary government	<u><u>\$ 11,412,333</u></u>	<u><u>\$ 14,710,343</u></u>	<u><u>\$ 8,747,352</u></u>	<u><u>\$ 8,531,053</u></u>

(Unaudited)

Fiscal Year

2010	2011	2012	2013	2014	2015
\$ 35,585,536	\$ 35,213,383	\$ 35,814,571	\$ 35,488,689	\$ 35,541,480	\$ 35,684,227
71,796	65,367	86,114	92,199	72,421	73,139
360,402	429,856	429,758	515,879	505,570	505,242
2,065,541	2,071,218	1,293,122	2,261,079	2,570,579	2,814,469
329,226	255,744	201,695	(33,980)	348,758	450,410
532,861	830,054	610,553	331,763	224,011	291,139
51,976	44,312	17,915	-	-	-
(150,000)	(250,000)	(250,000)	(250,000)	-	-
\$ 38,847,338	\$ 38,659,934	\$ 38,203,728	\$ 38,405,629	\$ 39,262,819	\$ 39,818,626
\$ 595	\$ 595	\$ 595	\$ 595	\$ 595	\$ 595
103,566	105,714	91,746	58,584	60,762	73,736
150,000	250,000	250,000	250,000	-	-
\$ 254,161	\$ 356,309	\$ 342,341	\$ 309,179	\$ 61,357	\$ 74,331
\$ 39,101,499	\$ 39,016,243	\$ 38,546,069	\$ 38,714,808	\$ 39,324,176	\$ 39,892,957
\$ 11,732,171	\$ 7,005,654	\$ 19,190,209	\$ 2,335,439	\$ 5,129,877	\$ 3,530,633
612,079	205,717	275,101	591,834	211,681	96,756
\$ 12,344,250	\$ 7,211,371	\$ 19,465,310	\$ 2,927,273	\$ 5,341,558	\$ 3,627,389

(Unaudited)

CROW WING COUNTY
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Prior to GASB No. 54 ¹				
Reserved	\$ 1,576,775	\$ 2,009,719	\$ 1,901,869	\$ 2,308,065
Unreserved	11,313,481	13,023,707	12,599,535	14,293,522
After GASB No. 54 ¹				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u><u>\$ 12,890,256</u></u>	<u><u>\$ 15,033,426</u></u>	<u><u>\$ 14,501,404</u></u>	<u><u>\$ 16,601,587</u></u>
All Other Governmental Funds				
Prior to GASB No. 54 ¹				
Reserved	\$ 11,158,029	\$ 9,483,137	\$ 10,546,957	\$ 10,406,812
Unreserved, reported in:				
Special revenue funds	10,608,225	10,635,577	14,609,380	12,876,790
Capital projects funds	1,277,973	1,646,604	-	1,572,342
Permanent funds	56,733	67,939	94,796	122,435
After GASB No. 54 ¹				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	<u><u>\$ 23,100,960</u></u>	<u><u>\$ 21,833,257</u></u>	<u><u>\$ 25,251,133</u></u>	<u><u>\$ 24,978,379</u></u>

¹The Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented in 2011. Statement No. 54 recategorized fund balances going from two to five classifications with different requirements and parameters. There are no parallel classifications between categories of reserved or unreserved and the GASB No. 54 categories.

(Unaudited)

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 2,482,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15,347,549	-	-	-	-	-	-
- 15,000	15,000	15,000	15,000	115,000	15,000	
- 2,618,717	2,545,786	2,399,772	2,316,891	1,534,345		
- 3,958,743	1,669,644	1,387,066	1,405,253	1,592,561		
- 12,578,723	15,857,951	11,643,351	12,444,007	13,265,687		
\$ 17,830,036	\$ 19,171,183	\$ 20,088,381	\$ 15,445,189	\$ 16,281,151	\$ 16,407,593	
\$ 10,530,555	\$ -	\$ -	\$ -	\$ -	\$ -	
15,477,400	-	-	-	-	-	
686,390	-	-	-	-	-	
146,507	-	-	-	-	-	
- 2,641,606	793,537	2,782,100	2,844,125	2,888,674		
- 12,051,982	5,976,805	9,903,970	9,164,679	9,949,073		
-	-	7,566,908	6,447,090	3,635,338		
- 15,199,114	18,578,042	13,774,715	14,972,976	13,875,559		
\$ 26,840,852	\$ 29,892,702	\$ 25,348,384	\$ 34,027,693	\$ 33,428,870	\$ 30,348,644	

(Unaudited)

CROW WING COUNTY
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
REVENUES					
Taxes	\$ 29,914,424	\$ 32,513,013	\$ 32,954,120	\$ 34,097,022	\$ 35,641,804
Special assessments	622,979	587,451	605,518	567,540	594,613
Licenses and permits	1,620,527	1,249,699	1,358,075	1,157,359	1,181,471
Intergovernmental	21,479,244	23,592,755	27,121,712	23,908,450	26,628,793
Charges for services	4,039,735	4,547,917	5,419,686	4,810,137	5,413,339
Fines and forfeits	27,393	25,296	70,315	32,333	48,453
Gifts and contributions	25,566	8,322	18,622	7,187	27,201
Investment earnings	2,181,836	2,022,166	1,258,520	633,165	441,877
Sales	645,984	845,727	552,183	199,987	161,048
Miscellaneous	5,084,321	3,892,676	4,090,252	3,018,342	2,712,556
Total Revenues	<u>\$ 65,642,009</u>	<u>\$ 69,285,022</u>	<u>\$ 73,449,003</u>	<u>\$ 68,431,522</u>	<u>\$ 72,851,155</u>
EXPENDITURES					
Current					
General government	\$ 12,920,188	\$ 12,949,412	\$ 13,655,774	\$ 12,454,136	\$ 12,003,338
Public safety	10,238,899	11,224,627	12,124,320	12,091,853	11,773,055
Highways and streets	7,751,815	10,103,893	11,107,380	13,339,626	13,420,833
Health and human services ¹	18,658,373	21,819,741	21,322,603	19,144,184	20,561,887
Health ¹	1,790,919	1,928,209	2,545,258	1,657,571	1,768,773
Sanitation	-	-	257,754	187,580	116,827
Culture and recreation	807,769	920,117	690,877	681,727	894,537
Conservation of natural resources	1,580,325	1,623,210	1,589,026	1,810,697	1,660,163
Economic development	-	-	3,800	115,240	217,807
Capital outlay ²	15,294,595	1,994,898	1,133,905	664,806	885,952
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and human services ¹	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Conservation of natural resources	-	-	-	-	-
Intergovernmental					
Highways and streets	-	-	259,407	282,963	303,523
Debt service					
Principal	3,223,000	3,290,650	3,433,300	5,273,300	5,430,950
Interest	2,623,903	2,647,964	2,527,365	2,326,427	2,230,621
Bond issuance costs	31,089	-	-	29,550	22,860
Payment to refunded bond escrow agent	-	-	-	-	-
Administrative charges	10,176	4,350	2,915	1,671	5,175
Total Expenditures	<u>\$ 74,931,051</u>	<u>\$ 68,507,071</u>	<u>\$ 70,653,684</u>	<u>\$ 70,061,331</u>	<u>\$ 71,296,301</u>
Excess of revenues over (under) expenditures	<u>\$ (9,289,042)</u>	<u>\$ 777,951</u>	<u>\$ 2,795,319</u>	<u>\$ (1,629,809)</u>	<u>\$ 1,554,854</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 5,129,951	\$ 11,954	\$ 1,622,955	\$ 1,092,184	\$ 1,562,546
Transfers out	(5,129,951)	(11,954)	(1,472,955)	(1,092,184)	(1,712,546)
Discount on bonds/notes issued	-	-	-	-	(15,929)
Refunding bonds issued	-	-	-	2,221,098	1,770,000
Bonds and notes issued	3,210,000	-	-	1,138,902	-
Payment to refunded bond escrow agent	-	-	-	-	-
Premium on bonds/notes issued	6,069	-	-	49,428	-
Proceeds from sale of capital assets	157	14,604	2,533	29,799	51,976
Compensation for loss of capital assets	-	-	50,025	36,996	-
Total Other Financing Sources (Uses)	<u>\$ 3,216,226</u>	<u>\$ 14,604</u>	<u>\$ 202,558</u>	<u>\$ 3,476,223</u>	<u>\$ 1,656,047</u>
Net Change in Fund Balances	<u>\$ (6,072,816)</u>	<u>\$ 792,555</u>	<u>\$ 2,997,877</u>	<u>\$ 1,846,414</u>	<u>\$ 3,210,901</u>
Debt service as a percentage of noncapital expenditures	10.1%	10.6%	9.7%	12.8%	12.6%

¹In 2015 the County combined the functions of Health and Human Services.

²Beginning with the 2013 Comprehensive Annual Financial Statement, the County reported capital outlay by function.

(Unaudited)

Fiscal Year					
2011	2012	2013	2014	2015	
\$ 35,501,017	\$ 36,054,509	\$ 35,764,319	\$ 35,692,434	\$ 35,867,692	
596,915	609,522	609,115	613,607	608,992	
1,055,128	1,287,873	1,048,897	1,073,536	1,281,108	
23,389,156	34,811,026	21,373,104	28,043,509	28,052,796	
4,825,317	4,998,184	5,640,717	5,883,900	5,434,236	
96,562	82,796	58,800	41,724	45,354	
25,654	25,145	48,129	31,681	71,420	
354,183	253,954	11,981	364,783	529,616	
174,159	166,959	131,836	364,344	622,047	
3,784,059	3,385,313	3,251,407	2,728,398	2,492,269	
<u>\$ 69,802,150</u>	<u>\$ 81,675,281</u>	<u>\$ 67,938,305</u>	<u>\$ 74,837,916</u>	<u>\$ 75,005,530</u>	
\$ 12,159,749	\$ 12,232,650	\$ 12,492,804	\$ 13,828,033	\$ 14,461,781	
13,118,501	13,599,885	12,636,973	12,605,736	14,225,602	
8,729,183	11,255,631	6,189,673	6,579,224	7,011,820	
20,298,268	19,519,474	19,321,787	20,762,422	22,113,076	
1,793,644	1,452,535	1,429,224	1,410,744	-	
-	-	-	-	1,239,329	
728,832	716,183	667,685	727,300	663,326	
1,628,504	13,110,749	1,897,142	2,276,905	2,777,174	
352,710	-	-	-	17,053	
585,517	1,223,403	-	-	-	
-	-	382,325	443,895	436,883	
-	-	957,440	1,004,799	434,930	
-	-	5,028,125	8,707,930	9,195,148	
-	-	31,068	47,000	20,072	
-	-	-	25,211	18,992	
-	-	91,538	57,229	57,229	
330,466	350,996	360,631	331,178	350,932	
3,618,600	3,786,400	2,372,450	4,432,750	3,907,750	
2,026,341	1,885,639	923,233	1,421,596	1,203,941	
-	-	124,981	-	-	
-	-	4,943,110	-	-	
2,313	4,288	2,538	850	5,675	
<u>\$ 65,372,628</u>	<u>\$ 79,137,833</u>	<u>\$ 69,852,727</u>	<u>\$ 74,662,802</u>	<u>\$ 78,140,713</u>	
<u>\$ 4,429,522</u>	<u>\$ 2,537,448</u>	<u>\$ (1,914,422)</u>	<u>\$ 175,114</u>	<u>\$ (3,135,183)</u>	
\$ 3,004,178	\$ 1,652,782	\$ 9,381,540	\$ 122,772	\$ 187,110	
(3,254,178)	(1,902,782)	(9,631,540)	(122,772)	(187,110)	
-	-	-	-	-	
-	-	29,520,000	-	-	
-	-	-	-	136,850	
-	-	(33,061,540)	-	-	
-	-	3,669,102	-	-	
44,312	17,915	-	-	-	
-	-	-	-	-	
<u>\$ (205,688)</u>	<u>\$ (232,085)</u>	<u>\$ (122,438)</u>	<u>\$ -</u>	<u>\$ 136,850</u>	
<u>\$ 4,223,834</u>	<u>\$ 2,305,363</u>	<u>\$ (2,036,860)</u>	<u>\$ 175,114</u>	<u>\$ (2,998,333)</u>	

9.2% 9.8% 5.2% 9.1% 7.5%

(Unaudited)

CROW WING COUNTY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Assessment Year Ended December 31	Payable Year Ended December 31¹	Residential Homestead Property	Residential Non - Homestead Property	Commercial Industrial Property	Agricultural Property	Commercial Residential Seasonal/Rec. Property
2005	2006	\$ 34,237,468 40.53%	4,933,460 5.84	14,579,399 17.26	3,396,866 4.02	27,841,133 32.95
2006	2007	\$ 39,037,994 39.77%	5,962,523 6.07	16,473,487 16.78	3,912,807 3.99	33,269,446 33.90
2007	2008	\$ 43,991,499 39.05%	6,808,851 6.04	17,913,024 15.90	4,589,712 4.07	39,803,512 35.34
2008	2009	\$ 46,591,700 37.78%	7,565,931 6.14	18,049,019 14.64	5,089,194 4.13	46,460,002 37.68
2009	2010	\$ 47,776,496 36.80%	7,995,948 6.16	18,388,161 14.16	5,729,136 4.41	50,522,580 38.91
2010	2011	\$ 44,123,956 36.62%	7,365,485 6.11	17,118,660 14.21	7,165,335 5.95	45,008,661 37.35
2011	2012	\$ 37,437,781 34.63%	6,904,894 6.39	15,857,928 14.67	6,370,119 5.89	41,372,915 38.26
2012	2013	\$ 34,920,502 34.39%	6,380,632 6.28	15,661,644 15.42	5,773,778 5.69	38,655,486 38.07
2013	2014	\$ 33,817,682 34.36%	6,193,124 6.29	15,357,315 15.60	5,449,292 5.54	37,448,265 38.04
2014	2015	\$ 34,354,193 34.51%	6,545,894 6.57	15,149,613 15.22	5,235,764 5.26	38,132,690 38.30

Source: Land Services

¹Applicable taxes are collectible in the subsequent year.

²Total direct tax rate shown is for the payable year.

³Property estimated market value is for the assessment year indicated.

(Unaudited)

Other Property	Personal Property	Less: Tax Incremented Financing	Total Taxable Assessed Value	Total Direct Tax Rate²	Estimated Actual Taxable Value³	Assessed Value as a Percentage of Actual Value
213,399 0.25	806,671 0.95	1,524,267 (1.80)	\$ 84,484,129 100.00%	37.275%	\$ 7,838,204,800	1.078%
258,162 0.26	829,133 0.84	1,589,950 (1.61)	\$ 98,153,602 100.00%	34.001%	\$ 9,068,693,000	1.082%
281,501 0.25	841,746 0.75	1,588,915 (1.40)	\$ 112,640,930 100.00%	30.499%	\$ 10,393,020,600	1.084%
282,973 0.23	829,288 0.67	1,558,076 (1.27)	\$ 123,310,031 100.00%	28.568%	\$ 11,434,134,100	1.078%
271,191 0.21	939,529 0.72	1,790,113 (1.37)	\$ 129,832,928 100.00%	28.029%	\$ 12,018,042,400	1.080%
251,534 0.21	1,040,146 0.86	1,576,387 (1.31)	\$ 120,497,390 100.00%	29.785%	\$ 11,189,135,100	1.077%
224,307 0.21	1,071,195 0.99	1,115,686 (1.04)	\$ 108,123,453 100.00%	32.408%	\$ 10,013,341,000	1.080%
209,522 0.21	1,074,665 1.06	1,139,183 (1.12)	\$ 101,537,046 100.00%	34.342%	\$ 9,399,678,500	1.080%
185,960 0.19	1,121,697 1.14	1,139,339 (1.16)	\$ 98,433,996 100.00%	35.269%	\$ 9,121,473,200	1.079%
167,745 0.17	1,108,003 1.11	1,130,367 (1.14)	\$ 99,563,535 100.00%	34.653%	\$ 9,235,920,600	1.078%

(Unaudited)

CROW WING COUNTY
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

County Direct Rates	Year Taxes Are Payable									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General revenue	18.911 %	17,113 %	15,229 %	13,938 %	13,468 %	14,515 %	15,398 %	17,422 %	18,303 %	18,483 %
Road and bridge	3.084	2,791	2,911	3,022	3,081	3,357	3,621	3,835	3,904	3,644
Community services	7,678	7,246	6,367	6,147	6,375	6,595	7,101	6,412	6,344	5,904
Capital Projects	-	-	-	-	-	-	1,742	1,855	0,917	0,906
Bonded debt	6,776	6,096	5,311	4,822	4,510	4,674	3,874	4,115	5,100	5,034
Transit system	0,065	0,055	0,042	0,045	0,028	0,030	0,033	0,034	0,036	0,035
Airport bonds	0,137	0,119	0,103	0,094	0,087	0,101	0,098	0,103	0,101	0,090
Library	0,624	0,581	0,536	0,500	0,480	0,513	0,541	0,566	0,564	0,557
Total direct rate	<u>37.275</u> %	<u>34.001</u> %	<u>30.499</u> %	<u>28.568</u> %	<u>28.029</u> %	<u>29.785</u> %	<u>32.408</u> %	<u>34.342</u> %	<u>35.269</u> %	<u>34.653</u> %
Cities										
Baxter	40.555 %	41,245 %	41,043 %	42,175 %	43,975 %	48,422 %	51,474 %	53,613 %	54,563 %	53,281 %
Brainerd	42,763	42,689	44,649	44,487	45,839	48,003	54,540	58,941	64,879	71,659
Breezy Point	41,422	32,182	31,405	32,968	33,137	33,895	39,281	42,202	44,389	44,175
Crosby	114,915	114,471	102,139	99,019	99,464	102,835	123,070	123,670	121,245	117,873
Crosslake	24,928	22,093	19,629	18,272	17,516	19,496	21,287	22,900	23,824	24,518
Cuyuna	50,544	43,730	37,341	34,738	33,680	37,081	49,064	54,002	57,443	60,047
Deerwood	75,194	84,007	74,138	69,664	70,807	74,769	88,211	92,043	92,880	93,798
Emily	32,944	28,208	28,479	27,815	25,747	27,813	30,934	35,833	40,146	41,507
Fifty Lakes	31,725	28,981	24,113	21,252	19,639	21,635	24,451	24,177	24,122	24,944
Fort Ripley	18,267	18,497	21,158	22,213	20,665	21,830	24,692	25,063	26,224	25,202
Garrison	42,345	52,298	61,296	52,410	55,249	60,063	66,237	71,709	68,487	67,769
Iron ton	104,295	106,172	113,569	105,835	109,463	117,350	161,394	155,436	146,417	156,855
Jenkins	61,521	60,539	49,313	48,755	48,620	49,007	51,425	54,264	56,787	62,062
Manhattan Beach	11,841	14,334	27,924	27,619	23,781	26,365	28,272	26,618	26,541	27,011
Nisswa	26,186	24,598	22,604	20,944	21,253	23,421	26,804	29,058	30,996	31,029
Pequot Lakes	81,083	72,641	66,718	65,014	67,190	69,311	74,466	75,464	71,181	63,037
Riverton	69,977	51,959	51,736	51,096	48,660	47,316	54,056	43,619	46,641	45,075
Trommald	38,632	35,155	32,208	30,625	30,074	31,137	39,082	44,387	45,947	46,111
Townships										
Bay Lake fire district 1	7,536	6,462	6,519	6,117	5,340	5,404	5,848	5,856	6,148	6,446
Bay Lake fire district 2	7,789	6,671	6,740	6,148	5,398	5,863	6,352	6,419	6,652	6,797
Center	17,999	19,280	16,471	14,414	13,398	13,994	15,826	17,601	17,644	17,429
Crow Wing	35,313	38,053	46,934	28,073	25,617	20,283	20,136	19,725	20,483	21,529
Daggett Brook	29,252	26,390	23,981	21,844	19,421	20,861	25,377	26,528	24,230	25,005
Deerwood	11,234	9,818	10,852	10,532	10,415	10,990	12,412	13,365	15,624	17,074
Fairfield	29,261	24,839	20,358	17,777	16,638	17,378	19,470	20,867	21,821	21,925
Fort Ripley	18,584	15,990	16,240	20,084	17,386	17,013	18,894	20,162	16,907	14,039
Gail Lake	9,281	8,951	7,816	6,919	6,194	6,464	7,042	7,391	10,232	10,415
Garrison	15,532	13,659	11,843	11,593	10,821	11,655	12,603	13,417	13,747	14,003
Ideal	9,259	8,292	8,164	7,577	7,264	8,171	8,750	9,965	10,324	10,537
Irondale	50,457	48,212	42,688	39,803	38,388	40,816	45,381	46,983	51,190	50,748
Jenkins	9,514	8,822	9,859	10,145	10,688	9,521	9,570	13,185	10,784	13,094
Lake Edward	12,285	10,658	9,083	8,125	7,615	7,836	8,866	9,344	9,714	9,607
Little Pine	26,966	25,899	24,403	24,358	21,725	22,355	25,683	25,935	26,908	33,396
Long Lake	14,903	13,433	11,451	10,691	10,019	12,356	14,333	14,595	16,507	17,408
Maple Grove	12,511	10,539	9,519	8,825	8,176	8,806	9,845	11,487	12,763	13,002
Mission	12,441	11,358	11,419	10,425	11,088	13,594	15,198	15,328	17,642	18,045
Nokay Lake	22,637	26,184	22,125	20,401	19,867	21,626	22,811	23,422	25,591	25,746
Oak Lawn	19,050	17,659	17,483	16,765	16,366	17,402	20,023	21,044	21,863	22,149
Pelican	11,198	9,790	8,672	7,459	7,262	8,674	9,295	8,981	9,186	10,217
Perry Lake	9,289	8,243	7,066	6,493	6,095	7,076	8,703	9,678	10,689	11,797
Platt Lake	20,119	18,641	15,682	14,135	12,506	14,257	16,560	17,466	18,115	18,370
Rabbit Lake	31,027	29,448	26,912	24,203	23,618	26,339	28,977	30,719	30,696	30,840
Roosevelt	20,540	18,420	21,621	21,517	13,369	14,241	17,294	18,759	19,988	20,180
Ross Lake fire district 1 ¹	12,265	11,779	7,800	7,411	7,096	7,456	9,293	9,979	11,309	10,998
Ross Lake fire district 2 ¹	10,105	8,896	-	-	-	-	-	-	-	-
St. Mathias	25,888	22,161	19,794	22,562	17,122	19,106	20,797	22,251	23,674	25,096
Timothy	8,656	9,137	7,796	6,957	5,898	6,328	5,779	6,294	6,514	6,622
Wolford	19,828	16,787	13,989	12,093	12,003	12,876	13,393	14,355	16,349	15,892
Unorganized - Dean Lake	20,384	17,071	14,947	12,002	10,640	14,794	19,233	27,003	31,214	33,972
Unorganized - 1st Asmnt	8,963	8,480	7,914	7,679	7,665	8,426	8,769	9,551	10,300	10,231
School Districts										
001 - Aitkin	5,375	5,235	4,268	3,650	2,727	2,825	2,868	3,135	3,029	3,400
181 - Brainerd	23,212	22,056	17,875	17,671	20,952	21,820	23,638	24,415	24,952	25,520
182 - Crosby	12,614	12,350	9,974	8,921	11,360	12,364	14,171	14,656	15,452	15,291
186 - Pequot Lakes	12,288	9,539	8,944	8,443	8,590	9,261	12,745	14,667	14,807	13,768
480 - Onamia	17,879	14,126	13,428	12,203	12,412	12,952	18,326	20,246	19,415	13,622
482 - Little Falls	14,971	14,273	12,373	14,473	14,955	12,060	18,237	15,624	14,160	14,648
484 - Pierz	22,693	21,953	15,466	15,598	15,857	15,358	18,383	21,096	21,089	19,595
2174 - Pine River	8,060	6,889	6,312	5,647	4,430	4,544	4,956	5,027	6,332	6,060
Special Districts										
Region five	0.133	0.113	0.102	0.095	0.095	0.106	0.119	0.128	0.133	0.133
County HRA	0.071	0.066	0.057	0.051	0.049	0.053	0.058	0.062	0.064	0.063
Cuyuna hospital district	1,414	1,221	1,044	0,937	0,881	0,938	1,057	1,125	1,181	1,174
Thirty lakes watershed	1,553	1,325	1,326	1,260	1,317	1,191	1,152	-	-	-
Brainerd HRA	1,227	1,220	1,226	1,513	1,554	1,671	1,836	1,625	1,677	1,702
Pequot Lakes HRA	1,302	1,158	1,026	0,972	1,031	1,037	1,378	1,399	1,483	1,442
Mille Lacs sewer district	11,299	9,068	7,616	5,921	4,852	8,719	13,577	20,817	21,676	21,766

Source: Land Services

¹Starting Payable 2008 Ross Lake has only one fire district.

(Unaudited)

CROW WING COUNTY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2015			2006		
	Net Tax Capacity Value	Rank	Percentage of Total Taxable Net Tax Capacity Value	Net Tax Capacity Value	Rank	Percentage of Total Taxable Net Tax Capacity Value
Mills Properties Inc.	\$ 572,182	1	0.57 %	\$ 848,657	1	0.99 %
Minnesota Power and Light	433,052	2	0.43	376,607	2	0.44
Brainerd Lakes Integrated Health	383,498	3	0.38			
Etoc Co. Inc.	367,912	4	0.37	254,566	7	0.30
Xcel Energy	347,802	5	0.35	290,456	5	0.34
Great River Energy	315,130	6	0.31			
KTJ Limited Partnership ¹	257,544	7	0.26	265,378	6	0.31
Burlington Northern Santa Fe Railroad	245,120	8	0.24			
Crow Wing Coop Power & Light	241,339	9	0.24	229,368	10	0.27
Whitebirch Inc.	197,469	10	0.20	338,295	3	0.39
Wal-Mart Stores, Inc.				245,639	9	0.29
Developers Diversified Realty ²				292,782	4	0.34
Brainerd Medical Center				254,328	8	0.30
Total	<u><u>\$ 3,361,048</u></u>		<u><u>3.35 %</u></u>	<u><u>\$ 3,396,076</u></u>		<u><u>3.97 %</u></u>

Source: Land Services; bonding documents

¹Previously SUSO 2 Brainerd LP

²Previously Westgate Mall Realty Group, LLC

(Unaudited)

CROW WING COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended <u>December 31</u>	Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 28,875,200	\$ 28,343,338	98.16 %	\$ 527,736	\$ 28,871,074	99.99 %
2007	30,782,326	30,132,930	97.89	614,924	30,747,854	99.89
2008	31,766,367	30,994,026	97.57	769,164	31,763,190	99.99
2009	33,005,598	31,836,927	96.46	1,094,446	32,931,373	99.78
2010	34,110,963	33,063,192	96.93	925,221	33,988,413	99.64
2011	33,443,998	32,694,209	97.76	655,664	33,349,873	99.72
2012	34,156,910	33,461,342	97.96	573,829	34,035,171	99.64
2013	34,040,491	33,420,595	98.18	448,529	33,869,124	99.50
2014	34,005,263	33,431,295	98.31	364,033	33,795,328	99.38
2015	33,820,022	33,267,090	98.37	-	33,267,090	98.37

Source: Land Services

¹The net levy has been adjusted for abatements and additions

(Unaudited)

CROW WING COUNTY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income¹	Per Capita¹
	General Obligation Bonds	Revenue Notes	Certificates of Participation	Lease Payable to Component Unit	Capital Lease			
2006	\$ 55,549,317	\$ -	\$ 75,000	\$ 2,730,000	\$ 1,529,050	\$ 59,883,367	3.33 %	\$ 987
2007	52,711,280	-	-	2,395,000	1,473,400	56,579,680	2.96	920
2008	49,673,243	-	-	2,045,000	1,415,100	53,133,343	2.69	855
2009	49,888,650	-	-	-	1,356,800	51,245,450	2.59	822
2010	46,245,061	-	-	-	1,295,850	47,540,911	2.30	759
2011	41,778,708	-	-	-	1,232,250	43,010,958	2.01	686
2012	38,045,839	-	-	-	1,097,100	39,142,939	1.77	622
2013	33,636,404	-	-	-	1,009,650	34,646,054	1.53	548
2014	28,740,498	-	-	-	916,900	29,657,398	1.24	469
2015	24,369,592	136,850	-	-	824,150	25,330,592	²	400

Source: Administrative Services. Additional details regarding the County's outstanding debt can be found in the notes to the financial statements.

¹See Demographic and Economics Statistics schedule for population and personal income data.

²Personal income data for 2015 is unavailable at this time.

(Unaudited)

CROW WING COUNTY
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds¹	Revenue Notes	Less: Amounts Available in Debt Service Fund²			Total	Percentage of Estimated Actual Taxable Value of Property³	Per Capita
			\$		\$		%	
2006	\$ 55,549,317	\$ -	\$ 3,140,000		\$ 52,409,317		0.67	\$ 864
2007	52,711,280	-	3,355,000		49,356,280		0.54	803
2008	49,673,243	-	3,515,000		46,158,243		0.44	742
2009	49,888,650	-	3,640,000		46,248,650		0.40	742
2010	46,245,061	-	3,713,400		42,531,661		0.35	679
2011	41,778,708	-	3,790,000		37,988,708		0.34	606
2012	38,045,839	-	2,360,000		35,685,839		0.36	567
2013	33,636,404	-	4,415,000		29,221,404		0.31	462
2014	28,740,498	-	3,890,000		24,850,498		0.27	393
2015	24,369,592	136,850	3,995,000		20,511,442		0.22	324

Source: Administrative Services. Additional details regarding the County's outstanding debt can be found in the notes to the financial statements.

¹Net of original issuance discounts and premiums

²This is the amount restricted for debt service principal payments

³See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property

(Unaudited)

CROW WING COUNTY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Direct debt			
Crow Wing County	<u>\$ 25,330,592</u>	100.000 %	<u>\$ 25,330,592</u>
Overlapping debt			
School district 1 - Aitkin	\$ 895,000	6.892 %	\$ 61,683
School district 181 - Brainerd	62,460,000	85.016	53,100,994
School district 182 - Crosby	13,655,000	99.998	13,654,727
School district 186 - Pequot Lakes	54,625,000	95.508	52,171,245
School district 480 - Onamia	10,991,000	19.782	2,174,240
School district 482 - Little Falls	10,089,000	0.037	3,733
School district 484 - Pierz	4,365,000	0.353	15,408
School district 2174 - Pine River-Backus	4,410,321	42.652	1,881,090
Garrison-Kathio-West Mille Lacs Lake Sanitary Sewer District	<u>5,832,000</u>	<u>59.511</u>	<u>3,470,682</u>
Total overlapping debt	<u>\$ 167,322,321</u>		<u>\$ 126,533,802</u>
Total debt			
	<u><u>\$ 192,652,913</u></u>		<u><u>\$ 151,864,394</u></u>

Source: Land Services; 2015 Bonded Indebtedness Reporting

¹Applicable percentages were estimated by determining the portion of the governmental unit's net tax capacity that is within the County's boundaries and dividing it by each unit's total net tax capacity.

(Unaudited)

CROW WING COUNTY
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
Market value of taxable property	\$ 7,838,204,800	\$ 9,068,693,000	\$ 10,393,020,600	\$ 11,434,134,100
Debt limit (2% of market value) (3% after 2007)	\$ 156,764,096	\$ 272,060,790	\$ 311,790,618	\$ 343,024,023
Debt applicable to limit:				
General obligation bonds	\$ 55,890,000	\$ 52,835,000	\$ 49,570,000	\$ 49,675,000
Revenue notes				
Less: Amount set aside for repayment of general obligation debt	<u>(4,424,342)</u>	<u>(4,727,620)</u>	<u>(5,794,287)</u>	<u>(5,607,028)</u>
Total net debt applicable to limit	<u>\$ 51,465,658</u>	<u>\$ 48,107,380</u>	<u>\$ 43,775,713</u>	<u>\$ 44,067,972</u>
Legal debt margin	<u><u>\$ 105,298,438</u></u>	<u><u>\$ 223,953,410</u></u>	<u><u>\$ 268,014,905</u></u>	<u><u>\$ 298,956,051</u></u>
Total net debt applicable to the limit as a percentage of the debt limit	32.83%	17.68%	14.04%	12.85%

Source: Land Services; Comprehensive Annual Financial Report

(Unaudited)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 12,018,042,400	\$ 11,189,135,100	\$ 10,013,341,000	\$ 9,399,678,500	\$ 9,121,473,200	\$ 9,235,920,600
\$ 360,541,272	\$ 335,674,053	\$ 300,400,230	\$ 281,990,355	\$ 273,644,196	\$ 277,077,618
\$ 46,075,000	\$ 41,778,708	\$ 37,917,500	\$ 30,257,500	\$ 25,917,500	\$ 22,102,500 136,850
<u>(5,805,426)</u>	<u>(6,018,326)</u>	<u>(4,674,240)</u>	<u>(5,075,811)</u>	<u>(4,454,886)</u>	<u>(4,540,823)</u>
<u>\$ 40,269,574</u>	<u>\$ 35,760,382</u>	<u>\$ 33,243,260</u>	<u>\$ 25,181,689</u>	<u>\$ 21,462,614</u>	<u>\$ 17,698,527</u>
<u>\$ 320,271,698</u>	<u>\$ 299,913,671</u>	<u>\$ 267,156,970</u>	<u>\$ 256,808,666</u>	<u>\$ 252,181,582</u>	<u>\$ 259,379,091</u>
11.17%	10.65%	11.07%	8.93%	7.84%	6.39%

(Unaudited)

CROW WING COUNTY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	(1) (5) Population	(1) (5) Personal Income	(1) (5) Per Capita Personal Income	(1) (5) Annual Average Labor Force	(3) (5) School Enrollment	(2) (5) Unemployment Rate
2006	60,654	\$ 1,800,533,000	\$ 29,685	32,307	10,150	4.9 %
2007	61,484	1,909,453,000	31,056	32,719	10,171	5.6
2008	62,178	1,978,644,000	31,822	32,735	10,120	6.9
2009	62,307	1,980,355,000	31,784	33,408	9,753	9.6
2010	62,604	2,065,644,000	32,995	31,976	9,652	9.5
2011	62,659	2,145,051,000	34,234	31,464	9,466	8.7
2012	62,934	2,216,183,000	35,214	30,927	9,501	7.6
2013	63,208	2,270,459,000	35,968	31,420	9,610	6.8
2014	63,208	2,392,593,000	37,819	32,080	9,365	5.8
2015	63,371	- (4)	- (4)	30,946	9,352	5.4

Sources:

- (1) US Department of Commerce, Bureau of Economic Analysis
- (2) Minnesota Department of Employment and Economic Development
- (3) Minnesota Department of Education
- (4) Not available at this time
- (5) Annual data is only an estimate and subject to change.

(Unaudited)

**CROW WING COUNTY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Essentia Health - Central Region ¹	1,460	1	4.6 %	1,290	2	4.0 %
Cuyuna Regional Medical Center	947	2	3.0			
Independent School District 181	893	3	2.8	1,353	1	4.2
Grand View Lodge Resort & Spa ²	720	4	2.2			
Madden's Inc. ²	550	5	1.7	492	4	1.5
Ascensus ³	500	6	1.6	422	6	1.3
Breezy Point Resort	500	7	1.6			
Clow Stamping	440	8	1.4	276	10	0.9
Crow Wing County	415	9	1.3	465	5	1.4
Cragun's Resort ²	380	10	1.2			
Wal-Mart Supercenter			-	350	8	1.1
Mills Companies			-	400	7	1.2
Brainerd Regional Human Services Ctr.			-	685	3	2.1
Bethany Good Samaritan Village			-	337	9	1.1
Total	6,805		21.4 %	6,070		18.8 %

Source: Brainerd Lakes Area Economic Development Corporation (BLAEDC); bonding documents.

¹ Formerly owned by St. Joseph's Medical Center; 2006 data combined Brainerd Medical Center.

² Employee numbers indicate seasonal peak.

³ Formerly owned by Universal Pensions & Bisys Retirement Services.

(Unaudited)

CROW WING COUNTY
FULL-TIME EQUIVALENT COUNTY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Full-Time Equivalent Employees			
	2006	2007	2008	2009
General government	116.0	119.1	114.8	103.9
Public safety	107.9	119.6	125.7	127.0
Highways and streets	39.5	38.8	37.3	36.2
Sanitation	-	0.6	0.8	2.0
Health and human services ¹	134.5	136.1	137.1	134.4
Health ¹	27.3	28.2	28.2	22.0
Culture and recreation	4.0	2.6	0.8	0.5
Conservation of natural resources	9.5	9.2	9.6	9.9
Landfill enterprise fund	<u>1.2</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>
Total Full-Time Equivalents	<u><u>439.9</u></u>	<u><u>455.5</u></u>	<u><u>455.6</u></u>	<u><u>437.2</u></u>

Source: Administrative Services

¹ In 2015 Crow Wing County combined the functions of Health and Human Services.

(Unaudited)

Full-Time Equivalent Employees

2010	2011	2012	2013	2014	2015
98.2	92.1	93.8	95.9	98.1	100.9
121.8	119.5	120.2	122.6	122.1	127.5
39.2	38.2	36.2	36.5	36.8	36.7
1.0	-	-	-	-	-
131.5	129.7	129.9	130.0	128.0	142.0
20.3	18.6	17.8	17.0	15.5	-
0.3	0.8	0.8	0.7	0.8	0.2
8.1	9.0	8.7	8.8	9.5	6.3
<u>2.0</u>	<u>1.3</u>	<u>1.3</u>	<u>1.2</u>	<u>1.3</u>	<u>2.0</u>
<u>422.4</u>	<u>409.2</u>	<u>408.7</u>	<u>412.7</u>	<u>412.1</u>	<u>415.6</u>

(Unaudited)

CROW WING COUNTY
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year				
	2006	2007	2008	2009	2010
General Government					
Auditor-Treasurer					
Birth Certificates	4,329	4,472	3,463	3,398	2,906
Marriage Licenses	484	469	414	441	433
Marriage Certificates	316	250	232	241	330
Notary Registrations	119	113	140	143	397
Passports	2,997	3,318	1,659	1,756	1,400
Environmental Services					
Township Permits Issued (All Types)	1,421	1,174	846	759	772
Information Technology					
Computers Purchased	125	114	107	98	103
Telephones Purchased	192	164	3	4	49
iPads Purchased	-	-	-	-	-
Work Orders Completed	3,670	4,487	5,443	5,558	5,810
Property Valuation & Classification					
Number of Parcels	N/A	N/A	N/A	81,806	81,172
Number of Improved Parcels	38,686	39,475	N/A	41,371	41,863
Number of Personal Property Parcels	1,605	1,643	1,647	1,419	1,416
Number of Exempt Parcels	12,202	12,202	12,202	9,708	9,053
All Property Notices Printed (Except Exempt)	72,372	72,934	73,152	73,441	73,468
Recorder					
Abstract Documents	20,411	18,987	16,282	17,419	16,106
Torrens Documents	6,161	5,708	5,143	5,480	5,363
Warranty Deeds	3,141	2,605	1,848	2,013	1,757
Foreclosures	142	231	356	351	388
Public Safety					
Sheriff					
Part I Crimes	N/A	464 (1)	523	445	476
Part II Crimes	N/A	824 (1)	872	892	803
Non Reportable Crimes/Incidents	N/A	9,369 (1)	12,569	16,690	16,752
Dispatch					
911 Emergency Calls	N/A	25,579	27,760	30,148	31,197
Jail					
Average Monthly Bookings	N/A	324 (2)	328	308	285
Average Monthly Inmate Population	N/A	144 (2)	160	134	135
Highways and Streets					
Miles of Overlay	10	26	15	8	8
Miles of Construction	5	1	3	6	5
Tons of Crushing	-	58,500	-	-	40,000
Miles of Crack Sealing	3	N/A	13	10	40
Health and Human Services					
Health					
Family Health Contacts	8,928	9,342	8,879	9,328	9,432
Health Promotion Contacts	1,384	3,843	4,090	14,547	17,603
Disease Prevention & Control Immunizations (3)	N/A	N/A	N/A	12,417	4,054
Community Screenings (3)	N/A	N/A	N/A	705	267
Human Services					
Children In/Out of Home Placement	204	220	244	237	227
Persons Receiving DD Waivered Services	157	153	155	157	158
Child Support Cases	3,431	3,542	3,512	3,604	3,643
Financial Assistance Cases	4,100	4,372	4,768	5,331	5,623
Conservation of Natural Resources					
Solid Waste (Non-landfill)					
Solid Waste (Non-landfill) Funded Residential Recycling (Ton)	3,142	3,650	4,066	4,696	4,781
Commercial Recycling (Ton)	44,916	45,097	35,453	23,051	23,568
Solid Waste (Non-landfill) - Problem Material Management					
Hazardous Waste (Ton)	46	44	48	41	51
Electronics (Ton)	134	162	137	146	152
Tires (Each)	9,197	11,660	8,709	6,984	7,145
White Goods (Each)	4,624	4,434	3,949	4,077	3,801
Used Oil (Gallon)	36,185	32,748	39,070	36,424	39,890
Mattresses Recycled (Each)	768	2,467	2,304	2,251	2,383
Sanitation					
Landfill					
Municipal Solid Waste Land filled SW376 (Ton)	40,477	39,625	36,912	35,545	35,557
Industrial Waste Land filled SW376 (Ton)	6,795	5,875	5,915	3,856	4,295
Demolition Waste Land filled SW440 (Cu Yd)	20,386	13,959	16,950	14,055	13,124

Source: Survey of County departments

(1)Due to computer conversion this data is based on 9 1/2 months of data.

(2)Data is from May 2007 when the new facility opened.

(3)The County is no longer reporting on these indicators.

N/A - Data not available or not applicable.

(Unaudited)

Fiscal Year				
2011	2012	2013	2014	2015
2,442	2,560	2,611	2,582	2,599
411	454	462	405	421
370	356	368	307	286
133	137	131	270	257
1,003	916	934	1,038	857
752	991	815	864	991
88	128	63	197	135
19	-	17	1	6
-	-	-	24	13
4,160	3,905	3,281	2,245	2,315
81,724	82,100	82,181	82,083	82,042
41,882	42,227	42,414	42,582	42,823
1,408	1,465	1,451	1,396	1,347
8,052	8,705	8,846	9,058	9,077
73,561	73,569	73,548	73,522	73,441
14,846	17,384	16,513	14,181	14,533
4,579	5,588	5,137	4,575	4,741
1,672	1,946	2,114	2,285	2,622
360	273	192	135	122
614	695	706	406	466
879	834	818	838	967
19,610	21,043	22,154	22,791	22,717
31,684	35,176	28,566	33,480	N/A
277	280	276	297	308
128	137	165	173	183
6	11	11	20	17
6	4	-	8	6
-	35,000	3,223	-	14,560
49	37	17	15	49
9,127	8,768	7,839	7,523	7,819
15,069	13,620	9,257	12,817	10,275
3,074	1,772	1,660	532	N/A
51	42	43	75	N/A
222	228	185	188	184
159	162	166	163	167
3,672	3,779	3,867	3,707	3,524
6,598	6,433	6,030	8,409	9,796
4,679	4,517	4,513	4,871	4,583
23,896	25,687	26,734	39,010	40,770
50	62	57	58	49
152	144	136	156	186
8,461	8,828	6,175	6,393	6,942
3,131	3,025	3,021	3,149	3,699
34,409	36,576	28,324	30,431	18,172
2,286	3,138	3,275	3,645	3,993
35,933	36,563	38,286	40,508	42,660
4,421	4,194	3,555	3,418	4,043
13,880	32,769	12,232	13,714	13,849

(Unaudited)

CROW WING COUNTY
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2006	2007	2008	2009
General Government				
Courthouse	1	1	1	1
Judicial Center	N/A	1	1	1
Central Services Building	1	1	1	1
Land Services Building ¹	1	1	1	1
Motor Pool Vehicles	7	7	-	-
Veteran's Services Vehicles	N/A	N/A	N/A	N/A
Facilities Vehicles and Motorized Equipment	N/A	N/A	N/A	N/A
Environmental Services Vehicles	N/A	N/A	N/A	N/A
Public Safety				
Vehicles	82	83	82	89
Law Enforcement Center	1	1	1	1
Jails	2	1	1	1
Mobile Emergency Operations Centers	1	1	1	1
Highways and Streets				
Vehicles	77	77	70	70
Graders, Loaders and Heavy Trucks	31	31	31	31
Miles of County Roads	180	182	182	182
Miles of County State Aid Highways	380	380	380	380
Garage and Storage Buildings	12	12	12	12
Health and Human Services				
Community Services Building	1	1	1	1
Vehicles	N/A	N/A	N/A	N/A
Culture and Recreation				
Parks	4	4	4	4
Accesses	17	17	17	17
Recreational Trails	2	2	2	2
Vehicles and Motorized Equipment	N/A	N/A	N/A	N/A
Conservation of Natural Resources				
Vehicles and Motorized Equipment	N/A	N/A	N/A	N/A
Landfill Enterprise Fund				
Demolition Landfills	2	2	2	2

Source: Survey of County departments

N/A - Data not applicable or not available.

¹The Land Services Building is used for general government, conservation of natural resources, and culture and recreation functions.

(Unaudited)

Fiscal Year					
2010	2011	2012	2013	2014	2015
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
-	-	-	-	-	-
N/A	N/A	N/A	N/A	N/A	2
N/A	N/A	N/A	N/A	N/A	9
N/A	N/A	N/A	N/A	N/A	5
84	84	83	82	82	85
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	2
71	67	64	61	60	60
32	32	32	30	30	29
182	182	182	182	177	177
380	380	380	380	380	380
12	11	11	11	11	11
1	1	1	1	1	1
N/A	N/A	N/A	N/A	N/A	9
4	4	4	4	4	4
17	17	17	17	17	16
2	2	2	2	2	3
N/A	N/A	N/A	N/A	N/A	4
N/A	N/A	N/A	N/A	N/A	8
2	2	2	2	2	2

(Unaudited)