



COMPREHENSIVE ANNUAL FINANCIAL REPORT 2018

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018
CROW WING COUNTY, MINNESOTA

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

For The Year Ended December 31, 2018

Prepared By

The Financial Services Division of Administrative Services

Deborah A. Erickson, Administrative Services Director

**CROW WING COUNTY
BRAINERD, MINNESOTA**

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DATE: June 24, 2019

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

Subject: 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report (CAFR) of Crow Wing County is submitted for the fiscal year ending December 31, 2018. 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 § 6.481. This requirement has been complied with and CliftonLarsonAllen LLP has issued an unmodified (“clean”) opinion on the Crow Wing County financial statements for the year ending December 31, 2018. The independent auditor’s report is located on page 13 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. Other structures include the Jail, Judicial Center, Community Services, Central Services, and Land Services buildings. The Highway Department is located off-site near the Brainerd Lakes Regional Airport, and the Solid Waste offices are 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 13,428 residents in 2017.

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

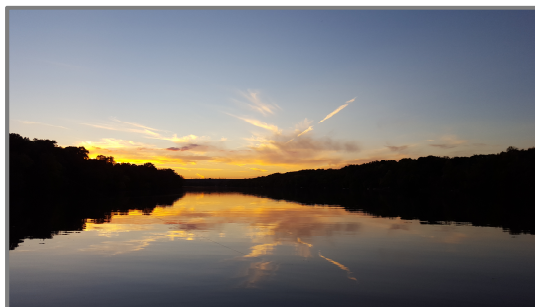
The County contains a variety of commercial and industrial businesses in areas such as retail and wholesale, health care, education, manufacturing and construction, and financial and information services. Tourism is an important facet of the local economy.

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 over \$233 million in gross sales in 2017, the most recent year data is available, making a 0.9 percent increase in gross sales when compared to 2016. In 2018, 259 leisure and hospitality businesses employed an annual average of 4,041 employees. This was a decrease of 243 jobs over 2017, or 5.7 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 2018, 346 retail trade businesses employed an annual average of 4,963 employees, an increase of 172 jobs, or 3.6 percent, over the previous year. In 2018, an annual average of 578 individuals were employed by 67 wholesale trade businesses, an increase of 5 jobs, or 0.9 percent, over the prior year. One of the largest wholesale employers, Costco, employs 198 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 approximately 973 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. The Essentia Health System employs more than 1,500 medical professionals and support staff in Crow Wing County and is considered the largest integrated health system in north central Minnesota.

In 2018, 211 Crow Wing County establishments provided an annual average of 6,148 jobs in the areas of health care and social assistance. This was an increase of 122 jobs over 2017, or 2.0 percent.

Education

The K-12 schools in the Brainerd Lakes Area educate approximately 9,500 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 over 6,500. 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 2018, 38 establishments provided 2,214 jobs in the area of educational services, a decrease of 128 jobs, or 5.5 percent, when compared to 2017 employment data.

Manufacturing and Construction

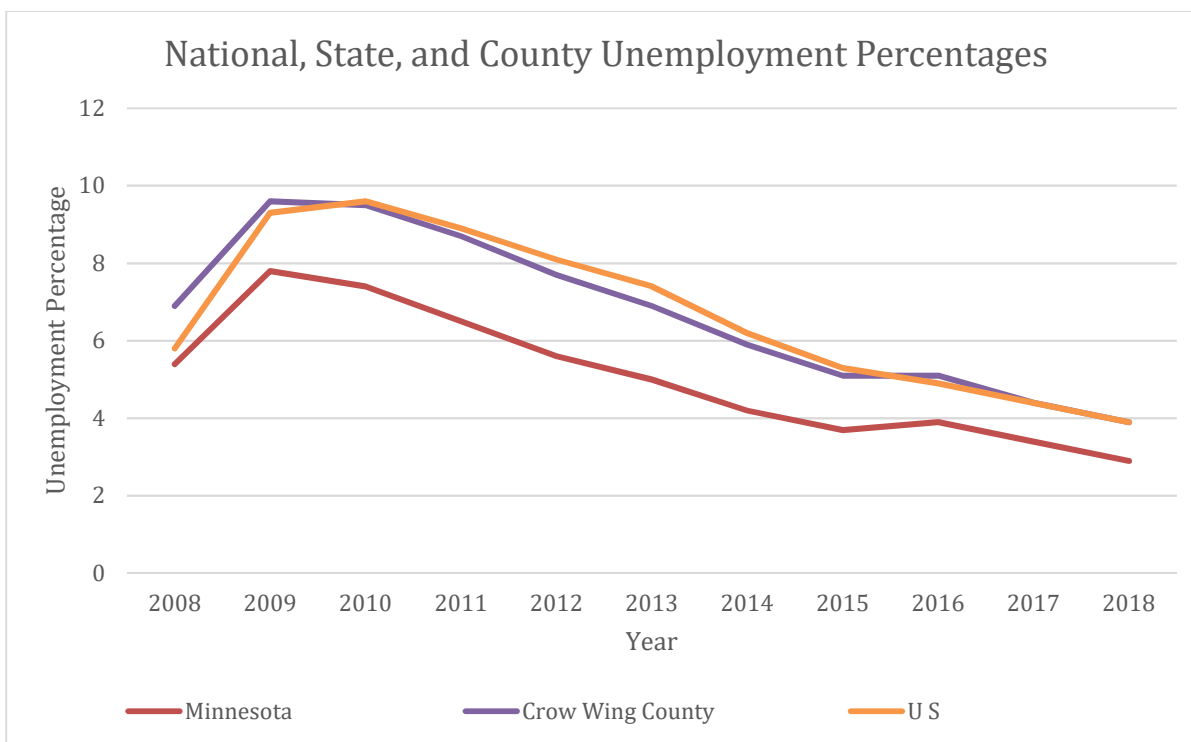
In 2018, 120 companies employed an annual average of 2,715 people in a variety of manufacturing arenas, from plastics to precision machining and metal fabrication. This is an increase of 160 positions, or 6.3 percent, when compared to 2017 employment data. Clow Stamping and Bang Printing are the largest manufacturing employers in the County with approximately 545 and 200 employees, respectively. In 2018, 271 area construction firms employed 1,913 people, a decrease of 99 jobs in Crow Wing County. This reflects a 4.9 percent decrease when compared to 2017 employment data.

Finance and Insurance

The finance and insurance industries are well represented in the region. In 2018, 119 firms provided an annual average of 1,270 jobs, a decrease of 25 jobs over the prior year. This reflects a 1.9 percent decrease when compared to 2017 employment data. One of the area's largest financial services employers is Ascensus, which employs 480 people in its Brainerd and Baxter offices.

Key Population, Labor Force and Employment Trends

- The County's population changed from 62,178 residents in 2008 to 64,424 residents in 2018; the total population rank was 15th of 87 counties in Minnesota.
- The County's annual average labor force changed from 32,719 workers in 2007 to 32,232 workers in 2018, a decrease of 1.5 percent.
- In 2017, Crow Wing County had a per capita personal income (PCPI) of \$42,770. Crow Wing County's PCPI rank was 64th of the 87 counties in the state. Crow Wing County was 78.7 percent of the state average of \$54,359, and 82.7 percent of the national average of \$51,731.



Major Initiatives by Crow Wing County

The Crow Wing County government took action to reduce costs:

- Crow Wing County continues to see economic and operating budget challenges. While property values continue to rise, increased drug use, mental health challenges, and child protection increasing costs continue to pose budgetary challenges to address.
- The County Board approved a levy increase of 6.99 percent for taxes payable 2019. This was the first time the County Board has adopted an increased levy since 2011.
- In 2016, the County Board approved a 0.5 percent sales tax option, to be used to finance road projects.

Future Crow Wing County Plans:

- Continue analysis on existing processes and procedures, using LEAN and Six Sigma methodology to increase efficiencies.
- Address issues arising from continuing development and the growing County population. Continue to develop talent internally to replace positions open due to retirements in the upcoming years.
- Complete the two-year process of implementing a new Tax/CAMA system to increase efficiencies and service delivery.

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 2018 fiscal year follows:

	<u>Amount</u>	<u>Net debt per capita</u>
Net General Bonded Debt Outstanding	\$9,557,500	\$148

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	2017-2019
Assistant County Attorney Association	2018-2020
LELS Local #14 Deputies	2017-2019
LELS Local #13 Dispatchers	2017-2019
LELS Local #16 Correctional Officers	2019-2021
IUOE Local #49 Facilities	2018-2020
IUOE Local #49 Highway	2018-2020
Organization of Non-Contract Employees	2017-2019
Teamsters Local #320 Social Services	2018-2020
Teamsters Local #346 Sheriff's Licensed Supervisory	2018-2020
Teamsters Local #346 Corrections and Dispatch Supervisory	2017-2019

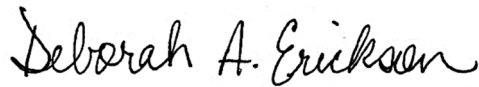
All contracts begin January 1 and end December 31.

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, 2017. This was the fifth 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 members of all the departments who assisted and contributed to the preparation of this report. Additionally, a special thank you is extended to Korie Bedard, Business Analyst, for her hard work and dedication in the preparation and attainment of the Certificate of Achievement from the GFOA. 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



Nicholas A. Mielke
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Crow Wing County
Minnesota**

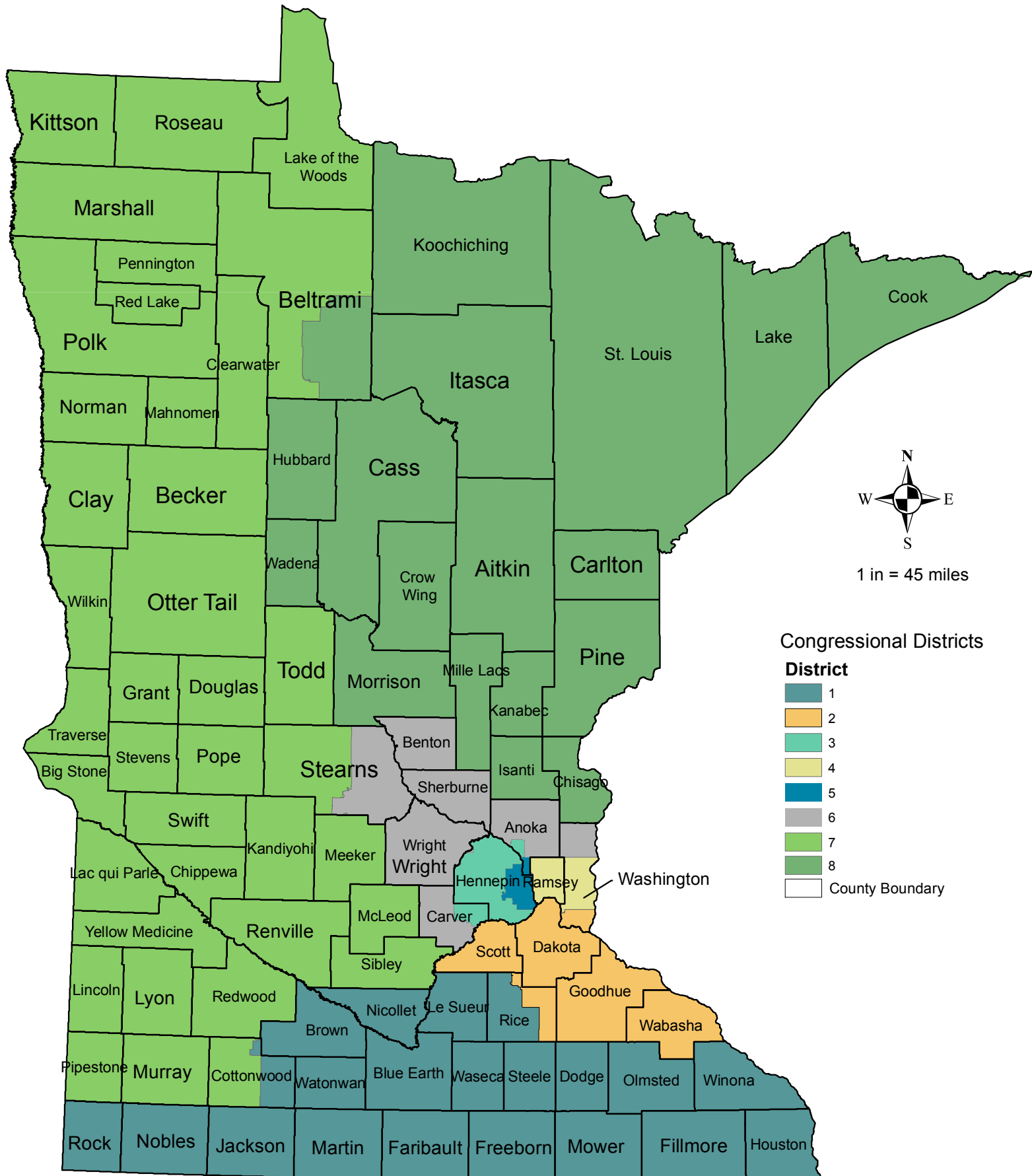
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

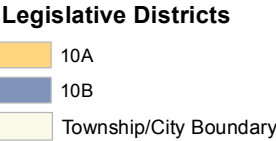
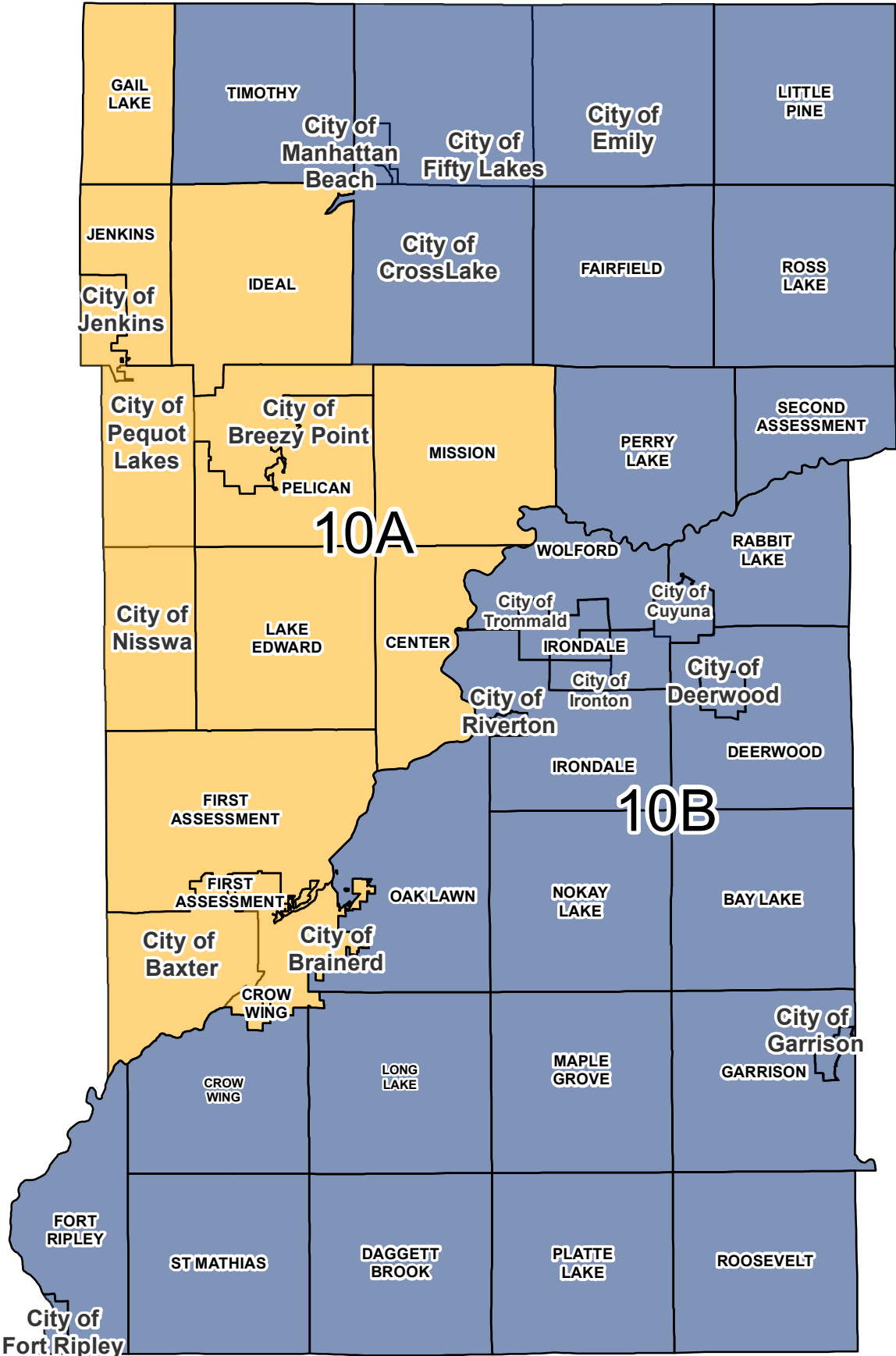
Christopher P. Morill

Executive Director/CEO

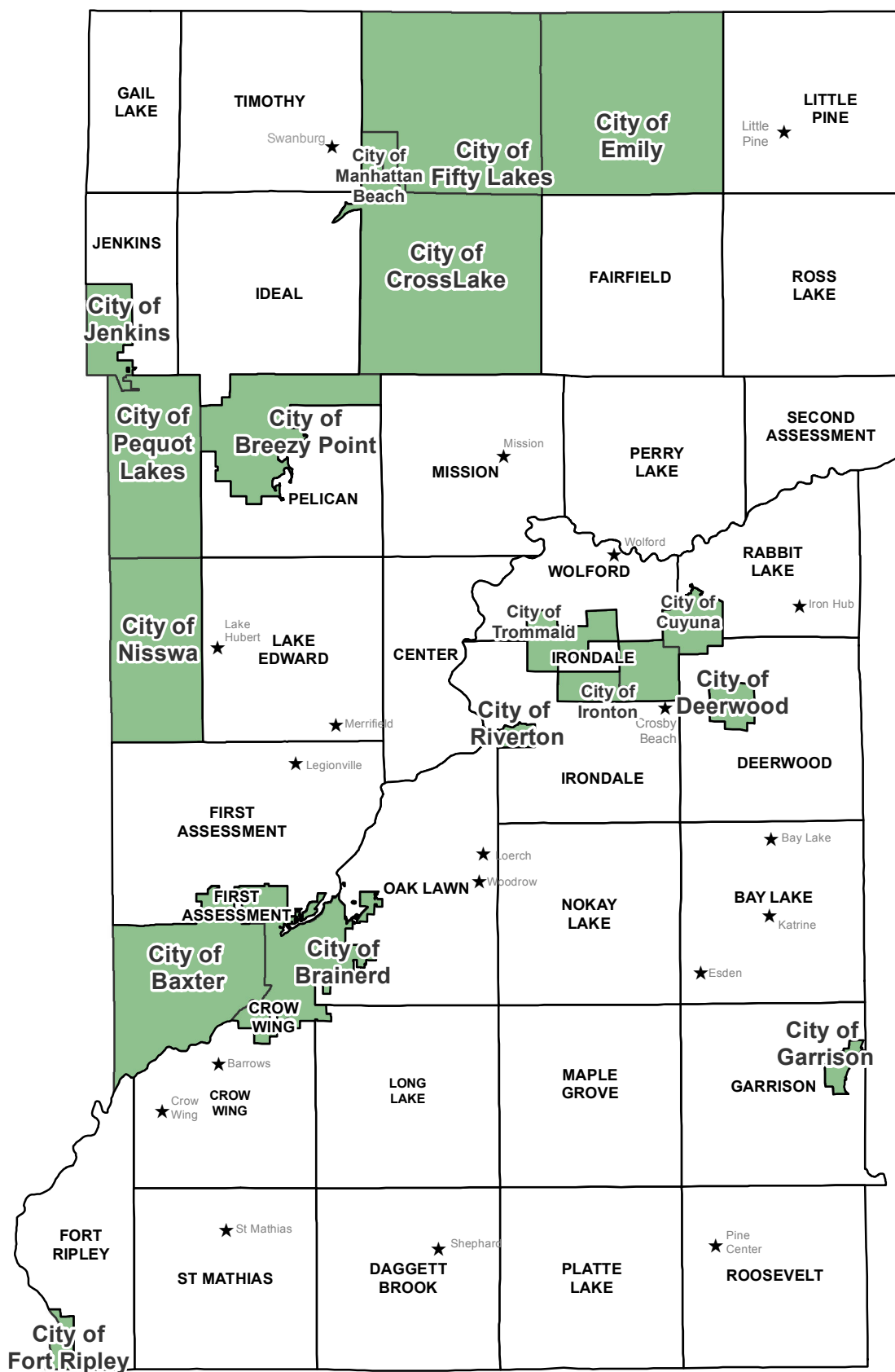
State of Minnesota Congressional Districts



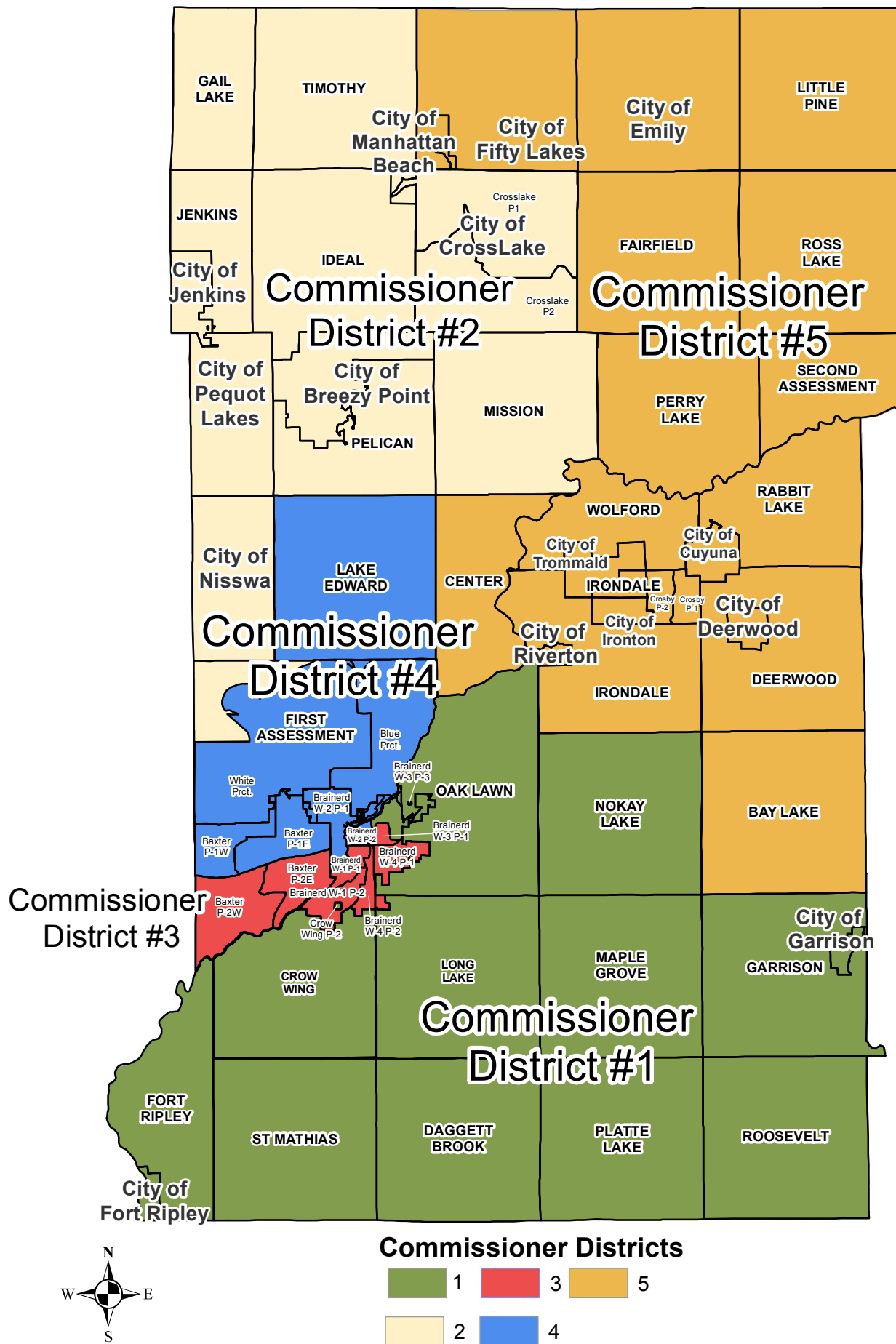
Legislative Districts



Crow Wing County Political Subdivisions



Crow Wing County Commissioner Districts



**CROW WING COUNTY
BRAINERD, MINNESOTA**

**LIST OF ELECTED AND APPOINTED OFFICIALS
2018**

Office	Name	Elected or Statutory Term Expires
County Board of Commissioners		
1 st District	Paul Koering	January 2021
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 2021
*Denotes 2018 Chair		
**Denotes 2019 Chair		
County Offices		
Elected		
Attorney	Donald F. Ryan	January 2019
Auditor/Treasurer ¹	Deborah A. Erickson	January 2019
Recorder ¹	Mark Liedl	January 2019
Sheriff	Todd O. Dahl	January 2019
Appointed		
Administrator	Timothy J. Houle	Indefinite
Land Services Director ²	Gary Griffin	January 2021
Environmental Services Supervisor ²	Ryan Simonson	Indefinite
Environmental Services Supervisor ²	Jacob Frie	Indefinite
Engineer	Timothy V. Bray	May 2019
Examiner of Titles	Glen A. Gustafson	Indefinite
Veterans Service Officer	Robert M. Nelson	June 2019

¹During the statutory term of the elected Auditor/Treasurer and Recorder, the County Board voted, with legislative approval, to make these positions appointed. The County will continue to report the positions as Elected until the end of the statutory term.

²The Land Services Director performs the functions of the County Assessor. There are two Environmental Services Supervisors; one serves as Land Commissioner and the other serves as County Zoning Administrator and County Planner, all under the oversight of the Land Services Director.



Crow Wing County Citizens



Paul Koering
District 1



Paul Thiede
District 2



Rachel Reabe
Nystrom
District 3



County Attorney
Don Ryan

County Board
of Commissioners



County Sheriff
Todd Dahl



Veteran's
Services
Robert Nelson



Co Administrator
Tim Houle



Human Resource
Melienn
Fontaine-Laska



Doug Houge
District 5



Rosemary Franzen
District 4



Community
Services
Kara Terry



Land Services
Gary Griffin



Transportation
Services
Tim Bray



Administrative
Services
Deborah Erickson

Customer Services Division

Health & Social Services
Division

Community Corrections
Division

Environmental Services
Division

Assessing Services Division

Customer Services Division

Engineering Division

Highway Maintenance
Division

Airport

Public Transit

Finance & Elections

Information Technology

Facilities

Library

Extension

HRA



INDEPENDENT AUDITORS' 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, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the entity'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 auditors' 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 entity'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 entity'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, 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, 2018, 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 Regarding Change in Accounting Principle

During the year ended December 31, 2018, the County adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of this standard, the County reported a restatement for a change in accounting principle (see Note V). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Crow Wing County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, combining statement of changes in assets and liabilities – all agency funds, schedule of intergovernmental revenues, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Matters (Continued)

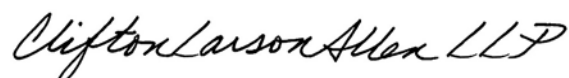
Other Information (Continued)

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, combining statement of changes in assets and liabilities – all agency funds, the schedule of intergovernmental revenues, and the schedule of expenditures of federal awards, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 24, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Crow Wing County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crow Wing County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Brainerd, Minnesota
June 24, 2019

CROW WING COUNTY BRainerd, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018 (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, 2018. 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 \$201,706,799 (net position). Of this amount, (\$17,322,383) is classified as unrestricted net position. Unrestricted net position includes \$15,843,000 of investments in joint ventures, leaving an unrestricted net position of (\$33,165,383). Total net position increased by \$11,557,345 over the prior year before the restatement for the recognition of the OPEB liability and related deferrals.
- As of the close of the 2018 fiscal year, Crow Wing County's governmental funds reported combined ending fund balances of \$45,214,409, compared to \$45,295,654 reported at the close of the 2017 fiscal year. Approximately 53.0 percent of this amount, \$23,970,348, is reported as unrestricted fund balance in either the committed, assigned, or unassigned categories. Commitments totaling \$6,018,518 represent amounts already designated for specific purposes by the County Board. Assigned balances of \$9,477,041 are used to fund highway improvements, social programs, capital acquisition, recycling programs, and debt repayment. The remaining unassigned balance of \$8,474,789 is used for one-time expenditures, and to cash flow operations between major revenue collection periods.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$10,838,309, or 36.7 percent of total General Fund expenditures, a decrease of \$904,979 in comparison with the prior year. The unassigned amount of fund balance for the General Fund was \$8,623,412, or 29.2 percent of total General Fund expenditures. This decrease of \$1,216,489 is mostly due to a \$900,000 decrease in overall tax collections.
- Crow Wing County's long-term liabilities (due in more than one year) increased by \$10,152,107, or 16.8 percent, to \$70,578,929 during the current fiscal year. This change is primarily the result of an increase in the net OPEB obligation in the amount of \$23,004,809, for a total obligation of \$40,801,737. This increase is offset by changes in the County's pension liability, which required the County to recognize \$7,656,133 more net pension liability, and a reduction due to debt principal payments of \$4,650,065.

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 them reported as net position. Over time, increases

(Unaudited)

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 four 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, Small Cities Development Program, Ditch 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.

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
- Ditch

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 pages 45 through 46 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 47 through 86 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 87 through 96 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 101 through 117 of this report.

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 \$201,706,799 at the close of the most recent fiscal year.

Net investment in capital assets of \$191,225,299 represents the largest portion of net position (94.8 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, \$27,803,883, or 13.8 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is (\$17,322,383). Unrestricted net position includes \$15,843,000 of investments in joint ventures, or 7.9% of the total net position.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 71,569,986	\$ 74,779,452	\$ 15,275,542	\$ 15,500,814	\$ 86,845,528	\$ 90,280,266
Capital assets	197,553,829	190,717,773	3,727,297	2,821,144	201,281,126	193,538,917
Total assets	\$ 269,123,815	\$ 265,497,225	\$ 19,002,839	\$ 18,321,958	\$ 288,126,654	\$ 283,819,183
Total deferred outflows of resources	\$ 11,467,329	\$ 14,075,403	\$ 19,312	\$ 32,978	\$ 11,486,641	\$ 14,108,381
Noncurrent liabilities	\$ 65,374,053	\$ 55,381,707	\$ 5,204,876	\$ 5,045,115	\$ 70,578,929	\$ 60,426,822
Other liabilities	12,291,173	12,856,368	217,344	178,604	12,508,517	13,034,972
Total liabilities	\$ 77,665,226	\$ 68,238,075	\$ 5,422,220	\$ 5,223,719	\$ 83,087,446	\$ 73,461,794
Total deferred inflows of resources	\$ 14,666,910	\$ 13,204,025	\$ 19,239	\$ 26,881	\$ 14,686,149	\$ 13,230,906
Net position						
Net investment in capital assets	\$ 187,498,002	\$ 175,970,678	\$ 3,727,297	\$ 2,821,144	\$ 191,225,299	\$ 178,791,822
Restricted	26,628,305	23,365,483	1,175,578	1,260,375	27,803,883	24,625,858
Unrestricted	(25,867,299)	(1,205,633)	8,677,817	9,022,817	(17,189,482)	7,817,184
Total net position	\$ 188,259,008	\$ 198,130,528	\$ 13,580,692	\$ 13,104,336	\$ 201,839,700	\$ 211,234,864

In 2018, Crow Wing County's net position increased \$11,557,345 over 2017 prior to the restatement to record the OPEB net liability and deferrals. Investment in capital assets and reduction of long-term liabilities are the major operational drivers to the change in net position.

(Unaudited)

Governmental Activities

Governmental activities increased Crow Wing County's net position by \$11,088,294, 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 \$11,527,324 due to increased asset purchases and decreased debt related to them; and a decrease in unrestricted net position of \$24,794,567, which is primarily attributable to the recognition of the changes in the other post employment benefits liability as required by GASB Statement No. 75.

Approximately \$15,495,559 of the unrestricted net position 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 \$15,843,000 of investments in joint ventures. These components account for more unrestricted net position than is reported, due to the recognition of the other post employment benefits liability, which reduces the amount of unrestricted net position available.

Charges for services increased by \$1,202,592 from the prior year. The largest component of this change was an increase of an approximate \$834,000 related to highways and streets, which is primarily attributable to an increase in city and township reimbursements for road projects.

Operating grants and contributions decreased \$2,813,650 over the prior year. Large components of this decrease are decreases in public safety of \$550,000 due to decreases for various grants and local contributions; and highways and streets for \$2,100,000 related to state allotments.

Capital grants and contributions increased \$6,137,861 from the prior year. The County received \$6,000,000 more federal capital grants in the current year from the Minnesota Department of Transportation.

Property taxes increased \$236,197 related to the collection of delinquent taxes in the current year.

Transportation sales and use tax increased \$339,738 from the prior year due to sales and use tax collections.

Total expenses increased \$3,349,702 from 2017; of this, \$4,982,806 related to construction projects. This increase was offset by a decrease in public safety for a reduction in state inmate reimbursements. Increases or decreases in expenses for general government, health and human services, and conservation of natural resources were 5.0 percent or less from the prior year, or had insignificant dollar variances. Notable variances from the prior year include expenses for public safety (decreased 9.5 percent), highways and streets (increased 45.3 percent), sanitation (increased 3246.6 percent), culture and recreation (decreased 12.4 percent), economic development (10.9 percent increase), and interest (decreased 35.3 percent decrease).

Expenses for public safety decreased \$1,874,829 from 2017. The majority of this decrease is a result of the dispatch project that occurred in 2017.

Highways and streets expenses increased \$4,982,806 from 2017 due to multiple bituminous resurfacing projects noted as construction projects above.

Sanitation expenses increased \$8,084 from 2017. These expenses were related to the improvements of a sanitary sewer district, and were funded by the receipt of a grant from the Minnesota Public Facilities Authority. Current year expenses are minimal, as the project finished early in the year.

Expenses for culture and recreation decreased \$102,023 from 2017. Decreased expenses are attributable to completion of signage project for our trails and parks along with additional advertising in 2017.

The increase to economic development of \$5,544 is due to additional transfers of small cities development program dollars to the Crow Wing County Housing and Redevelopment Authority.

(Unaudited)

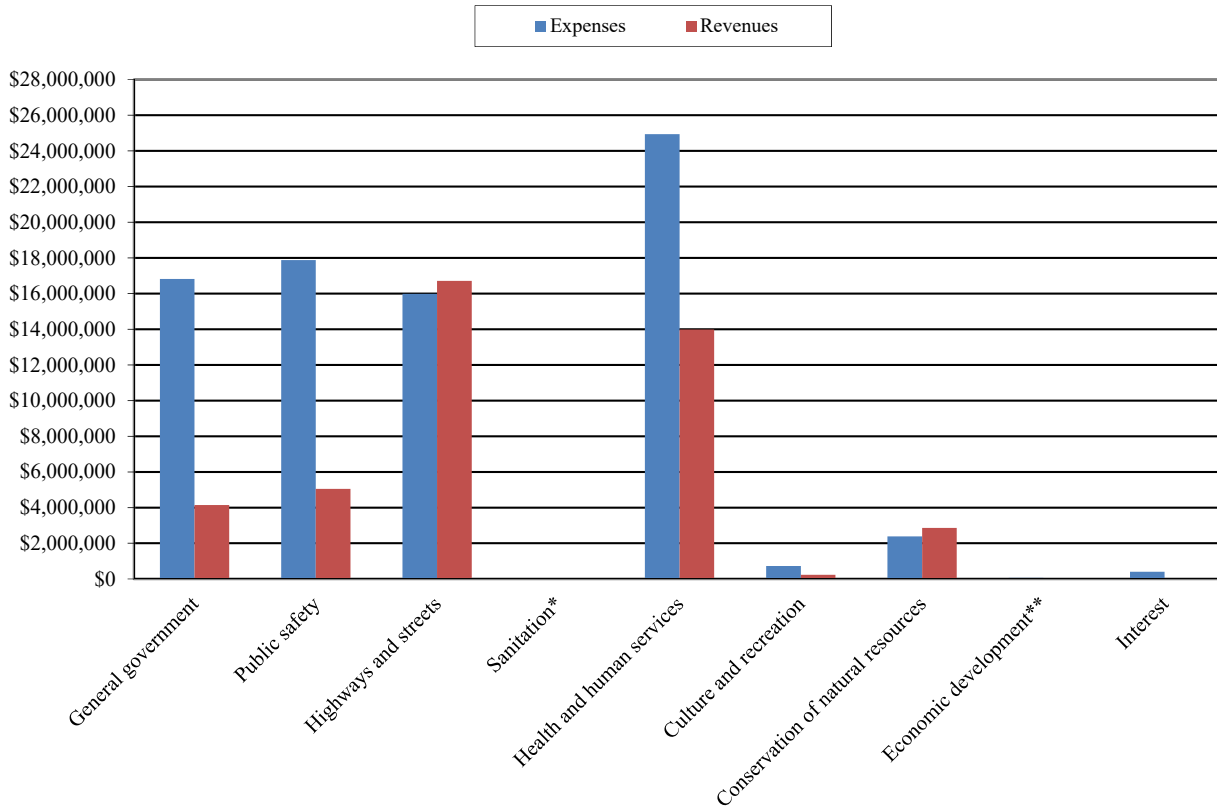
Business-Type Activities

Business-type activities increased Crow Wing County's net position by \$469,051. This increase is the result of a favorable operating surplus. Charges for services increased \$82,521 from the prior year. This change is primarily due to increased landfill tipping fees and hauler fees. Expenses related to the landfill increased \$33,226 from 2017.

Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	\$ 11,735,241	\$ 10,399,748	\$ 2,921,411	\$ 2,838,890	\$ 14,656,652	\$ 13,238,638
Operating grants and contributions	24,411,021	27,224,671	-	46	24,411,021	27,224,717
Capital grants and contributions	6,942,389	804,528	-	-	6,942,389	804,528
General revenues			-	-		
Property taxes	36,269,538	36,033,341	-	-	36,269,538	36,033,341
Transportation sales and use tax	6,417,078	6,077,340	-	-	6,417,078	6,077,340
Mortgage registry and deed tax	105,494	106,854	-	-	105,494	106,854
Payments in lieu of tax	562,442	492,162	-	-	562,442	492,162
Grants and contributions not restricted to specific programs	2,839,173	2,651,420	595	595	2,839,768	2,652,015
Investment income	897,569	353,506	140,327	108,861	1,037,896	462,367
Miscellaneous	222,925	288,132	-	5,085	222,925	293,217
Total Revenues	\$ 90,402,870	\$ 84,431,702	\$ 3,062,333	\$ 2,953,477	\$ 93,465,203	\$ 87,385,179
Expenses						
General government	\$ 16,819,477	\$ 16,513,663	\$ -	\$ -	\$ 16,819,477	\$ 16,513,663
Public safety	17,875,341	19,750,170	-	-	17,875,341	19,750,170
Highways and streets	15,980,286	10,997,480	-	-	15,980,286	10,997,480
Sanitation	8,333	249	-	-	8,333	249
Health and human services	24,937,883	24,748,890	-	-	24,937,883	24,748,890
Culture and recreation	720,633	822,656	-	-	720,633	822,656
Conservation of natural resources	2,384,527	2,331,978	-	-	2,384,527	2,331,978
Economic development	56,416	50,872	-	-	56,416	50,872
Interest	398,779	616,015	-	-	398,779	616,015
Landfill	-	-	2,593,282	2,560,056	2,593,282	2,560,056
Total Expenses	\$ 79,181,675	\$ 75,831,973	\$ 2,593,282	\$ 2,560,056	\$ 81,774,957	\$ 78,392,029
Increase (decrease) in Net Position	\$ 11,221,195	\$ 8,599,729	\$ 469,051	\$ 393,421	\$ 11,690,246	\$ 8,993,150
Net Position, beginning	198,130,528	189,530,799	13,104,336	12,710,915	211,234,864	202,241,714
Restatement	(21,092,715)	-	7,305	-	(21,085,410)	-
Net Position, as restated	177,037,813	189,530,799	13,111,641	12,710,915	190,149,454	202,241,714
Net Position, ending	\$ 188,259,008	\$ 198,130,528	\$ 13,580,692	\$ 13,104,336	\$ 201,839,700	\$ 211,234,864

(Unaudited)

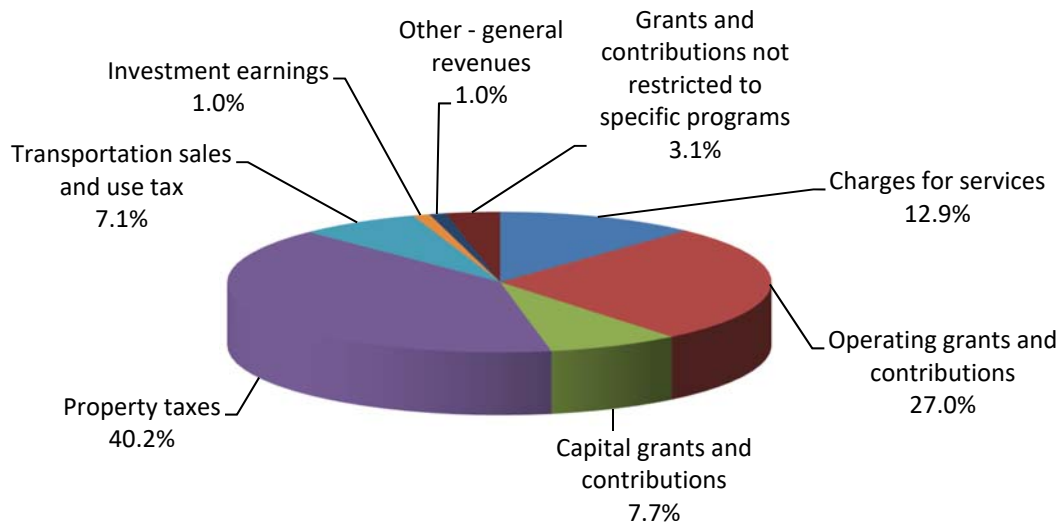
Expenses and Program Revenues - Governmental Activities



*Sanitation had expenses of \$8,333 and no revenues, which are difficult to measure using the above graph.

**Economic development had expenses of \$56,416 and revenues of \$3,743, 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 \$45,214,409, a decrease of \$81,245 in comparison with the prior year. Of this total amount, \$23,970,348 constitutes unrestricted fund balance. The remaining \$21,244,061 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 \$4,801,263; Restricted for Local option sales tax \$6,759,696; Restricted for Solid waste (non-landfill) \$2,164,720; Restricted for Unorganized townships \$1,277,414; Nonspendable Environmental trust corpus \$1,846,499; and Nonspendable Inventories \$826,537.

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 \$10,838,309, while the total fund balance was \$12,724,405. 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 36.7 percent of the total General Fund expenditures, while unassigned fund balance represents 29.2 percent of that same amount.

The fund balance of Crow Wing County's General Fund decreased \$971,670 from 2017. This change is mostly due to a decrease in tax revenues. Revenues for the General Fund decreased by \$883,814, or -3.1 percent, and expenditures increased \$822,784, or 2.9 percent. The operating budget of the General Fund is structurally balanced.

The Highway Special Revenue Fund had a total fund balance of \$14,958,242 at the end of the fiscal year. The fund balance of the Highway Special Revenue Fund increased by \$2,719,574 during the current fiscal year. On the modified accrual basis, revenues increased \$5,405,252 from the prior year, primarily related to the shared revenues received for bituminous overlay projects in 2018. Expenditures increased by \$1,990,709 due to greater capital outlay in the current year. 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 \$2,248,608 at the end of the fiscal year. The fund balance of the Community Services Special Revenue Fund decreased by \$1,641,240 during the current fiscal year. Revenues increased \$1,034,141 from the prior year; this change is primarily related to an increase property taxes in the amount of \$1,517,216. Expenditures increased \$605,421 from the prior year: contributing factors were increased costs for social services for increased charges for state operated services and out-of-home placements.

The Public Land Management Special Revenue Fund had a total fund balance of \$551,415 at the end of the fiscal year. The fund balance of the Public Land Management Special Revenue Fund increased by \$66,551 during the current fiscal year. While expenditures decreased \$147,535 from the prior year due to a decrease in the tax-forfeited settlement to other governmental agencies, revenues also decreased \$11,035 due to additional timber permit collections in 2017.

The Debt Service Fund had a total fund balance of \$4,925,670 at the end of the fiscal year. The fund balance of the Debt Service Fund increased by \$133,259 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 \$3,246,460 at the end of the fiscal year. The fund balance of the Capital Projects Fund decreased by \$464,309 during the current fiscal year. Revenues decreased by \$464,642 due to decreased property tax levy, and expenditures increased \$77,969, primarily due to planned improvement projects.

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.

Notable variances from budget include:

- An unfavorable variance for taxes revenue for \$570,878 primarily related to a decrease in the tax collections.
- A favorable variance for intergovernmental revenue for \$680,751 primarily related to the shared revenues for planned highway projects.
- An unfavorable variance for charges for services revenue for \$621,565 primarily related to fewer state reimbursements for public safety placements.
- An unfavorable variance for public safety patrol expenditures for \$346,776 related to the two year implementation of the Tyler IAS World Tax/CAMA product.

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, 2018, amounts to \$201,281,126 (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 4.0 percent.

Major capital asset events during 2018 included an increase in infrastructure and bituminous overlays for multiple roadways and striping and signage of \$6,200,000 related to highway improvement projects, and increases in construction in progress.

**Capital Assets
(Net of Accumulated Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 14,883,644	\$ 14,883,644	\$ 412,334	\$ 412,334	\$ 15,295,978	\$ 15,295,978
Construction in progress	10,620,048	12,563,108	1,081,106	15,236	11,701,154	12,578,344
Infrastructure - right-of-way	6,991,003	6,766,337	-	-	6,991,003	6,766,337
Buildings	41,386,592	42,592,535	389,435	417,977	41,776,027	43,010,512
Land improvements	1,608,013	1,758,104	-	-	1,608,013	1,758,104
Machinery, furniture, and equipment	5,616,790	6,227,491	19,025	24,998	5,635,815	6,252,489
Infrastructure	116,447,739	105,926,554	-	-	116,447,739	105,926,554
Landfill	-	-	1,825,397	1,950,599	1,825,397	1,950,599
Total	<u>\$ 197,553,829</u>	<u>\$ 190,717,773</u>	<u>\$ 3,727,297</u>	<u>\$ 2,821,144</u>	<u>\$ 201,281,126</u>	<u>\$ 193,538,917</u>

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 2018, Crow Wing County had total bonded debt outstanding of \$9,557,500. This is a decrease of \$4,370,000 from the prior year, which is due to principal payments. 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	
	2018	2017
General obligation bonds	\$ 9,557,500	\$ 13,927,500
General obligation sewer revenue note	-	179,364
capital lease	530,000	630,700
Total	<u>\$ 10,087,500</u>	<u>\$ 14,737,564</u>

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 2018 debt limitation for Crow Wing County is \$302,324,287, 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.2-5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2018 budget, tax rates, and fees that will be charged for the business-type activities.

- The County's estimated market value increased by 3.8 percent in 2018.
- Crow Wing County continues to have one of the lowest tax capacity rates in the State of Minnesota. Crow Wing County's tax capacity rate for 2018 is 31.741 percent.
- In December 2018 the Crow Wing County Board of Commissioners approved the 2019 budget for \$89,206,164, related to the County's Governmental Funds. The 2019 total levy is \$36,753,448, which is an increase of \$2,399,977, or 6.99 percent, compared to the 2018 levy of \$34,353,471.

INDEPENDENT AUDIT

Minn. Stat. § 6.481 requires an annual examination of books of accounts, financial records, and transactions of all County functions by the Office of the State Auditor or a CPA firm meeting the requirements of Minn. Stat. §326A.05. The report is 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 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, 2018**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and investments	\$ 43,879,403	\$ 9,023,095	\$ 52,902,498
Taxes receivable - delinquent	1,228,789	-	1,228,789
Accounts receivable, net	218,961	116,676	335,637
Accrued interest receivable	234,756	-	234,756
Contracts receivable	968,385	-	968,385
Due from other governments	7,449,192	-	7,449,192
Internal balances	(121)	121	-
Loans receivable	200,799	-	200,799
Inventories	826,537	-	826,537
Prepaid items	542,449	-	542,449
Total current assets	\$ 55,549,150	\$ 9,139,892	\$ 64,689,042
Noncurrent assets			
Restricted assets			
Cash and investments	\$ -	\$ 6,135,650	\$ 6,135,650
Long-term receivable	177,836	-	177,836
Investment in joint venture	15,843,000	-	15,843,000
Capital assets			
Non-depreciable	32,494,695	1,493,440	33,988,135
Depreciable - net of accumulated depreciation	165,059,134	2,233,857	167,292,991
Total noncurrent assets	\$ 213,574,665	\$ 9,862,947	\$ 223,437,612
Total Assets	\$ 269,123,815	\$ 19,002,839	\$ 288,126,654
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ 488,464	\$ -	\$ 488,464
Deferred outflow for other post employment benefits obligations	2,053,229	9,284	2,062,513
Deferred outflow for pensions	8,925,636	10,028	8,935,664
Total Deferred Outflows of Resources	\$ 11,467,329	\$ 19,312	\$ 11,486,641

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2018
(Continued)**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 1,495,279	\$ 193,282	\$ 1,688,561
Salaries payable	1,178,313	6,843	1,185,156
Accrued payroll taxes payable	162,875	936	163,811
Contracts payable	20,501	-	20,501
Retainage payable	18,257	-	18,257
Due to other governments	1,206,236	-	1,206,236
Accrued interest payable	201,059	-	201,059
Claims payable	54,860	-	54,860
Customer deposits	73,826	-	73,826
Compensated absences payable - current	2,643,212	16,283	2,659,495
Capital leases payable - current	103,350	-	103,350
General obligation bonds payable - current	5,133,405	-	5,133,405
Total current liabilities	\$ 12,291,173	\$ 217,344	\$ 12,508,517
Noncurrent liabilities			
Compensated absences payable	\$ 292,246	\$ 1,810	\$ 294,056
Capital lease payable	426,650	-	426,650
General obligation bonds payable	5,023,470	-	5,023,470
Net other post employment benefits obligations	40,618,078	183,659	40,801,737
Net pension liability	19,013,609	59,335	19,072,944
Estimated liability for landfill closure/postclosure	-	4,960,072	4,960,072
Total noncurrent liabilities	\$ 65,374,053	\$ 5,204,876	\$ 70,578,929
Total Liabilities	\$ 77,665,226	\$ 5,422,220	\$ 83,087,446
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent years	\$ 45,852	\$ -	\$ 45,852
Deferred inflow for pensions	14,753,959	19,239	14,773,198
Total Deferred Inflows of Resources	\$ 14,799,811	\$ 19,239	\$ 14,819,050
NET POSITION			
Net investment in capital assets	\$ 187,498,002	\$ 3,727,297	\$ 191,225,299
Restricted for:			
General government	1,381,913	-	1,381,913
Public safety	177,181	-	177,181
Highways and streets	12,208,090	-	12,208,090
Health and human services	781,544	-	781,544
Culture and recreation	303,992	-	303,992
Conservation of natural resources	4,727,216	-	4,727,216
Environmental uses - expendable	18,977	-	18,977
Environmental uses - nonexpendable	1,846,499	-	1,846,499
Economic development	205,257	-	205,257
Debt service	4,977,636	-	4,977,636
Landfill closure/postclosure	-	1,175,578	1,175,578
Unrestricted	(26,000,200)	8,677,817	(17,322,383)
Total Net Position	\$ 188,126,107	\$ 13,580,692	\$ 201,706,799

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**CROW WING COUNTY
BRainerd, MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities				
General government	\$ 16,819,477	\$ 3,041,026	\$ 1,099,155	\$ -
Public safety	17,875,341	3,065,290	1,977,273	-
Highways and streets	15,980,286	1,469,000	8,301,389	6,942,389
Sanitation	8,333	-	-	-
Health and human services	24,937,883	1,418,144	12,560,890	-
Culture and recreation	720,633	456	221,291	-
Conservation of natural resources	2,384,527	2,604,681	251,023	-
Economic development	56,416	3,743	-	-
Interest	398,779	-	-	-
Total governmental activities	\$ 79,181,675	\$ 11,602,340	\$ 24,411,021	\$ 6,942,389
Business-type activities				
Landfill	\$ 2,593,282	\$ 2,921,411	\$ -	\$ -
Total primary government	\$ 81,774,957	\$ 14,523,751	\$ 24,411,021	\$ 6,942,389

General Revenues

Property taxes
Transportation sales and use tax
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

Restatement (See Note V)

Net Position - Beginning, as Restated

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (12,679,296)	\$ -	\$ (12,679,296)
(12,832,778)	-	(12,832,778)
732,492	-	732,492
(8,333)	-	(8,333)
(10,958,849)	-	(10,958,849)
(498,886)	-	(498,886)
471,177	-	471,177
(52,673)	-	(52,673)
(398,779)	-	(398,779)
\$ (36,225,925)	\$ -	\$ (36,225,925)
\$ -	\$ 328,129	\$ 328,129
\$ (36,225,925)	\$ 328,129	\$ (35,897,796)
\$ 36,269,538	\$ -	\$ 36,269,538
6,417,078	-	6,417,078
105,494	-	105,494
562,442	-	562,442
2,839,173	595	2,839,768
897,569	140,327	1,037,896
222,925	-	222,925
\$ 47,314,219	\$ 140,922	\$ 47,455,141
\$ 11,088,294	\$ 469,051	\$ 11,557,345
198,130,528	13,104,336	211,234,864
(21,092,715)	7,305	(21,085,410)
177,037,813	13,111,641	190,149,454
\$ 188,126,107	\$ 13,580,692	\$ 201,706,799

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	<u>General</u>	<u>Highway</u>	<u>Community Services</u>	<u>Public Land Management</u>
ASSETS				
Cash and investments	\$ 12,961,303	\$ 13,243,679	\$ 998,328	\$ 1,973,565
Taxes receivable - delinquent	628,164	83,675	288,940	-
Accounts receivable, net	76,397	-	117,729	-
Accrued interest receivable	232,052	-	-	-
Due from other funds	430,721	154,769	-	-
Contracts receivable	-	-	-	968,385
Due from other governments	197,206	4,302,521	2,896,263	-
Loans receivable	-	-	-	-
Inventories	-	826,537	-	-
Prepaid items	453,293	2,296	82,554	415
Total Assets	<u>\$ 14,979,136</u>	<u>\$ 18,613,477</u>	<u>\$ 4,383,814</u>	<u>\$ 2,942,365</u>
LIABILITIES				
Accounts payable	\$ 243,569	\$ 217,602	\$ 699,366	\$ 8,792
Salaries payable	644,566	85,385	418,576	17,879
Accrued payroll taxes payable	90,475	11,569	56,767	2,463
Contracts payable	-	-	-	20,501
Retainage payable	-	18,257	-	-
Due to other funds	33,338	-	524	878,125
Due to other governments	422,582	5,275	248,613	494,805
Claims payable	54,860	-	-	-
Customer deposits	73,826	-	-	-
Total Liabilities	<u>\$ 1,563,216</u>	<u>\$ 338,088</u>	<u>\$ 1,423,846</u>	<u>\$ 1,422,565</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue (Note III.D.)	<u>\$ 691,515</u>	<u>\$ 3,317,147</u>	<u>\$ 711,360</u>	<u>\$ 968,385</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 4,932,484	\$ 3,092,484	\$ 6,677,560	\$ 43,879,403
176,373	24,278	27,359	1,228,789
-	2,157	22,678	218,961
-	-	2,704	234,756
-	434,295	-	1,019,785
-	-	-	968,385
-	-	53,202	7,449,192
-	-	200,799	200,799
-	-	-	826,537
-	3,450	441	542,449
<u>\$ 5,108,857</u>	<u>\$ 3,556,664</u>	<u>\$ 6,984,743</u>	<u>\$ 56,569,056</u>
\$ -	\$ 285,362	\$ 40,588	\$ 1,495,279
-	-	11,907	1,178,313
-	-	1,601	162,875
-	-	-	20,501
-	-	-	18,257
-	-	107,919	1,019,906
-	-	34,961	1,206,236
-	-	-	54,860
-	-	-	73,826
<u>\$ -</u>	<u>\$ 285,362</u>	<u>\$ 196,976</u>	<u>\$ 5,230,053</u>
<u>\$ 183,187</u>	<u>\$ 24,842</u>	<u>\$ 228,158</u>	<u>\$ 6,124,594</u>

(Continued)

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018
(Continued)**

	<u>General</u>	<u>Highway</u>	<u>Community Services</u>	<u>Public Land Management</u>
FUND BALANCES				
Nonspendable:				
Missing heirs	\$ 29,350	\$ -	\$ -	\$ -
Inventories	-	826,537	-	-
Prepays	453,293	2,296	82,554	415
Environmental trust corpus	-	-	-	-
Restricted for:				
Enhanced 911	51,811	-	-	-
Sheriff's drug contingency	3,506	-	-	-
Sheriff's forfeited property	139	-	-	-
DUI assessment	77,659	-	-	-
Lakes area drug investigation forfeiture	44,066	-	-	-
Water plan	8,339	-	-	-
Recreation	303,992	-	-	-
Land based improvements	268,758	-	-	-
Recorder's technology	516,130	-	-	-
Law library	65,238	-	-	-
Attorney's forfeited property	39,805	-	-	-
Aquatic invasive species	24,010	-	-	-
Local option sales tax	-	6,759,696	-	-
Resource development	-	-	-	651,191
Forest access roads	-	-	-	48,432
Debt service	-	-	-	-
Solid waste (non-landfill)	-	-	-	-
Greater Minnesota landfill cleanup fee	-	-	-	-
Economic development revolving loans	-	-	-	-
Environmental uses	-	-	-	-
Unorganized townships	-	-	-	-
Ditch #13	-	-	-	-
Committed for:				
Dive team	11,999	-	-	-
Facilities	128,028	-	-	-
Mounted patrol	15,090	-	-	-
Triad	4,804	-	-	-
Veterans' service van	2,053	-	-	-
Thirty Lakes Watershed	130,990	-	-	-
Information technology	516,130	-	-	-
Employee recognition program	5,803	-	-	-
Other post-employment benefits (OPEB)	1,400,000	-	-	-
Highway improvement plan	-	3,796,618	-	-
Breastfeeding peer counseling project	-	-	7,003	-
Assigned for:				
Highway	-	3,573,095	-	-
Community services	-	-	2,159,051	-
Capital projects	-	-	-	-
Solid waste (non-landfill)	-	-	-	-
Debt service	-	-	-	-
Unassigned	<u>8,623,412</u>	<u>-</u>	<u>-</u>	<u>(148,623)</u>
Total Fund Balances	<u>\$ 12,724,405</u>	<u>\$ 14,958,242</u>	<u>\$ 2,248,608</u>	<u>\$ 551,415</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,979,136</u>	<u>\$ 18,613,477</u>	<u>\$ 4,383,814</u>	<u>\$ 2,942,365</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 29,350
-	-	-	826,537
-	3,450	441	542,449
-	-	1,846,499	1,846,499
-	-	-	51,811
-	-	-	3,506
-	-	-	139
-	-	-	77,659
-	-	-	44,066
-	-	-	8,339
-	-	-	303,992
-	-	-	268,758
-	-	-	516,130
-	-	-	65,238
-	-	-	39,805
-	-	-	24,010
-	-	-	6,759,696
-	-	-	651,191
-	-	-	48,432
4,801,263	-	-	4,801,263
-	-	2,164,720	2,164,720
-	-	862,361	862,361
-	-	4,458	4,458
-	-	18,977	18,977
-	-	1,277,414	1,277,414
-	-	7,261	7,261
-	-	-	11,999
-	-	-	128,028
-	-	-	15,090
-	-	-	4,804
-	-	-	2,053
-	-	-	130,990
-	-	-	516,130
-	-	-	5,803
-	-	-	1,400,000
-	-	-	3,796,618
-	-	-	7,003
-	-	-	3,573,095
-	-	-	2,159,051
-	3,243,010	-	3,243,010
-	-	377,478	377,478
124,407	-	-	124,407
-	-	-	8,474,789
<u>\$ 4,925,670</u>	<u>\$ 3,246,460</u>	<u>\$ 6,559,609</u>	<u>\$ 45,214,409</u>
<u>\$ 5,108,857</u>	<u>\$ 3,556,664</u>	<u>\$ 6,984,743</u>	<u>\$ 56,569,056</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018**

Fund balance - total governmental funds		\$ 45,214,409
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.		197,553,829
Long-term receivables are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.		177,836
Investment in joint venture is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds.		15,843,000
Deferred outflows resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.		8,925,636
Deferred outflows resulting from other post employment benefits obligations are not available resources and, therefore, are not reported in governmental funds.		2,053,229
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		6,078,742
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	\$ (9,557,500)	
Discount on bonds issued	4,400	
Premium on bonds issued	(603,775)	
Deferred charge on refunding	488,464	
Accrued interest payable	(201,059)	
Net OPEB obligation	(40,618,078)	
Net pension liability	(19,013,609)	
Compensated absences payable	(2,935,458)	
Capital lease payable	<u>(530,000)</u>	(72,966,615)
Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in governmental funds.		<u>(14,753,959)</u>
Net position of governmental activities		<u>\$ 188,126,107</u>

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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, 2018**

	<u>General</u>	<u>Highway</u>	<u>Community Services</u>	<u>Public Land Management</u>
REVENUES				
Taxes	\$ 18,262,871	\$ 8,425,963	\$ 9,041,364	\$ -
Special assessments	-	-	-	-
Licenses and permits	574,265	-	-	815,218
Intergovernmental	2,888,795	14,610,909	14,046,663	93,394
Charges for services	3,913,857	1,882,398	797,899	5,731
Fines and forfeits	90,609	-	-	-
Gifts and contributions	32,060	-	10,000	-
Investment earnings	880,940	-	-	68,059
Sales	-	-	-	1,248,078
Miscellaneous	1,328,894	109,271	589,137	49,772
Total Revenues	\$ 27,972,291	\$ 25,028,541	\$ 24,485,063	\$ 2,280,252
EXPENDITURES				
Current				
General government	\$ 13,618,222	\$ -	\$ -	\$ -
Public safety	14,803,285	-	2,838,490	-
Highways and streets	2,400	10,795,511	-	-
Health and human services	-	-	23,287,432	-
Culture and recreation	676,807	-	-	-
Conservation of natural resources	106,225	-	-	1,978,933
Economic development	-	-	-	-
Capital Outlay				
General government	70,891	-	-	-
Public safety	266,938	-	-	-
Highways and streets	-	10,261,665	-	-
Health and human services	-	-	2,114	-
Conservation of natural resources	-	-	-	234,768
Intergovernmental	-	424,552	-	-
Debt Service				
Principal	-	100,700	-	-
Interest	-	12,430	-	-
Administrative charges	-	137	-	-
Total Expenditures	\$ 29,544,768	\$ 21,594,995	\$ 26,128,036	\$ 2,213,701
Excess of Revenues Over (Under) Expenditures	\$ (1,572,477)	\$ 3,433,546	\$ (1,642,973)	\$ 66,551
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 747,787	\$ -	\$ -	\$ -
Transfers out	(177,836)	(747,787)	-	-
Proceeds from sale of capital assets	3,399	-	-	-
Insurance proceeds	27,457	16,696	1,733	-
Total Other Financing Sources (Uses)	\$ 600,807	\$ (731,091)	\$ 1,733	\$ -
Net Change in Fund Balances	\$ (971,670)	\$ 2,702,455	\$ (1,641,240)	\$ 66,551
Fund Balance - January 1	13,696,075	12,238,668	3,889,848	484,864
Increase (decrease) in inventories	-	17,119	-	-
Fund balance - December 31	\$ 12,724,405	\$ 14,958,242	\$ 2,248,608	\$ 551,415

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

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 4,994,417	\$ 859,676	\$ 882,924	\$ 42,467,215
-	-	632,609	632,609
-	-	175	1,389,658
93,343	2,536,714	284,883	34,554,701
-	-	341,610	6,941,495
-	-	-	90,609
-	-	-	42,060
-	-	16,655	965,654
-	-	-	1,248,078
-	82,103	121,476	2,280,653
\$ 5,087,760	\$ 3,478,493	\$ 2,280,332	\$ 90,612,732
\$ -	\$ 854,431	\$ 102,864	\$ 14,575,517
-	178,922	163,286	17,983,983
-	-	875,908	11,673,819
-	89,824	-	23,377,256
-	-	-	676,807
-	-	962,265	3,047,423
-	-	56,416	56,416
-	2,145,622	-	2,216,513
-	263,448	-	530,386
-	427,555	-	10,689,220
-	52,623	-	54,737
-	-	43,003	277,771
-	-	-	424,552
4,549,365	-	-	4,650,065
580,222	-	-	592,652
2,750	-	-	2,887
\$ 5,132,337	\$ 4,012,425	\$ 2,203,742	\$ 90,830,004
\$ (44,577)	\$ (533,932)	\$ 76,590	\$ (217,272)
\$ 177,836	\$ -	\$ 140,327	\$ 1,065,950
-	-	(140,327)	(1,065,950)
-	32,292	-	35,691
-	37,331	-	83,217
\$ 177,836	\$ 69,623	\$ -	\$ 118,908
\$ 133,259	\$ (464,309)	\$ 76,590	\$ (98,364)
4,792,411	3,710,769	6,483,019	45,295,654
-	-	-	17,119
\$ 4,925,670	\$ 3,246,460	\$ 6,559,609	\$ 45,214,409

**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, 2018**

Net change in fund balances - total governmental funds	\$	(98,364)
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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	\$ 6,078,742	
Deferred Inflows of Resources - January 1	(5,731,295)	347,447

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	\$ 13,346,114	
Net book value of assets sold or disposed	(56,719)	
Trade-in value received for capital assets	20,480	
Current year depreciation	(6,473,819)	6,836,056

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.

Principal repayments		
General obligation bonds	\$ 4,370,000	
Capital lease	100,700	
Revenue notes	179,364	
Long-term receivables	(8,333)	
Amortization of premium and discount on bonds	555,905	
Amortization of deferred charge on refunding	(450,889)	4,746,747

Decrease in joint venture does not provide current financial resources and is not reported as revenue in the funds.		(1,296,694)
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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	\$ 91,610	
Change in compensated absences	70,578	
Change in inventories	17,119	
Change in net OPEB obligation	(1,910,759)	
Change in net pension liability	7,589,399	
Change in deferred outflows of resources for pensions	(4,210,414)	
Change in deferred outflows of resources for other post employment benefits obligations	2,053,229	
Change in deferred inflows of resources for pensions	(3,147,660)	553,102

Change in net position of governmental activities	\$	11,088,294
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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET POSITION
LANDFILL ENTERPRISE FUND
DECEMBER 31, 2018**

ASSETS

Current assets

Cash and investments	\$ 9,023,095
Accounts receivable	116,676
Due from other funds	121

Total current assets	\$ 9,139,892
-----------------------------	---------------------

Noncurrent assets

Restricted assets	
Cash and investments	\$ 6,135,650
Capital assets	
Non-depreciable	1,493,440
Depreciable - net of accumulated depreciation	2,233,857

Total noncurrent assets	\$ 9,862,947
--------------------------------	---------------------

Total Assets	\$ 19,002,839
---------------------	----------------------

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow for pensions	\$ 10,028
Deferred outflow for other postemployment benefits	9,284

Total deferred outflows of resources	\$ 19,312
---	------------------

LIABILITIES

Current liabilities

Accounts payable	\$ 193,282
Salaries payable	6,843
Accrued payroll taxes payable	936
Compensated absences payable - current	16,283

Total current liabilities	\$ 217,344
----------------------------------	-------------------

Noncurrent liabilities

Compensated absences payable	\$ 1,810
Net other post employment benefits obligations	183,659
Net pension liability	59,335
Estimated liability for landfill closure/postclosure	4,960,072

Total noncurrent liabilities	\$ 5,204,876
-------------------------------------	---------------------

Total Liabilities	\$ 5,422,220
--------------------------	---------------------

DEFERRED INFLOWS OF RESOURCES

Deferred inflow for pensions	\$ 19,239
------------------------------	-----------

NET POSITION

Net investment in capital assets	\$ 3,727,297
Restricted for landfill closure/postclosure	1,175,578
Unrestricted	8,677,817

Total Net Position	\$ 13,580,692
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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
LANDFILL ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

OPERATING REVENUES

Charges for services	\$ 2,919,636
Licenses and permits	1,775

Total Operating Revenues	\$ 2,921,411
---------------------------------	---------------------

OPERATING EXPENSES

Personnel services	\$ 66,732
Employee benefits and payroll taxes	38,321
Professional services	421,677
Contracted services	881,573
Maintenance	95,446
Supplies	75,808
Telephone	597
Utilities	73,613
Fuel	5,248
Advertising	5,074
Insurance	6,990
Licenses and dues	2,080
Postage	10,952
Engineering costs	430,630
Miscellaneous	11,909
Depreciation	241,508
Landfill closure and postclosure costs	225,124

Total Operating Expenses	\$ 2,593,282
---------------------------------	---------------------

Operating Income (Loss)	\$ 328,129
--------------------------------	-------------------

NONOPERATING REVENUES (EXPENSES)

Intergovernmental	\$ 595
Investment earnings	140,327

Total Nonoperating Revenues (Expenses)	\$ 140,922
---	-------------------

Income (Loss) Before Contributions and Transfers	\$ 469,051
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Transfers in	140,327
Transfers out	(140,327)

Change in Net Position	\$ 469,051
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Net Position - Beginning	13,104,336
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Change in Accounting Principle	7,305
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Net Position - Beginning, as Restated	13,111,641
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Net Position - Ending	\$ 13,580,692
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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF CASH FLOWS
LANDFILL ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
Increase (Decrease) in Cash and Cash Equivalents**

Cash Flows from Operating Activities

Receipts from customers and users	\$ 2,915,862
Receipts for interfund services	3,054
Payments to suppliers	(1,978,335)
Payments to employees for salaries and benefits	(154,034)
Payments for interfund services	(7,398)

Net cash provided by (used in) operating activities

\$ 779,149

Cash Flows from Noncapital Financing Activities

Intergovernmental	\$ 595
Transfers in from other funds	140,327
Transfers out to other funds	(140,327)

Net cash provided by (used in) noncapital financing activities

\$ 595

Cash Flows from Capital and Related Financing Activities

Purchases of capital assets	<u>\$ (1,147,661)</u>
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Net cash provided by (used in) capital and related financing activities

\$ (1,147,661)

Cash Flows from Investing Activities

Investment earnings received	<u>\$ 140,327</u>
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Net cash provided by (used in) investing activities

\$ 140,327

Net Increase (Decrease) in Cash and Cash Equivalents

\$ (227,590)

Cash and Cash Equivalents at January 1

15,386,335

Cash and Cash Equivalents at December 31

\$ 15,158,745

Cash and Cash Equivalents - Statement of Net Position

Cash and investments	\$ 9,023,095
Restricted cash and investments	6,135,650

Total Cash and Cash Equivalents

\$ 15,158,745

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF CASH FLOWS
LANDFILL ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
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)	\$ 328,129
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation expense	\$ 241,508
(Increase) decrease in accounts receivable	(2,616)
(Increase) decrease in due from other funds	56
(Increase) decrease in prepaid items	242
(Increase) decrease in deferred outflow for pensions	22,950
(Increase) decrease in deferred outflow for other post employment benefits obligations	(9,284)
Increase (decrease) in accounts payable	35,687
Increase (decrease) in salaries payable and accrued payroll taxes	2,734
Increase (decrease) in compensated absences payable	355
Increase (decrease) in deferred inflow for pensions	(7,642)
Increase (decrease) in other post employment benefits obligations	8,640
Increase (decrease) in pension liability	(66,734)
Increase (decrease) in landfill closure/postclosure costs liability	225,124
Total adjustments	\$ 451,020
Net Cash Provided by (Used in) Operating Activities	\$ 779,149

**CROW WING COUNTY
BRainerd, MINNESOTA**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018**

	<u>NLLSSD Trust</u>	<u>Agency</u>
ASSETS		
Cash and investments	<u>\$ 4,882</u>	<u>\$ 4,235,144</u>
LIABILITIES		
Accounts payable	\$ -	\$ 1,285,805
Due to other governments	<u>-</u>	<u>2,949,339</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 4,235,144</u>
NET POSITION		
Held in trust for private purposes	<u>\$ 4,882</u>	

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>NLLSSD Trust</u>
ADDITIONS	
Receipts from District	<u>\$ 1,206</u>
Change in net position	\$ 1,206
Net Position - Beginning	<u>3,676</u>
Net Position - Ending	<u><u>\$ 4,882</u></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, 2018**

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, 2018. 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 primarily used to account for all costs for health and human services. Financing comes mainly 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, timber sales, and the sale of tax-forfeited properties.

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 Enterprise 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.

Private-purpose trust funds are used to report trust arrangements other than pension or investment trusts, under which principal and income benefit individuals, private organizations, or other governments. The County reports one private-purpose trust fund, the North Long Lake Sanitary Sewer District (NLLSSD) Trust, which is maintained as a long-term replacement fund for the sewer system of the District.

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, social welfare, and estate recoveries; as an agent for local lake improvement districts, recreational trails, and other environmental purposes; as an agent for an organization promoting healthy workplaces; as an agent for a passenger safety seatbelt and child carseat organization; and as an agent for the inmates of the Crow Wing County Jail.

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. Investments are reported at their fair value at December 31, 2018. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value or fair value per

CROW WING COUNTY BRAINERD, MINNESOTA

share. 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 2018 were \$880,940. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants.

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."

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 average cost 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.

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

CROW WING COUNTY BRAINERD, MINNESOTA

statements and in the Landfill Enterprise Fund. Capital assets are defined by the County as assets with an initial, individual cost of more than \$15,000 and an estimated useful life in excess of three years, and any motorized vehicle. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value (entry price) on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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. Investments are reported at fair value. The pension liability is liquidated through the General Fund and other governmental funds that have personnel services, as well as the Landfill Enterprise Fund.

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 County has three items that qualify for reporting in this category: deferred charge on refunding, deferred outflow for pensions, and deferred outflow for OPEB, all of which are 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 refunding debt. The pension obligation amounts consist of pension plan contributions paid subsequent to the measurement date, changes in actuarial

CROW WING COUNTY BRAINERD, MINNESOTA

assumptions, and the differences between projected and actual earnings on pension plan investments. The deferred outflow for OPEB is related to contributions subsequent to the plan's measurement date.

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 incurred in both the government-wide and proprietary fund financial statements. The government-wide and proprietary fund financial statements report both current and noncurrent portions of compensated absences. The current portion is calculated using a trend analysis of current usage of PTO. The resulting percentage is then used to determine the current portion of compensated absences. The noncurrent portion consists of the remaining amount of compensated absences.

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, 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 who 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 using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

CROW WING COUNTY BRAINERD, MINNESOTA

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, 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 or reduction of expense) until that time. The government has three 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. The final type occurs because the County collected property taxes prior to the year for which they were levied and, therefore, the County will report deferred inflows for these items.

12. Unearned Revenue

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

13. 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.

CROW WING COUNTY BRAINERD, MINNESOTA

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.

14. 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.

CROW WING COUNTY BRAINERD, MINNESOTA

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.

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.

15. 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

CROW WING COUNTY BRAINERD, MINNESOTA

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.

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.

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 work with department heads to assist in budget entry into the financial system's budget module. Data is entered and maintained in the financial system.
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, 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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

General Fund, Special Revenue Funds, 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), Small Cities Development Program, Unorganized Townships, and Ditch Special Revenue Funds; Debt Service; Capital Projects; and Environmental Trust. Operating budgets are prepared, but not presented, for the Landfill Enterprise Fund.

B. Tax Abatements

Pursuant to Minn. Stat. § 469, the County is subject to tax abatements granted by cities within the County which meet the criteria for disclosure under GASB Statement No. 77, Tax Abatement Disclosures. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation, renewal, growth in low-to-moderate-income housing, and economic development within a city. TIF captures the increase in tax capacity and property taxes (of all taxing jurisdictions, including the County) from development or redevelopment to provide funding for the related project.

In the case of the County, TIF agreements of other local governments have resulted in reductions of the County property tax revenues for the year ended December 31, 2018, as shown below:

<u>City</u>	<u>Captured Net Tax Capacity</u>	<u>County Tax Rate</u>	<u>Abated County Tax</u>
City of Baxter	\$ 521,964	31.739%	\$ 165,666
City of Brainerd	276,238	31.030%	85,717
City of Crosby	136,186	30.830%	41,986
City of Crosslake	21,145	31.741%	6,712
City of Ironton	5,166	30.875%	1,595
City of Nisswa	57,740	31.741%	18,327
Total	<u>\$ 1,018,439</u>		<u>\$ 320,003</u>

C. Expenditures in Excess of Budget

The following funds had expenditures in excess of budget at the fund level for the year ended December 31, 2018:

	<u>Expenditures</u>	<u>Final Budget</u>	<u>Excess</u>
General	\$ 29,544,768	\$ 29,253,740	\$ 291,028
Highway	21,594,995	20,516,290	1,078,705
Small Cities Development Program	56,416	-	56,416
Ditch	16,476	14,201	2,275
Environmental Trust	3,400	-	3,400

The excess expenditures were funded with existing fund balance and greater than anticipated revenues.

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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	\$ 43,879,403
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Business-type activities

Cash and investments	9,023,095
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Cash and investments - restricted assets	6,135,650
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Statement of fiduciary net position

Cash and investments	4,240,026
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Total Cash and Investments	<u>\$ 63,278,174</u>
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Deposits	\$ 35,300,429
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Petty Cash and Change Funds	2,945
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Investments	27,974,800
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Total	<u>\$ 63,278,174</u>
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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 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, 2018, the

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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 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.

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As of December 31, 2018, the County had the following investments and maturities:

	Credit Risk	Less Than 1 Year	1-5 Years	More Than 5 Years	Total Fair Value
U.S. Treasuries	NR	\$ 760,238	\$ 292,956	\$ -	\$ 1,053,194
Mutual Funds	NR	140,693	-	-	140,693
Mortgage Backed Securities	N/A*	-	-	4,180,910	4,180,910
Federal National Mortgage Association	N/A*	1,533,720	-	-	1,533,720
Federal Home Loan Mortgage Corporation	N/A*	819,455	-	-	819,455
Federal Home Loan Bank	N/A*	842,333	630,043	664,440	2,136,816
Federal Farm Credit Banks	N/A*	-	957,874	1,414,091	2,371,965
Negotiable Certificates of Deposit	NR	2,500,705	386,588	136,165	3,023,458
Municipal Bonds	AA	422,913	3,762,771	3,334,058	7,519,742
Municipal Bonds	AAA	397,316	2,036,706	2,760,825	5,194,847
Total Investments		<u>\$ 7,417,373</u>	<u>\$ 8,066,938</u>	<u>\$ 12,490,489</u>	<u>\$ 27,974,800</u>

* Per GASB-S40:7, it is not necessary to disclose the credit ratings of obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government.

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 V 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, 2018, is listed in the table above.

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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 County has no custodial credit risk for investments as of December 31, 2018.

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

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Diversification strategies will be implemented with the following constraints:

Issuer Type	Maximum % of Total Portfolio ²
Savings/demand deposits ¹	50%
Certificates of Deposit	75%
U.S. Treasury Obligations	100%
U.S. Agency Securities	100%
Municipal Securities	100%
Per issuer:	10%

¹ The savings/demand deposits held by the County will fluctuate significantly as a result of property tax collection and settlement. Ideally, the County will hold not more than 20% of its “core investments” in savings/demand deposits, and will ensure a minimum of \$5,000,000 is readily available.

² Due 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.

More than 5% of the County’s investments are in Municipal Bonds rated AA (27%), Municipal Bonds rated AAA (19%), Mortgage Backed Securities (15%), Negotiable Certificates of Deposit (11%), Federal Home Loan Bank (8%), Federal Farm Credit Banks (8%), and Federal National Mortgage Association (5%). The County does not hold any investments in any one issuer that represent 5% or more of the County’s investments.

g) Fair Value Measurements

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

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At December 31, 2018, the County had the following recurring fair value measurements:

	December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 1,053,194	\$ -	\$ 1,053,194	\$ -
Mutual Funds	140,693	-	140,693	-
Mortgage Backed Securities	4,180,910	-	4,180,910	-
Federal National Mortgage Association	1,533,720	-	1,533,720	-
Federal Home Loan Mortgage Corporation	819,455	-	819,455	-
Federal Home Loan Bank	2,136,816	-	2,136,816	-
Federal Farm Credit Banks	2,371,965	-	2,371,965	-
Negotiable Certificates of Deposit	3,023,458	-	3,023,458	-
Municipal Bonds	12,714,589	-	12,714,589	-
	<u>\$ 27,974,800</u>	<u>\$ -</u>	<u>\$ 27,974,800</u>	<u>\$ -</u>

Debt securities classified in Level 2 are valued using a market approach pricing technique.

2. Receivables

Receivables as of December 31, 2018, for the County's governmental activities are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Taxes - delinquent	\$ 1,228,789	\$ -
Accounts	218,961	-
Accrued interest	234,756	-
Contracts	968,385	733,824
Due from other governments	7,449,192	-
Loans	200,799	189,072
Long-term receivable	177,836	177,836
Total Governmental Activities	<u>\$ 10,478,718</u>	<u>\$ 1,100,732</u>

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.

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3. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

Governmental Activities

	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital assets not depreciated				
Land	\$ 14,883,644	\$ -	\$ -	\$ 14,883,644
Construction in progress	12,563,108	12,511,967	(14,455,027)	10,620,048
Infrastructure - right-of-way	6,766,337	224,666	-	6,991,003
Total capital assets not depreciated	\$ 34,213,089	\$ 12,736,633	\$ (14,455,027)	\$ 32,494,695
Capital assets depreciated				
Buildings	\$ 64,617,406	\$ 404,184	\$ -	\$ 65,021,590
Land improvements	3,008,335	-	-	3,008,335
Machinery, furniture, and equipment	20,312,868	1,031,242	(729,916)	20,614,194
Infrastructure	144,199,178	13,629,082	-	157,828,260
Total capital assets depreciated	\$ 232,137,787	\$ 15,064,508	\$ (729,916)	\$ 246,472,379
Less: accumulated depreciation for				
Buildings	\$ (22,024,871)	\$ (1,610,127)	\$ -	\$ (23,634,998)
Land improvements	(1,250,231)	(150,091)	-	(1,400,322)
Machinery, furniture, and equipment	(14,085,377)	(1,605,704)	693,677	(14,997,404)
Infrastructure	(38,272,624)	(3,107,897)	-	(41,380,521)
Total accumulated depreciation	\$ (75,633,103)	\$ (6,473,819)	\$ 693,677	\$ (81,413,245)
Total capital assets depreciated, net	\$ 156,504,684	\$ 8,590,689	\$ (36,239)	\$ 165,059,134
Governmental Activities Capital Assets, Net	\$ 190,717,773	\$ 21,327,322	\$ (14,491,266)	\$ 197,553,829

Depreciation expense for 2018 was charged to functions/programs of the government's governmental activities as follows:

Governmental Activities

General government	\$ 1,325,684
Public safety	1,145,473
Highways and streets (including depreciation of infrastructure assets)	3,762,737
Health and human services	180,812
Culture and recreation	42,810
Conservation of natural resources	16,303
Total Depreciation Expense - Governmental Activities	<u>\$ 6,473,819</u>

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Business-Type Activities

	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital assets not depreciated				
Land	\$ 412,334	\$ -	\$ -	\$ 412,334
Construction in progress	15,236	1,096,269	(30,399)	1,081,106
Total capital assets not depreciated	\$ 427,570	\$ 1,096,269	\$ (30,399)	\$ 1,493,440
Capital assets depreciated				
Buildings	\$ 781,973	\$ -	\$ -	\$ 781,973
Landfill	13,481,395	81,791	-	13,563,186
Machinery, furniture, and equipment	301,079	-	-	301,079
Total capital assets depreciated	\$ 14,564,447	\$ 81,791	\$ -	\$ 14,646,238
Less: accumulated depreciation for				
Buildings	\$ (363,996)	\$ (28,542)	\$ -	\$ (392,538)
Landfill	(11,530,796)	(206,993)	-	(11,737,789)
Machinery, furniture, and equipment	(276,081)	(5,973)	-	(282,054)
Total accumulated depreciation	\$ (12,170,873)	\$ (241,508)	\$ -	\$ (12,412,381)
Total capital assets depreciated, net	\$ 2,393,574	\$ (159,717)	\$ -	\$ 2,233,857
Business-Type Activities Capital Assets, Net	\$ 2,821,144	\$ 936,552	\$ (30,399)	\$ 3,727,297

Depreciation expense for 2018 was charged to functions/programs of the government's business-type activities as follows:

Business-Type Activities

Landfill	<u>\$ 241,508</u>
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BRAINERD, MINNESOTA**

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2018, is as follows:

1. Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Reason</u>
General	Public Land Management	\$ 430,721	Tax forfeited settlement
Highway	General	\$ 33,236	Receivable for goods/services
	Community Services	524	Receivable for goods/services
	Public Land Management	13,109	Receivable for goods/services
	Solid Waste (Non-Landfill)	1,928	Receivable for goods/services
	Unorganized Townships	105,972	Receivable for goods/services
Total Due to Highway Fund		<u>\$ 154,769</u>	
Capital Projects	Public Land Management	\$ 434,295	Tax forfeited settlement
Landfill Enterprise	General	\$ 102	Receivable for goods/services
	Unorganized Townships	19	Receivable for goods/services
Total Due to Landfill Enterprise Fund		<u>\$ 121</u>	
Total Due To/From Other Funds		<u><u>\$ 1,019,906</u></u>	

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2018, consisted of the following:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General	Highway	\$ 747,787
Debt Service	General	177,836
Solid Waste (Non-Landfill)	Landfill	140,327
Landfill	Solid Waste (Non-Landfill)	<u>140,327</u>
Total Interfund Transfers		<u><u>\$ 1,206,277</u></u>

Transfer between General Fund and Highway Fund was for a budgeted transfer for operations, transfer between Debt Service Fund and General Fund was to help cover principal and interest payments, and transfer between Solid Waste (Non-Landfill) Fund and Landfill was for interest earned from the Greater MN Landfill Clean Up funds.

CROW WING COUNTY BRAINERD, MINNESOTA

C. Liabilities

1. Other Post Employment Benefits

Plan Description

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. The County provides benefits for retirees as required by Minnesota Statutes §471.61 subdivision 2b. County policy determines the County's contributions to the plan. Active employees who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program. Pursuant to the provisions of the plan, retirees are required to pay varying percentages of the total premium cost. As of December 31, 2018, there were 187 retirees receiving health benefits from the County's health plan.

Funding Policy

The County's OPEB plan is financed on a pay-as-you-go basis and currently has no assets that have been deposited into an irrevocable trust for future health benefits. Therefore, the actuarial value of assets is zero. Separate stand-alone financial statements are not issued for the plan.

Actuarial Methods and Assumptions

The County's OPEB liability was measured as of January 1, 2018, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2017.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary	3.0%
Health Care Trend Rates	6.25% Decreasing to 5.00% Over 5 Years

Mortality rates were based on the RPH-2014 adjusted to 2006 white collar mortality tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel). The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2016 to December 31, 2016.

The discount rate used to measure the total OPEB liability was 3.3%. The discount rate is equal to the 20-Year Municipal Bond Yield.

Since the most recent valuation, the following assumption changes have been made:

- The discount rate was changed from 3.50% to 3.30%.

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BRAINERD, MINNESOTA**

Changes in total OPEB liability

	<u>Total OPEB liability</u>
Balance as of January 1, 2018, as Restated	\$ 40,625,773
Changes for the Year:	
Service Cost	584,968
Interest	1,334,431
Benefit Payments	<u>(1,743,435)</u>
Net Change in Total OPEB Liability	175,964
Balance as of December 31, 2018	<u><u>\$ 40,801,737</u></u>

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	<u>1% Decrease (2.30%)</u>	<u>Discount Rate (3.30%)</u>	<u>1% Increase (4.30%)</u>
Total OPEB Liability	\$ 47,237,754	\$ 40,801,737	\$ 35,926,723

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.25% decreasing to 4.00% over 5 years) or 1% higher (7.25% decreasing to 6.00% over 5 years) than the current healthcare cost trend rates:

	<u>1% Decrease (5.25% Decreasing to 4.00% over 5 years)</u>	<u>Current Trend Rates (6.25% Decreasing to 5.00% over 5 years)</u>	<u>1% Increase (7.25% Decreasing to 6.00% over 5 years)</u>
Medical Trend Rate			
Total OPEB Liability	\$ 35,242,167	\$ 40,801,737	\$ 48,194,495

For the year ended December 31, 2018, the County recognized OPEB expense of \$1,919,399. At December 31, 2018, the County reported no deferred inflows of resources, and \$2,062,513 in deferred outflows of resources resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended December 31, 2019.

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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, 2018, were as follows:

<u>December 31</u>	<u>Lease Payments</u>
2019	\$ 111,116
2020	111,725
2021	112,229
2022	112,544
2023	112,636
Total minimum lease payments	560,250
Less: amount representing interest	(30,250)
Present Value of Minimum Lease Payments	<u>\$ 530,000</u>

3. Long-Term Debt

Governmental Activities

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2018
2013A G.O. Refunding Capital Improvement Plan Bonds	2020	\$2,415,000 - \$3,035,000	2.00 - 5.00	\$ 19,040,000	\$ 5,930,000
2013A G.O. Refunding County Jail Bonds	2020	\$1,325,000 - \$1,675,000	2.00 - 5.00	10,480,000	3,275,000
2010A G.O. Refunding Airport Improvement Bonds (50% County Portion)	2022	\$72,500 - \$92,500	1.00 - 3.35	885,000	352,500
Total Indebtedness				<u>\$ 30,405,000</u>	<u>\$ 9,557,500</u>

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BRAINERD, MINNESOTA**

4. Debt Service Requirements

Debt service requirements at December 31, 2018, were as follows:

Governmental Activities

December 31	Long-Term Debt	
	Principal	Interest
2019	\$ 4,577,500	\$ 357,588
2020	4,797,500	124,996
2021	90,000	4,517
2022	92,500	1,549
Total	<u>\$ 9,557,500</u>	<u>\$ 488,650</u>

5. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 13,927,500	\$ -	\$ 4,370,000	\$ 9,557,500	\$ 4,577,500
General obligation revenue note	179,364	-	179,364	-	-
Plus: deferred amounts for issuance premiums (discounts)	1,155,280	-	555,905	599,375	555,905
General obligation debt subtotal	\$ 15,262,144	\$ -	\$ 5,105,269	\$ 10,156,875	\$ 5,133,405
Capital lease	630,700	-	100,700	530,000	103,350
Compensated absences	3,006,036	2,554,859	2,625,437	2,935,458	2,643,212
Governmental Activities Long-Term Liabilities	<u>\$ 18,898,880</u>	<u>\$ 2,554,859</u>	<u>\$ 7,831,406</u>	<u>\$ 13,622,333</u>	<u>\$ 7,879,967</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.

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Business-Type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Estimated liability for landfill closure and postclosure	\$ 4,734,948	\$ 225,124	\$ -	\$ 4,960,072	\$ -
Compensated absences	17,738	11,598	11,243	18,093	16,283
Business-Type Activities Long-Term Liabilities	<u>\$ 4,752,686</u>	<u>\$ 236,722</u>	<u>\$ 11,243</u>	<u>\$ 4,978,165</u>	<u>\$ 16,283</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 \$995,000 for the year ended December 31, 2018.

6. Defined Benefit Pension Plans

a. Plan Description

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

1. General Employees Retirement Plan (General Employees Plan)

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

2. Public Employees Police and Fire Plan (Police and Fire Plan)

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

3. Local Government Correctional Plan (Correctional Plan)

The Local Government Correctional Plan, referred to as the Public Employees Correctional Fund (PECF), was established for correctional officers serving in county and regional corrections facilities. Eligible participants must be responsible for the security, custody, and control of the facilities and their inmates.

CROW WING COUNTY BRAINERD, MINNESOTA

b. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5% increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a 1 percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Police and Fire Plan benefit recipients receive a future annual 1.0 percent increase. An annual adjustment will equal 2.5 percent any time the plan exceeds a 90 percent funded ratio for two consecutive years. If the adjustment is increased to 2.5 percent and the funded ratio falls below 80 percent for one year or 85 percent for two consecutive years, the postretirement benefit increase will be lowered to one percent. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will

CROW WING COUNTY BRAINERD, MINNESOTA

receive a pro rata increase. For retirements after May 31, 2014, the first increase will be delayed two years.

3. Correctional Plan Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. The annuity accrual rate is 1.9 percent of average salary for each year of service in that plan. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the Correctional Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

c. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2018 and the County was required to contribute 7.50 percent for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2018, were \$1,454,741. The County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary and the County was required to contribute 16.20 percent of pay for members in fiscal year 2018. The County's contributions to the Police and Fire Fund for the year ended December 31, 2018, were \$542,196. The County's contributions were equal to the required contributions as set by state statute.

3. Correctional Fund Contributions

Plan members were required to contribute 5.83 percent of their annual covered salary and the County was required to contribute 8.75 percent of pay for plan members in fiscal year 2018. The County's contributions to the Correctional Fund for the year ended December 31, 2018, were \$293,425. The County's contributions were equal to the required contributions as set by state statute.

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d. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2018, the County reported a liability of \$15,588,727 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$511,308, for a total net pension liability of \$16,100,035. The net pension liability was measured as of June 30, 2018, 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, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2018, the County's proportionate share was 0.2810 percent which was a decrease of 0.0052 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the County recognized pension expense of (\$457,280) for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$119,236 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2018, the County reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 412,608	\$ 454,656
Changes in Actuarial Assumptions	1,489,119	1,751,560
Net Difference Between Projected and Actual	-	1,592,921
Changes in Proportion	-	1,255,358
County Contributions Subsequent to the Measurement Date	732,983	-
Total	<u>\$ 2,634,710</u>	<u>\$ 5,054,495</u>

\$732,983 reported as deferred outflows of resources related to pensions resulting from County contributions the General Employees Fund subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to the General Employees Fund pensions will be recognized in pension expense as follows:

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Year Ended December 31	Pension Expenses Amount
2019	\$ (208,949)
2020	(1,269,837)
2021	(1,348,619)
2022	(325,363)

2. Police and Fire Fund Pension Costs

At December 31, 2018, the County reported a liability of \$3,219,009 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2018, the County's proportionate share was 0.3020 percent which was an increase of 0.0160 percent from its proportion measured as of June 30, 2017. The County also recognized \$27,180 for the year ended December 31, 2018, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

For the year ended December 31, 2018, the County recognized pension expense of \$162,641 for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2018, the County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 130,656	\$ 789,704
Changes in Actuarial Assumptions	4,165,081	4,738,802
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	674,231
Changes in Proportion	285,047	109,395
County Contributions Subsequent to the		
Measurement Date	271,002	-
Total	<u>\$ 4,851,786</u>	<u>\$ 6,312,132</u>

\$271,002 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the Police and Fire Fund to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to the Police and Fire Fund pensions will be recognized in pension expense as follows:

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Year Ended December 31	Pension Expense Amount
2019	\$ 124,327
2020	(189,105)
2021	(448,225)
2022	(1,256,693)
2023	38,348

3. Correctional Plan Pension Costs

At December 31, 2018, the County reported a liability of \$265,208 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers.

At December 31, 2018, the County's proportionate share was 1.613 percent which was a decrease of 0.0075 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the County recognized pension expense of (\$294,362) for its proportionate share of the Correctional Plan's pension expense.

At December 31, 2018, the County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 13,851	\$ 28,348
Changes in Actuarial Assumptions	1,251,026	3,066,431
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	300,928
Changes in Proportion	38,070	10,864
County Contributions Subsequent to the		
Measurement Date	146,221	-
Total	<u>\$ 1,449,168</u>	<u>\$ 3,406,571</u>

\$146,221 reported as deferred outflows of resources related to pensions resulting from County contributions to the Correctional Fund subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to Correctional Fund pensions will be recognized in pension expense as follows:

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Year Ended December 31	Pension Expense Amount
2019	\$ 141,594
2020	(1,162,496)
2021	(1,027,202)
2022	(55,520)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2018, was (\$442,585).

e. Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following actuarial assumptions:

	GERF	PEPFP	PECF
Inflation	2.50 Percent per Year	2.50 Percent per Year	2.00 Percent per Year
Active Member Payroll Growth	3.25 Percent per Year	3.25 Percent per Year	3.50 Percent per Year
Investment Rate of Return	7.50 Percent	7.50 Percent	7.50 Percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan, 1.0 percent per year for the Police and Fire Plan, and 2.0 percent per year for the Correctional Plan.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015. The most recent four-year experience study for Police and Fire Plan was completed in 2016. The five-year experience study for the Correctional Plan, prepared by a former actuary, was completed in 2012. The mortality assumption for the Correctional Plan is based on the Police and Fire Plan experience study completed in 2016. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2018:

General Employees Fund

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

Police and Fire Fund

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

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Correctional Fund

- The Single Discount Rate was changed from 5.96 percent per annum to 7.50 percent per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed postretirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	5.10 %
International Stocks	17	5.30
Bonds	20	0.75
Alternative Assets	25	5.90
Cash	2	0.00
Totals	100 %	

f. Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund, the Police and Fire Fund, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

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	Proportionate Share of the					
	General Employees Retirement Plan		Public Employees Police and Fire Plan		Public Employees Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	6.50%	\$25,333,679	6.50%	\$ 6,901,757	6.50%	\$ 2,269,723
Current	7.50%	15,588,727	7.50%	3,219,009	7.50%	265,208
1% Increase	8.50%	7,544,549	8.50%	173,529	8.50%	(1,338,343)

h. Pension Plan Fiduciary Net Position

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

7. Public Employees Defined Contribution Plan (Defined Contribution Plan)

Four of five County Commissioners of Crow Wing County are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees' contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by the County during fiscal year 2018 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$6,772	\$6,772	5%	5%	5%

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8. Construction Commitments

The County had active construction projects and outstanding contracts as of December 31, 2018. The projects include the following:

<u>Project Description</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
County Road Projects	<u>\$ 495,398</u>	<u>\$ 1,645</u>

9. 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 \$4,960,072 landfill closure and postclosure care liability at December 31, 2018, represents the cumulative amount reported to date based on the use of 91.18 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$479,939 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. The County expects to close the landfill in 2021. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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, 2018, investments of \$6,135,650 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.

10. 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 \$500,000 per claim in 2018 and \$500,000 per claim in 2019. Should the MCIT Workers' Compensation Division liabilities exceed assets,

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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	\$ 1,228,789
Prepaid property taxes	45,852
Contracts receivable	968,385
Charges for services	461,441
Highway aids receivable that do not provide current financial resources	2,800,391
Interest receivable that does not provide current financial resources	38,704
Loans receivable that do not provide current financial resources	200,799
Grants receivable that do not provide current financial resources	380,233
Total unavailable revenue for Governmental Funds	<u>\$ 6,124,594</u>

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 percent of the total debt will be reflected in the County's financial statements. The 2010A bonds will mature July 1, 2022.

CROW WING COUNTY BRAINERD, MINNESOTA

On December 31, 2018, the outstanding amount of the bonds was \$705,000. The City of Brainerd's share of this amount is \$352,500, for which the County is only contingently liable.

In 2018, 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 represents the County's 50% share of the airport. This investment in the Brainerd Lakes Regional Airport joint venture was valued at \$15,843,000 on December 31, 2017, 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 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, Chisago, 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 13 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

Lakes Area Drug Investigation Division

The Lakes Area Drug Investigation Division (LADID) was created on August 1, 2001, stemming from the dissolution of the NET IV Drug Task Force. LADID is a multi-jurisdictional task force involving all law enforcement agencies in Crow Wing County, established under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59. The major emphasis of the joint venture is the investigation and enforcement of narcotics in Crow Wing County.

Fiscal agent responsibilities for the Task Force are with Crow Wing County. Financial information can be obtained from:

CROW WING COUNTY BRAINERD, MINNESOTA

Crow Wing County Administrative Services – Finance Division
326 Laurel Street, Suite 22
Brainerd, MN 56401

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.

Each County's share of the assets and liabilities cannot be accurately determined since it will depend on the number of counties that are members should the agreement dissolve.

In 2018, the County made an appropriation of \$140,000 to Minnesota Counties Information Systems.

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.

In 2018, Crow Wing County contributed \$1,500 to the Mississippi Headwaters Board.

Financial information can be obtained from:

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

Email: mhb@mississippiheadwaters.org

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Northeast Regional Emergency Communications Board

The Northeast Regional Emergency Communications Board (previously 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 Regional Emergency Communications 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 Radio System User Advisory Committee, one member from the Northeast Minnesota Regional Radio System User Committee, and 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 Regional Emergency Communications Board. Funding is provided by grants and contributions from participating members.

Financial information can be obtained from:

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

Region V+ Adult Mental Health Initiative

Aitkin, Cass, Crow Wing, Morrison, Todd, and Wadena Counties entered into a joint powers agreement creating and operating Region V+ Adult Mental Health Initiative (AMHI) pursuant to Minnesota Statutes §§ 471.59 and 245.4661, to enhance services to vulnerable populations and implement a pilot project design, plan, and improve the mental health delivery system for adults with serious and persistent mental illnesses.

Control of the AMHI is vested in a Governing Board, which consists of each participating county's Director of Social Services, an additional representative of each county social services agency, three nonvoting consumer representatives, and one ex-officio nonvoting representative each from the Leech Lake Band of Ojibwe and the Mille Lacs Band of Ojibwe.

Any county may withdraw by providing twelve months written notice in advance of the annual meeting to the Board and each of the other remaining parties. During the year of withdrawal, the withdrawing party may attend all meetings but will have no official representation on the Board. Withdrawal does not act to discharge any liability incurred or chargeable to any county before the effective date of the withdrawal.

Dissolution of the AMHI will occur by unanimous vote of the counties. Upon dissolution of the AMHI, all unused funds and surplus property held by AMHI shall be distributed in accordance with law or applicable contract.

CROW WING COUNTY BRAINERD, MINNESOTA

Financing is predominantly provided by contributions, grants, donations, and gifts. Crow Wing County is the fiscal host.

Complete financial information can be obtained from:

Crow Wing County Community Services
204 Laurel Street
Brainerd, MN 56401

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 between Crow Wing County, Independent School District #181, Independent School District #182, Independent School District #186, and Tri-County Community Action 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.

The activities of this Collaborative are guided by a governance board consisting of, but not limited to, one member from each of the five participating agencies. Each of these board members is appointed by their respective governing body.

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 on January 1, 1992, pursuant to Minn. Stat. § 134.20, 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, 2018. Separate financial information can be obtained from:

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

Region Two – Northeast Minnesota Homeland Security Emergency Management Organization

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

Additional information can be obtained from:

Homeland Security and Emergency Management
445 Minnesota Street, Suite 223
St. Paul, MN 55101

V. Restatement for a Change in Accounting Principle

During the year ended December 31, 2018, the County adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This pronouncement requires the restatement of the December 31, 2017 net position of the governmental and business-type activities as follows:

	Governmental Activities	Business-Type Activities	Total
Net Position, December 31, 2017, as Previously Reported	\$198,130,528	\$ 13,104,336	\$211,234,864
Restatement	(21,092,715)	7,305	(21,085,410)
Net Position, December 31, 2017, as Restated	<u>\$177,037,813</u>	<u>\$ 13,111,641</u>	<u>\$190,149,454</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 18,613,070	\$ 18,833,749	\$ 18,262,871	\$ (570,878)
Licenses and permits	544,460	544,460	574,265	29,805
Intergovernmental	2,134,177	2,134,177	2,888,795	754,618
Charges for services	4,535,422	4,535,422	3,913,857	(621,565)
Fines and forfeits	35,000	35,000	90,609	55,609
Gifts and contributions	15,000	15,000	32,060	17,060
Investment earnings	698,509	698,509	880,940	182,431
Miscellaneous	1,279,090	1,279,090	1,328,894	49,804
Total Revenues	\$ 27,854,728	\$ 28,075,407	\$ 27,972,291	\$ (103,116)
EXPENDITURES				
Current				
General government				
Governance Services				
Commissioners	\$ 328,752	\$ 328,752	\$ 333,409	\$ (4,657)
Courts	271,732	271,732	300,239	(28,507)
Law library	70,000	70,000	82,549	(12,549)
Administrator	346,388	346,388	347,370	(982)
Attorney	2,208,036	2,254,455	2,320,433	(65,978)
Veterans service officer	281,468	281,468	259,591	21,877
Appropriations	244,769	244,769	253,945	(9,176)
Other general government	57,700	57,700	87,697	(29,997)
Administrative Services				
Finance	809,500	809,500	803,374	6,126
Elections	390,584	390,584	345,816	44,768
Human resources and risk management	574,811	574,811	573,508	1,303
Information technology	1,710,921	1,789,562	1,614,952	174,610
Facilities	2,237,078	2,327,941	2,294,884	33,057
Land Services				
Customer services	1,102,318	1,102,318	1,154,150	(51,832)
Recorder	96,700	96,700	65,604	31,096
Environmental services	1,227,902	1,226,049	1,223,533	2,516
Assessing services	1,577,604	1,607,054	1,557,168	49,886
Total general government	\$ 13,536,263	\$ 13,779,783	\$ 13,618,222	\$ 161,561

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES				
Current (Continued)				
Public safety				
Public Safety Services				
Patrol	\$ 4,490,958	\$ 4,516,025	\$ 4,862,801	\$ (346,776)
Investigations	1,277,144	1,293,144	1,344,095	(50,951)
Operations	306,433	315,452	292,451	23,001
Support	1,681,909	1,703,258	1,748,576	(45,318)
Jail	6,421,106	6,422,789	6,442,506	(19,717)
Other public safety services	89,353	89,403	112,856	(23,453)
Total public safety	\$ 14,266,903	\$ 14,340,071	\$ 14,803,285	\$ (463,214)
Highways and streets				
Transportation Services				
Administration	\$ -	\$ -	\$ 2,400	\$ (2,400)
Culture and recreation				
Governance Services				
Kitchigami library	\$ 509,127	\$ 509,127	\$ 509,127	\$ -
Appropriations	39,000	39,000	39,000	-
Land Services				
Recreation	142,732	156,734	128,680	28,054
Total culture and recreation	\$ 690,859	\$ 704,861	\$ 676,807	\$ 28,054
Conservation of natural resources				
Administrative Services				
County extension	\$ 106,567	\$ 106,567	\$ 106,225	\$ 342
Capital outlay				
General government	\$ 45,000	\$ 70,037	\$ 70,891	\$ (854)
Public safety	92,000	252,421	266,938	(14,517)
Total capital outlay	\$ 137,000	\$ 322,458	\$ 337,829	\$ (15,371)
Total Expenditures	\$ 28,737,592	\$ 29,253,740	\$ 29,544,768	\$ (291,028)
Excess of Revenues Over (Under)				
Expenditures	\$ (882,864)	\$ (1,178,333)	\$ (1,572,477)	\$ (394,144)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 747,787	\$ 747,787	\$ 747,787	\$ -
Transfers out	-	(180,259)	(177,836)	2,423
Proceeds from sale of capital assets	-	-	3,399	3,399
Insurance proceeds	-	-	27,457	27,457
Total Other Financing Sources (Uses)	\$ 747,787	\$ 567,528	\$ 600,807	\$ 33,279
Net Change in Fund Balance	\$ (135,077)	\$ (610,805)	\$ (971,670)	\$ (360,865)
Fund Balance - January 1	13,696,075	13,696,075	13,696,075	-
Fund Balance - December 31	\$ 13,560,998	\$ 13,085,270	\$ 12,724,405	\$ (360,865)

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, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 6,970,552	\$ 6,970,552	\$ 8,425,963	\$ 1,455,411
Intergovernmental	13,200,918	13,200,918	14,610,909	1,409,991
Charges for services	721,100	721,100	1,882,398	1,161,298
Miscellaneous	33,000	33,000	109,271	76,271
Total Revenues	\$ 20,925,570	\$ 20,925,570	\$ 25,028,541	\$ 4,102,971
EXPENDITURES				
Current				
Highways and streets				
Transportation Services				
Administration	\$ 536,019	\$ 538,039	\$ 564,549	\$ (26,510)
Maintenance	2,447,285	2,445,285	2,142,913	302,372
Engineering/construction	5,614,661	5,617,793	5,501,234	116,559
Equipment maintenance and shop	1,310,527	1,310,527	1,253,608	56,919
Local option sales tax	10,491,516	10,491,516	1,333,207	9,158,309
Total highways and streets	\$ 20,400,008	\$ 20,403,160	\$ 10,795,511	\$ 9,607,649
Capital outlay				
Highways and streets	\$ -	\$ -	\$ 10,261,665	\$ (10,261,665)
Intergovernmental				
Highways and streets	\$ -	\$ -	\$ 424,552	\$ (424,552)
Debt service				
Principal	\$ 100,700	\$ 100,700	\$ 100,700	\$ -
Interest	12,430	12,430	12,430	-
Administrative charges	-	-	137	(137)
Total debt service	\$ 113,130	\$ 113,130	\$ 113,267	\$ (137)
Total Expenditures	\$ 20,513,138	\$ 20,516,290	\$ 21,594,995	\$ (1,078,705)
Excess of Revenues Over (Under)				
Expenditures	\$ 412,432	\$ 409,280	\$ 3,433,546	\$ 3,024,266
OTHER FINANCING SOURCES (USES)				
Transfers out	(747,787)	(747,787)	(747,787)	-
Insurance proceeds	10,000	10,000	16,696	6,696
Total Other Financing Sources (Uses)	(737,787)	(737,787)	(731,091)	6,696
Net Change in Fund Balance	\$ (325,355)	\$ (328,507)	\$ 2,702,455	\$ 3,030,962
Fund Balance - January 1	12,238,668	12,238,668	12,238,668	-
Increase (decrease) in inventories	-	-	17,119	17,119
Fund Balance - December 31	\$ 11,913,313	\$ 11,910,161	\$ 14,958,242	\$ 3,048,081

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 9,220,099	\$ 9,220,099	\$ 9,041,364	\$ (178,735)
Intergovernmental	15,056,129	15,505,726	14,046,663	(1,459,063)
Charges for services	1,021,319	1,021,319	797,899	(223,420)
Gifts and contributions	10,000	10,000	10,000	-
Miscellaneous	693,500	693,500	589,137	(104,363)
Total Revenues	\$ 26,001,047	\$ 26,450,644	\$ 24,485,063	\$ (1,965,581)
EXPENDITURES				
Current				
Public safety				
Community Services				
Juvenile detention	\$ 1,181,546	\$ 1,181,546	\$ 1,033,318	\$ 148,228
Community corrections	1,836,134	1,825,294	1,805,172	20,122
Total public safety	\$ 3,017,680	\$ 3,006,840	\$ 2,838,490	\$ 168,350
Health and human services				
Community Services				
Income maintenance	\$ 6,384,556	\$ 6,384,556	\$ 6,603,941	\$ (219,385)
Social services	15,439,791	15,837,190	15,491,417	345,773
Health	1,174,020	1,174,020	1,192,074	(18,054)
Total health and human services	\$ 22,998,367	\$ 23,395,766	\$ 23,287,432	\$ 108,334
Capital outlay				
Health and human services	\$ -	\$ -	\$ 2,114	\$ (2,114)
Total Expenditures	\$ 26,016,047	\$ 26,402,606	\$ 26,128,036	\$ 274,570
Excess of Revenues Over (Under) Expenditures	\$ (15,000)	\$ 48,038	\$ (1,642,973)	\$ (1,691,011)
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	1,733	1,733
Net Change in Fund Balance	\$ (15,000)	\$ 48,038	\$ (1,641,240)	\$ (1,689,278)
Fund Balance - January 1	3,889,848	3,889,848	3,889,848	-
Fund Balance - December 31	\$ 3,874,848	\$ 3,937,886	\$ 2,248,608	\$ (1,689,278)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
PUBLIC LAND MANAGEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Licenses and permits	\$ 590,400	\$ 590,400	\$ 815,218	\$ 224,818
Intergovernmental	98,176	98,176	93,394	(4,782)
Charges for services	-	-	5,731	5,731
Investment earnings	75,000	75,000	68,059	(6,941)
Sales	402,000	402,000	1,248,078	846,078
Miscellaneous	101,900	101,900	49,772	(52,128)
Total Revenues	\$ 1,267,476	\$ 1,267,476	\$ 2,280,252	\$ 1,012,776
EXPENDITURES				
Current				
Conservation of natural resources				
Land Services				
County land management	\$ 1,219,099	\$ 2,476,775	\$ 1,978,933	\$ 497,842
Capital outlay				
Conservation of natural resources	\$ 307,229	\$ 381,541	\$ 234,768	\$ 146,773
Total Expenditures	\$ 1,526,328	\$ 2,858,316	\$ 2,213,701	\$ 644,615
Net Change in Fund Balance	\$ (258,852)	\$ (1,590,840)	\$ 66,551	\$ 1,657,391
Fund Balance - January 1	484,864	484,864	484,864	-
Fund Balance - December 31	\$ 226,012	\$ (1,105,976)	\$ 551,415	\$ 1,657,391

**CROW WING COUNTY
BRainerd, MINNESOTA**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED
RATIOS, AND NOTES
LAST TEN FISCAL YEARS**

	Measurement Date January 1, 2018
Total OPEB Liability	
Service Cost	\$ 584,968
Interest	1,334,431
Benefit Payments	(1,743,435)
Net Change in Total OPEB Liability	175,964
Total OPEB Liability - Beginning, as Restated	40,625,773
Total OPEB Liability - Ending	<u>\$ 40,801,737</u>
 Covered Employee Payroll	 \$ 25,450,999
 County's OPEB Liability as a Percentage of Covered Employee Payroll	 160%

Note 1: The County implemented GASB Statement No. 75 in 2018, the above table will be expanded to ten years of information as the information becomes available.

Note 2: No assets are accumulated in a trust.

**CROW WING COUNTY
BRainerd, MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Crow Wing County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.281%	\$ 15,588,757	\$ 511,308	\$ 16,100,065	\$ 18,883,808	82.55%	79.50%
2017	0.286	18,250,721	229,464	18,480,185	18,314,733	99.65	75.90
2016	0.277	22,495,756	293,868	22,789,624	17,127,800	131.34	68.91
2015	0.298	15,428,399	N/A	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.

N/A - Not Applicable

**CROW WING COUNTY
BRainerd, MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018**

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)
2018	\$ 1,454,741	\$ 1,454,741	\$ -	\$ 19,396,544	7.50%
2017	1,385,906	1,385,906	-	18,478,747	7.50
2016	1,331,356	1,331,356	-	17,751,413	7.50
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 PLAN
DECEMBER 31, 2018**

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
2018	0.302%	\$ 3,219,009	\$ 3,182,924	101.13%	88.80%
2017	0.286	3,861,340	2,933,235	131.64	85.43
2016	0.292	11,718,468	2,815,068	416.28	63.88
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 PLAN
DECEMBER 31, 2018**

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)
2018	\$ 542,196	\$ 542,196	\$ -	\$ 3,346,890	16.20%
2017	486,552	486,552	-	3,003,407	16.20
2016	463,631	463,631	-	2,861,920	16.20
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 PLAN
DECEMBER 31, 2018**

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
2018	1.613%	\$ 265,208	\$ 3,293,380	8.05%	97.60%
2017	1.620	4,617,016	3,234,149	142.76	67.89
2016	1.580	5,771,961	2,979,177	193.74	58.16
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 PLAN
DECEMBER 31, 2018**

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)
2018	\$ 293,425	\$ 293,425	\$ -	\$ 3,353,426	8.75%
2017	286,591	286,591	-	3,275,326	8.75
2016	274,356	274,356	-	3,135,497	8.75
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, 2018**

1. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds 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 Public Land Management Fund totaling \$1,331,988 is considered significant. The amendment for the Public Land Management Fund was due to County Board authorization to settle out the tax-forfeited settlement, which was greater than anticipated.

2. Excess of Expenditures Over Appropriations at the Fund Level

The County Board holds department heads responsible for their budget at the agency level; that is, the sum total of all areas of responsibility for each department head, which in some instances consists of departments and divisions across multiple funds. For financial statement reporting, the County reports budgetary comparison schedules at the fund level. For the year ended December 31, 2018, expenditures exceeded appropriations in the following funds: General and Highway.

Expenditures exceeded appropriations in the General Fund by \$291,028 largely due to an increase in public safety patrol expenses approximating \$346,776. Expenditures exceeded appropriations in the Highway Fund by \$1,078,705 due to an increase in capital outlay of \$10,261,665. This was offset with excess appropriations over expenditures for local option sales tax of \$9,607,649.

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.

Since the most recent valuation, the follow assumption change has been made:

- The discount rate was changed from 3.50% to 3.30%.

4. Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

A. General Employees Fund

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.

**CROW WING COUNTY
BRainerd, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

- The assumed post-retirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2017

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

2016

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

B. Police and Fire Fund

2018

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0% per year through 2064 and 2.5% per year, thereafter, to 1.0% for all years, with no trigger.

2017

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% percent per annum.

2016

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

C. Correctional Fund

2018

- The Single Discount Rate was changed from 5.96% per annum to 7.50% per annum.
- The morality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50% per year to 2.00% per year.

2017

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA has been changed to 35% for vested members and 1% for non-vested members.
- The Single Discount Rate was changed from 5.31% per annum to 5.96% per annum.

2016

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.31%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 5,078,459	\$ 5,078,459	\$ 4,994,417	\$ (84,042)
Special assessments	8,070	8,070	-	(8,070)
Intergovernmental	2,090	2,090	93,343	91,253
Total Revenues	\$ 5,088,619	\$ 5,088,619	\$ 5,087,760	\$ (859)
EXPENDITURES				
Debt service				
Principal	\$ 4,376,000	\$ 4,555,365	\$ 4,549,365	\$ 6,000
Interest	581,399	582,293	580,222	2,071
Administrative charges	2,325	2,325	2,750	(425)
Total Expenditures	\$ 4,959,724	\$ 5,139,983	\$ 5,132,337	\$ 7,646
Excess of Revenues Over (Under)				
Expenditures	128,895	(51,364)	(44,577)	6,787
OTHER FINANCING SOURCES (USES)				
Transfers in	-	180,259	177,836	(2,423)
Net Change in Fund Balance	\$ 128,895	\$ 128,895	\$ 133,259	\$ 4,364
Fund Balance - January 1	4,792,411	4,792,411	4,792,411	-
Fund Balance - December 31	\$ 4,921,306	\$ 4,921,306	\$ 4,925,670	\$ 4,364

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 620,891	\$ 1,188,464	\$ 859,676	\$ (328,788)
Intergovernmental	2,355,280	2,582,337	2,536,714	(45,623)
Miscellaneous	80,488	83,194	82,103	(1,091)
Total Revenues	\$ 3,056,659	\$ 3,853,995	\$ 3,478,493	\$ (375,502)
EXPENDITURES				
Current				
General government				
Administrative Services				
Elections	\$ -	\$ 453,516	\$ 453,516	\$ -
Information technology	254,860	264,210	221,302	42,908
Facilities	327,000	493,709	179,613	314,096
Total general government	\$ 581,860	\$ 1,211,435	\$ 854,431	\$ 357,004
Public safety				
Public Safety Services				
Sheriff	\$ 198,150	\$ 198,150	\$ 178,922	\$ 19,228
Health and human services				
Community Services				
Human services	\$ 140,000	\$ 142,500	\$ 89,824	\$ 52,676

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES (Continued)				
Capital outlay				
General government	\$ 1,298,516	\$ 3,172,054	\$ 2,145,622	\$ 1,026,432
Public safety	1,139,200	227,013	263,448	(36,435)
Highways and streets	527,000	556,271	427,555	128,716
Health and human services	-	52,623	52,623	-
Total capital outlay	\$ 2,964,716	\$ 4,007,961	\$ 2,889,248	\$ 1,118,713
Total Expenditures	\$ 3,884,726	\$ 5,560,046	\$ 4,012,425	\$ 1,547,621
Excess of Revenues Over (Under)				
Expenditures	\$ (828,067)	\$ (1,706,051)	\$ (533,932)	\$ 1,172,119
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	\$ -	\$ -	\$ 32,292	\$ 32,292
Insurance proceeds	-	60,323	37,331	(22,992)
Total Other Financing Sources (Uses)	\$ -	\$ 60,323	\$ 69,623	\$ 9,300
Net Change in Fund Balance	\$ (828,067)	\$ (1,645,728)	\$ (464,309)	\$ 1,181,419
Fund Balance - January 1	3,710,769	3,710,769	3,710,769	-
Fund Balance - December 31	\$ 2,882,702	\$ 2,065,041	\$ 3,246,460	\$ 1,181,419

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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.

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

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.

Ditch – This fund is used to account for special assessments and expenditures for ditch improvements.

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, 2018**

	Special Revenue Funds			
	Solid Waste (Non-Landfill)	Small Cities Development Program	Unorganized Townships	Ditch
ASSETS				
Cash and investments	\$ 3,409,862	\$ 4,323	\$ 1,393,207	\$ 7,261
Taxes receivable - delinquent	-	-	27,359	-
Accounts receivable, net	22,678	-	-	-
Accrued interest receivable	-	135	-	-
Due from other governments	-	-	53,202	-
Loans receivable	-	200,799	-	-
Prepaid items	441	-	-	-
Total Assets	\$ 3,432,981	\$ 205,257	\$ 1,473,768	\$ 7,261
LIABILITIES				
Accounts payable	\$ 12,545	\$ -	\$ 28,043	\$ -
Salaries payable	11,907	-	-	-
Accrued payroll taxes payable	1,601	-	-	-
Due to other funds	1,928	-	105,991	-
Due to other governments	-	-	34,961	-
Total Liabilities	\$ 27,981	\$ -	\$ 168,995	\$ -
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue (Note III.D.)	\$ -	\$ 200,799	\$ 27,359	\$ -
FUND BALANCES				
Nonspendable:				
Prepays	\$ 441	\$ -	\$ -	\$ -
Environmental trust corpus	-	-	-	-
Restricted for:				
Solid waste (non-landfill)	2,164,720	-	-	-
Greater Minnesota Landfill Cleanup Fee	862,361	-	-	-
Economic development revolving loans	-	4,458	-	-
Environmental uses	-	-	-	-
Unorganized townships	-	-	1,277,414	-
Ditch #13	-	-	-	7,261
Assigned for:				
Solid waste (non-landfill)	377,478	-	-	-
Total Fund Balances	\$ 3,405,000	\$ 4,458	\$ 1,277,414	\$ 7,261
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,432,981	\$ 205,257	\$ 1,473,768	\$ 7,261

		<u>Permanent Fund</u>	
<u>Total Special Revenue Funds</u>	<u>Environmental Trust</u>	<u>Total</u>	
\$ 4,814,653	\$ 1,862,907	\$	6,677,560
27,359	-		27,359
22,678	-		22,678
135	2,569		2,704
53,202	-		53,202
200,799	-		200,799
441	-		441
<u>\$ 5,119,267</u>	<u>\$ 1,865,476</u>	<u>\$</u>	<u>6,984,743</u>
\$ 40,588	\$ -	\$	40,588
11,907	-		11,907
1,601	-		1,601
107,919	-		107,919
34,961	-		34,961
<u>\$ 196,976</u>	<u>\$ -</u>	<u>\$</u>	<u>196,976</u>
<u>\$ 228,158</u>	<u>\$ -</u>	<u>\$</u>	<u>228,158</u>
\$ 441	\$ -	\$	441
-	1,846,499		1,846,499
2,164,720	-		2,164,720
862,361	-		862,361
4,458	-		4,458
-	18,977		18,977
1,277,414	-		1,277,414
7,261	-		7,261
377,478	-		377,478
<u>\$ 4,694,133</u>	<u>\$ 1,865,476</u>	<u>\$</u>	<u>6,559,609</u>
<u>\$ 5,119,267</u>	<u>\$ 1,865,476</u>	<u>\$</u>	<u>6,984,743</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Special Revenue Funds			
	Solid Waste (Non-Landfill)	Small Cities Development Program	Unorganized Townships	Ditch
REVENUES				
Taxes	\$ -	\$ -	\$ 882,924	\$ -
Special assessments	602,658	-	15,874	14,077
Licenses and permits	-	-	175	-
Intergovernmental	221,694	-	63,189	-
Charges for services	341,610	-	-	-
Investment earnings	-	3,509	-	-
Miscellaneous	68,740	52,729	7	-
Total Revenues	\$ 1,234,702	\$ 56,238	\$ 962,169	\$ 14,077
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ 102,864	\$ -
Public safety	-	-	163,286	-
Highways and streets	-	-	875,908	-
Conservation of natural resources	942,389	-	-	16,476
Economic development	-	56,416	-	-
Capital outlay				
Conservation of natural resources	43,003	-	-	-
Total Expenditures	\$ 985,392	\$ 56,416	\$ 1,142,058	\$ 16,476
Excess of Revenues Over (Under) Expenditures	\$ 249,310	\$ (178)	\$ (179,889)	\$ (2,399)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 140,327	\$ -	\$ -	\$ -
Transfers out	(140,327)	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ 249,310	\$ (178)	\$ (179,889)	\$ (2,399)
Fund Balance - January 1	3,155,690	4,636	1,457,303	9,660
Fund Balance - December 31	\$ 3,405,000	\$ 4,458	\$ 1,277,414	\$ 7,261

	<u>Permanent Fund</u>	
<u>Total Special Revenue Funds</u>	<u>Environmental Trust</u>	<u>Total</u>
\$ 882,924	\$ -	\$ 882,924
632,609	-	632,609
175	-	175
284,883	-	284,883
341,610	-	341,610
3,509	13,146	16,655
121,476	-	121,476
<u>\$ 2,267,186</u>	<u>\$ 13,146</u>	<u>\$ 2,280,332</u>
\$ 102,864	\$ -	\$ 102,864
163,286	-	163,286
875,908	-	875,908
958,865	3,400	962,265
56,416	-	56,416
43,003	-	43,003
<u>\$ 2,200,342</u>	<u>\$ 3,400</u>	<u>\$ 2,203,742</u>
<u>\$ 66,844</u>	<u>\$ 9,746</u>	<u>\$ 76,590</u>
\$ 140,327	\$ -	\$ 140,327
(140,327)	-	(140,327)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 66,844</u>	<u>\$ 9,746</u>	<u>\$ 76,590</u>
<u>4,627,289</u>	<u>1,855,730</u>	<u>6,483,019</u>
<u><u>\$ 4,694,133</u></u>	<u><u>\$ 1,865,476</u></u>	<u><u>\$ 6,559,609</u></u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
SOLID WASTE (NON-LANDFILL) SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Special assessments	\$ 595,000	\$ 595,000	\$ 602,658	\$ 7,658
Intergovernmental	214,000	214,000	221,694	7,694
Charges for services	334,000	334,000	341,610	7,610
Miscellaneous	68,450	68,450	68,740	290
Total Revenues	\$ 1,211,450	\$ 1,211,450	\$ 1,234,702	\$ 23,252
EXPENDITURES				
Current				
Conservation of natural resources				
Solid waste (non-landfill)	\$ 1,170,971	\$ 1,171,436	\$ 942,389	\$ 229,047
Capital Outlay				
Conservation of natural resources	\$ 45,000	\$ 45,000	\$ 43,003	\$ 1,997
Total Expenditures	\$ 1,215,971	\$ 1,216,436	\$ 985,392	\$ 231,044
Excess of Revenues Over (Under)				
Expenditures	\$ (4,521)	\$ (4,986)	\$ 249,310	\$ 254,296
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 102,300	\$ 102,300	\$ 140,327	\$ 38,027
Transfers out	(102,300)	(102,300)	(140,327)	(38,027)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ (4,521)	\$ (4,986)	\$ 249,310	\$ 254,296
Fund Balance - January 1	3,155,690	3,155,690	3,155,690	-
Fund Balance - December 31	\$ 3,151,169	\$ 3,150,704	\$ 3,405,000	\$ 254,296

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
SMALL CITIES DEVELOPMENT PROGRAM SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Investment earnings	\$ 3,649	\$ 3,649	\$ 3,509	\$ (140)
Miscellaneous	14,252	14,252	52,729	38,477
Total Revenues	\$ 17,901	\$ 17,901	\$ 56,238	\$ 38,337
EXPENDITURES				
Current				
Economic development				
Redevelopment	-	-	56,416	(56,416)
Net Change in Fund Balance	\$ 17,901	\$ 17,901	\$ (178)	\$ (18,079)
Fund Balance - January 1	4,636	4,636	4,636	-
Fund Balance - December 31	\$ 22,537	\$ 22,537	\$ 4,458	\$ (18,079)

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
UNORGANIZED TOWNSHIPS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 891,300	\$ 891,300	\$ 882,924	\$ (8,376)
Special assessments	-	-	15,874	15,874
Licenses and permits	-	-	175	175
Intergovernmental	47,000	47,000	63,189	16,189
Miscellaneous	-	-	7	7
Total Revenues	\$ 938,300	\$ 938,300	\$ 962,169	\$ 23,869
EXPENDITURES				
Current				
General government				
Unorganized township general revenue	\$ 104,025	\$ 104,025	\$ 102,864	\$ 1,161
Public safety				
Unorganized township fire	163,288	163,288	163,286	2
Highways and streets				
Unorganized township roads	898,268	898,268	875,908	22,360
Total Expenditures	\$ 1,165,581	\$ 1,165,581	\$ 1,142,058	\$ 23,523
Net Change in Fund Balance	\$ (227,281)	\$ (227,281)	\$ (179,889)	\$ 47,392
Fund Balance - January 1	1,457,303	1,457,303	1,457,303	-
Fund Balance - December 31	\$ 1,230,022	\$ 1,230,022	\$ 1,277,414	\$ 47,392

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
DITCH SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Special assessments	\$ 14,201	\$ 14,201	\$ 14,077	\$ (124)
EXPENDITURES				
Current				
Conservation of natural resources				
Ditch	14,201	14,201	16,476	(2,275)
Net Change in Fund Balance	\$ -	\$ -	\$ (2,399)	\$ (2,399)
Fund Balance - January 1	9,660	9,660	9,660	-
Fund Balance - December 31	<u>\$ 9,660</u>	<u>\$ 9,660</u>	<u>\$ 7,261</u>	<u>\$ (2,399)</u>

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL TRUST PERMANENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Investment earnings	\$ 43,000	\$ 43,000	\$ 13,146	\$ (29,854)
EXPENDITURES				
Current				
Conservation of natural resources				
Environmental services	-	-	3,400	(3,400)
Net Change in Fund Balance	\$ 43,000	\$ 43,000	\$ 9,746	\$ (33,254)
Fund Balance - January 1	1,855,730	1,855,730	1,855,730	-
Fund Balance - December 31	\$ 1,898,730	\$ 1,898,730	\$ 1,865,476	\$ (33,254)

Agency Funds

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 uses outcome-based indicators to measure progress toward achieving those goals.

Child Protection Team – The Crow Wing County Child Protection Team fund was created 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 for deciding how these funds should be used to help prevent child abuse. Currently there are 19 agencies that are members of the CWC Child Protection Team.

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.

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

Brainerd Lakes Towards Zero Deaths – This fund is used to account for activity related to local efforts 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 Energized – This fund is used to account for activity associated with workplace wellness grants and healthy lifestyles.

Social Welfare – This fund is used to account for the activity related to income received and payments made on behalf of individuals for whom the County is responsible to assist in accordance with Minn. Stat. § 256.8.

Canteen – This fund is used to account for deposits and withdrawals made by inmates of the Crow Wing County Jail.

Region V+ Adult Mental Health Initiative – This fund is used to account for activity related to enhanced services to vulnerable populations and improve the mental health delivery system for adults with serious and persistent mental illnesses.

**CROW WING COUNTY
BRainerd, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance January 1	Additions	Deductions	Balance December 31
<u>COLLABORATIVE</u>				
ASSETS				
Cash and investments	\$ 943,201	\$ 1,051,820	\$ 1,146,865	\$ 848,156
LIABILITIES				
Due to other governments	\$ 943,201	\$ 1,051,820	\$ 1,146,865	\$ 848,156
<u>CHILD PROTECTION TEAM</u>				
ASSETS				
Cash and investments	\$ 30,487	\$ 41,459	\$ 36,569	\$ 35,377
LIABILITIES				
Accounts payable	\$ 30,487	\$ 41,459	\$ 36,569	\$ 35,377
<u>TAXES AND PENALTIES</u>				
ASSETS				
Cash and investments	\$ 5,437,525	\$ 115,567,603	\$ 119,174,130	\$ 1,830,998
LIABILITIES				
Due to other governments	\$ 5,437,525	\$ 115,567,603	\$ 119,174,130	\$ 1,830,998
<u>MN ESTATE RECOVERIES</u>				
ASSETS				
Cash and investments	\$ 662,331	\$ 666,390	\$ 1,058,536	\$ 270,185
LIABILITIES				
Due to other governments	\$ 662,331	\$ 666,390	\$ 1,058,536	\$ 270,185
<u>SNOWMOBILE, ATV, SKI TRAILS</u>				
ASSETS				
Cash and investments	\$ 96,863	\$ 539,910	\$ 473,266	\$ 163,507
LIABILITIES				
Accounts payable	\$ 96,863	\$ 539,910	\$ 473,266	\$ 163,507
<u>BRainerd LAKES TOWARDS ZERO DEATHS</u>				
ASSETS				
Cash and investments	\$ 3,675	\$ -	\$ -	\$ 3,675
LIABILITIES				
Accounts payable	\$ 3,675	\$ -	\$ -	\$ 3,675
	(Continued)			(Continued)

**CROW WING COUNTY
BRainerd, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

	Balance January 1	Additions	Deductions	Balance December 31
<u>MISSISSIPPI HEADWATERS BOARD</u>				
ASSETS				
Cash and investments	\$ 298,581	\$ 368,925	338,521	\$ 328,985
LIABILITIES				
Accounts payable	\$ 298,581	\$ 368,925	\$ 338,521	\$ 328,985
<u>LAKE IMPROVEMENT DISTRICTS</u>				
ASSETS				
Cash and investments	\$ 507,653	\$ 296,668	\$ 242,309	\$ 562,012
LIABILITIES				
Accounts payable	\$ 507,653	\$ 296,668	\$ 242,309	\$ 562,012
<u>CROW WING ENERGIZED</u>				
ASSETS				
Cash and investments	\$ 11,392	\$ 1,625	\$ 13,017	\$ -
LIABILITIES				
Accounts payable	\$ 11,392	\$ 1,625	\$ 13,017	\$ -
<u>SOCIAL WELFARE</u>				
ASSETS				
Cash and investments	\$ 17,492	\$ 272,267	\$ 273,286	\$ 16,473
LIABILITIES				
Accounts payable	\$ 17,492	\$ 272,267	\$ 273,286	\$ 16,473
<u>CANTEEN</u>				
ASSETS				
Cash and investments	\$ 35,785	\$ 919,348	\$ 922,857	\$ 32,276
LIABILITIES				
Accounts payable	\$ 35,785	\$ 919,348	\$ 922,857	\$ 32,276
<u>REGION V+ ADULT MENTAL HEALTH INITIATIVE</u>				
ASSETS				
Cash and investments	\$ -	\$ 2,443,675	\$ 2,300,175	\$ 143,500
LIABILITIES				
Accounts payable	\$ -	\$ 2,443,675	\$ 2,300,175	\$ 143,500
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 8,044,985	\$ 122,169,690	\$ 125,979,531	\$ 4,235,144
Total Assets	\$ 8,044,985	\$ 122,169,690	\$ 125,979,531	\$ 4,235,144
LIABILITIES				
Accounts payable	\$ 1,001,928	\$ 4,883,877	\$ 4,600,000	\$ 1,285,805
Due to other governments	7,043,057	117,285,813	121,379,531	2,949,339
Total Liabilities	\$ 8,044,985	\$ 122,169,690	\$ 125,979,531	\$ 4,235,144

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**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Governmental Funds	Enterprise Funds	Total Primary Government
Shared Revenues			
State			
Highway users tax	\$ 12,354,580	\$ -	\$ 12,354,580
Market value credit	143,080	-	143,080
Supplemental homestead credit	352,621	-	352,621
PERA rate reimbursement	82,902	595	83,497
Pension contribution	72,141	-	72,141
Disparity reduction aid	14,089	-	14,089
County program aid	2,246,481	-	2,246,481
Police aid	337,854	-	337,854
E-911	148,826	-	148,826
Total Shared Revenues	\$ 15,752,574	\$ 595	\$ 15,753,169
Reimbursement for Services			
State			
Minnesota Department of Human Services	\$ 3,646,479	\$ -	\$ 3,646,479
Payments			
Local			
Local contributions	\$ 19,742	\$ -	\$ 19,742
Payments in lieu of taxes	562,442	-	562,442
Total Payments	\$ 582,184	\$ -	\$ 582,184

(Continued)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total Primary Government</u>
Grants			
State			
Minnesota Department of			
Agriculture	\$ 1,712	\$ -	\$ 1,712
Corrections	940,492	-	940,492
Health	420,359	-	420,359
Human Services	2,414,275	-	2,414,275
Natural Resources	157,110	-	157,110
Public Safety	45,656	-	45,656
Revenue	451,959	-	451,959
Transportation	109,447	-	109,447
Trial Courts	37,275	-	37,275
Historical Society	157,191	-	157,191
Peace Officers Board	41,151	-	41,151
Pollution Control Agency	219,982	-	219,982
Secretary of State	118,913	-	118,913
Water and Soil Resources	153,237	-	153,237
Total State	\$ 5,268,759	\$ -	\$ 5,268,759
Federal			
Corporation for National and Community Service	\$ -	\$ -	\$ -
Department of			
Agriculture	1,067,661	-	1,067,661
Health and Human Services	5,725,387	-	5,725,387
Homeland Security	237,989	-	237,989
Justice	62,908	-	62,908
Transportation	2,210,762	-	2,210,762
Total Federal	\$ 9,304,707	\$ -	\$ 9,304,707
Total State and Federal Grants	\$ 14,573,466	\$ -	\$ 14,573,466
Total Intergovernmental Revenue	\$ 34,554,703	\$ 595	\$ 34,555,298

**CROW WING COUNTY
BRainerd, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Contract Number/ Pass-Through Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Health WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not provided	\$ 331,818	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Part of SNAP Cluster)	10.561	182MN101S2514	613,169	-
Total U.S. Department of Agriculture			\$ 944,987	\$ -
U.S. Department of Justice				
Direct Bulletproof Vest Partnership Program	16.607	Not provided	\$ 1,391	\$ -
Passed Through Minnesota Department of Public Safety Missing Children's Assistance	16.543	Not provided	755	-
Crime Victim Assistance	16.575	F-CVSP-2018-CROWWAO	60,762	-
Total U.S. Department of Justice			\$ 62,908	\$ -
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation Highway Planning and Construction (Part of Highway Planning and Construction Cluster)	20.205	STPF 1818 (197)	\$ 1,957,325	
	20.205	HSIP 1818 (189)	159,649	\$ -
Passed Through Minnesota Department of Trial Courts Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not provided	93,788	-
Total U.S. Department of Transportation			\$ 2,210,762	\$ -
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	Not provided	\$ 57,439	\$ -
Universal Newborn Hearing Screening	93.251	Not provided	375	-
Temporary Assistance for Needy Families (Part of TANF Cluster) (Total Temporary Assistance for Needy Families 93.558 \$667,697)	93.558	1801MNTANF	67,115	-
Maternal and Child Health Services Block Grant to the States	93.994	Not provided	65,176	-
			(Continued)	

**CROW WING COUNTY
BRainerd, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Contract Number/ Pass-Through Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed Through Minnesota Department of Human Services				
Promoting Safe and Stable Families	93.556	G-1701MNFPS	\$ 12,357	\$ -
Temporary Assistance for Needy Families (Part of TANF Cluster) (Total Temporary Assistance for Needy Families 93.558 \$667,697)	93.558	1801MNTANF	600,582	-
Child Support Enforcement	93.563	1804MNCES	1,164,656	-
Community-Based Child Abuse Prevention Grants	93.590	G-1702MNFPRG	18,908	-
Child Care and Development Block Grant (Part of Child Care Cluster)	93.596	G1801MNCCDF	46,375	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1701MNCWSS	10,358	-
Foster Care - Title IV-E	93.658	1801MNFOST	589,207	-
Social Services Block Grant	93.667	G-1801MNSOSR	349,792	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-1801MNCILP	17,481	-
Children's Health Insurance Program	93.767	1805MN5R21	630	-
Medical Assistance Program (Part of Medicaid Cluster)	93.778	1805MN5ADM	\$ 2,493,168	-
	93.778	1805MN5MAP	27,671	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08T10100027-17	10,000	-
Total U.S. Department of Health and Human Services			\$ 5,531,290	\$ -
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	Not provided	\$ 19,500	\$ -
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	F-EMPG-2017-CROWWICO	40,999	-
Homeland Security Grant Program	97.067	F-SHSP-2017-CROWWICO	177,490	-
Total U.S. Department of Homeland Security			\$ 237,989	\$ -
Total Federal Awards			\$ 8,987,936	\$ -

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018. 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 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.

**CROW WING COUNTY
BRainerd, MINNESOTA**

Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 9,304,707
Grants received more than 60 days after year-end, deferred in 2018	
Medical Assistance Program	31,840
John H. Chafee Foster Care Program for Successful Transition to Adulthood	5,127
Community-Based Child Abuse Prevention Grants	6,294
Promoting Safe and Stable Families	3,168
Stephanie Tubbs Jones Child Welfare Services Program	2,824
Temporary Assistance for Needy Families	186,361
Deferred in 2017, recognized as revenue in 2018	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	(122,674)
Child Support Enforcement	(217,955)
Community-Based Child Abuse Prevention Grants	(4,796)
Promoting Safe and Stable Families	(2,802)
Stephanie Tubbs Jones Child Welfare Services Program	(2,407)
Temporary Assistance for Needy Families	(201,751)
Expenditures Per Schedule of Federal Awards	<u>\$ 8,987,936</u>

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.

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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			
	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 102,145,334	\$ 110,096,199	\$ 111,954,940	\$ 132,167,372
Restricted	17,449,360	13,172,796	16,532,198	14,924,912
Unrestricted	35,278,917	43,336,787	45,124,298	46,594,361
Total governmental activities net position	<u>\$ 154,873,611</u>	<u>\$ 166,605,782</u>	<u>\$ 173,611,436</u>	<u>\$ 193,686,645</u>
Business-type activities				
Net investment in capital assets	\$ 5,300,525	\$ 4,965,555	\$ 4,985,481	\$ 4,601,273
Restricted	-	-	-	-
Unrestricted	5,335,081	6,282,130	6,467,921	7,127,230
Total business-type activities net position	<u>\$ 10,635,606</u>	<u>\$ 11,247,685</u>	<u>\$ 11,453,402</u>	<u>\$ 11,728,503</u>
Primary government				
Net investment in capital assets	\$ 107,445,859	\$ 115,061,754	\$ 116,940,421	\$ 136,768,645
Restricted	17,449,360	13,172,796	16,532,198	14,924,912
Unrestricted	40,613,998	49,618,917	51,592,219	53,721,591
Total primary governments activities net position	<u>\$ 165,509,217</u>	<u>\$ 177,853,467</u>	<u>\$ 185,064,838</u>	<u>\$ 205,415,148</u>

(Unaudited)

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 137,032,435	\$ 146,262,282	\$ 154,361,324	\$ 161,945,002	\$ 175,970,678	\$ 187,498,002
15,100,842	14,440,695	14,387,092	16,098,569	23,365,483	26,628,305
43,888,807	40,448,984	18,313,794	11,487,228	(1,205,633)	(26,000,200)
<u>\$ 196,022,084</u>	<u>\$ 201,151,961</u>	<u>\$ 187,062,210</u>	<u>\$ 189,530,799</u>	<u>\$ 198,130,528</u>	<u>\$ 188,126,107</u>
\$ 4,137,889	\$ 3,714,862	\$ 3,230,662	\$ 2,939,450	\$ 2,821,144	\$ 3,727,297
1,823,923	1,678,777	1,470,941	1,436,133	1,260,375	1,175,578
6,358,525	7,138,379	7,664,239	8,335,332	9,022,817	8,677,817
<u>\$ 12,320,337</u>	<u>\$ 12,532,018</u>	<u>\$ 12,365,842</u>	<u>\$ 12,710,915</u>	<u>\$ 13,104,336</u>	<u>\$ 13,580,692</u>
\$ 141,170,324	\$ 149,977,144	\$ 157,591,986	\$ 164,884,452	\$ 178,791,822	\$ 191,225,299
16,924,765	16,119,472	15,858,033	17,534,702	24,625,858	27,803,883
50,247,332	47,587,363	25,978,033	19,822,560	7,817,184	(17,322,383)
<u>\$ 208,342,421</u>	<u>\$ 213,683,979</u>	<u>\$ 199,428,052</u>	<u>\$ 202,241,714</u>	<u>\$ 211,234,864</u>	<u>\$ 201,706,799</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Expenses				
Governmental activities				
General government	\$ 13,248,631	\$ 12,871,344	\$ 12,969,897	\$ 12,956,270
Public safety	13,306,812	13,036,830	13,825,942	13,437,415
Highways and streets	6,931,810	6,919,926	8,380,127	7,008,995
Sanitation	137,056	147,328	28,694	-
Health and human services ¹	20,835,333	20,416,383	21,153,044	20,570,268
Health ¹	1,684,446	1,684,246	1,741,968	1,555,816
Culture and recreation	634,334	684,631	647,975	669,106
Conservation of natural resources	1,579,069	1,342,948	1,271,937	1,589,004
Economic development	115,240	217,807	352,710	-
Interest	2,313,711	2,153,652	1,973,785	1,928,665
Total governmental activities expenses	<u>\$ 60,786,442</u>	<u>\$ 59,475,095</u>	<u>\$ 62,346,079</u>	<u>\$ 59,715,539</u>
Business-type activities				
Solid waste	\$ 2,263,577	\$ 1,631,721	\$ 2,070,766	\$ 2,131,373
Total primary governments activities expenses	<u>\$ 63,050,019</u>	<u>\$ 61,106,816</u>	<u>\$ 64,416,845</u>	<u>\$ 61,846,912</u>
Program Revenues				
Governmental activities				
Charge for services:				
General government	\$ 1,961,517	\$ 1,858,545	\$ 1,675,797	\$ 1,829,766
Public safety	1,924,364	1,927,995	1,440,474	1,586,547
Highways and streets	429,446	496,205	497,846	589,297
Health and human services ¹	1,658,340	1,647,435	2,052,157	2,030,299
Health ¹	432,704	471,753	300,551	257,855
Culture and recreation	-	-	-	-
Conservation of natural resources	1,398,724	1,461,012	1,505,233	1,421,929
Economic development	621	2,691	8,599	11,497
Operating grants and contributions	17,868,108	23,131,686	18,684,965	19,091,574
Capital grants and contributions	4,869,920	1,362,606	4,526,177	13,883,256
Total governmental activities program revenues	<u>\$ 30,543,744</u>	<u>\$ 32,359,928</u>	<u>\$ 30,691,799</u>	<u>\$ 40,702,020</u>
Business-type activities				
Charges for services:				
Solid Waste	\$ 1,857,324	\$ 1,989,639	\$ 1,920,174	\$ 2,064,133
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>\$ 1,857,324</u>	<u>\$ 1,989,639</u>	<u>\$ 1,920,174</u>	<u>\$ 2,064,133</u>
Total primary governments activities program revenues	<u>\$ 32,401,068</u>	<u>\$ 34,349,567</u>	<u>\$ 32,611,973</u>	<u>\$ 42,766,153</u>
Net (Expense) Revenue				
Governmental activities	\$ (30,242,698)	\$ (27,115,167)	\$ (31,654,280)	\$ (19,013,519)
Business-type activities	(406,253)	357,918	(150,592)	(67,240)
Total primary government net expense	<u>\$ (30,648,951)</u>	<u>\$ (26,757,249)</u>	<u>\$ (31,804,872)</u>	<u>\$ (19,080,759)</u>

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

(Unaudited)

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 13,436,948	\$ 16,542,474	\$ 16,937,785	\$ 17,685,593	\$ 16,513,663	\$ 16,819,477
17,320,145	14,045,336	16,111,366	20,329,416	19,750,170	17,875,341
8,871,390	9,130,552	10,277,136	10,924,855	10,997,480	15,980,286
-	-	1,102,479	12,833	249	8,333
20,173,438	20,730,571	22,537,452	24,189,396	24,748,890	24,937,883
1,504,136	1,448,443	-	-	-	-
683,872	741,199	720,945	707,490	822,656	720,633
1,755,941	1,994,144	1,909,052	1,967,863	2,331,978	2,384,527
-	-	17,053	72,562	50,872	56,416
763,965	1,214,835	1,018,348	828,184	616,015	398,779
<u>\$ 64,509,835</u>	<u>\$ 65,847,554</u>	<u>\$ 70,631,616</u>	<u>\$ 76,718,192</u>	<u>\$ 75,831,973</u>	<u>\$ 79,181,675</u>
<u>\$ 1,703,792</u>	<u>\$ 1,981,974</u>	<u>\$ 2,466,616</u>	<u>\$ 2,459,765</u>	<u>\$ 2,560,056</u>	<u>\$ 2,593,282</u>
<u>\$ 66,213,627</u>	<u>\$ 67,829,528</u>	<u>\$ 73,098,232</u>	<u>\$ 79,177,957</u>	<u>\$ 78,392,029</u>	<u>\$ 81,774,957</u>
\$ 1,851,275	\$ 1,826,772	\$ 2,065,967	\$ 2,166,648	\$ 2,296,987	\$ 3,041,026
2,177,386	2,608,265	2,335,386	3,330,412	3,890,005	3,065,290
429,836	336,177	327,438	419,817	231,767	1,469,000
1,227,820	1,786,393	1,861,936	1,913,528	1,610,358	1,418,144
233,016	157,675	-	-	-	-
-	-	-	74	22	456
1,674,068	2,368,173	1,854,236	1,950,817	2,095,457	2,604,681
13,252	13,656	13,881	13,990	275,152	3,743
19,929,435	21,384,878	22,449,358	24,608,021	27,224,671	24,411,021
903,557	1,232,623	3,597,081	1,185,355	804,528	6,942,389
<u>\$ 28,439,645</u>	<u>\$ 31,714,612</u>	<u>\$ 34,505,283</u>	<u>\$ 35,588,662</u>	<u>\$ 38,428,947</u>	<u>\$ 42,955,750</u>
\$ 1,986,447	\$ 2,132,298	\$ 2,327,381	\$ 2,721,935	\$ 2,838,890	\$ 2,921,411
-	-	-	596	46	-
<u>\$ 1,986,447</u>	<u>\$ 2,132,298</u>	<u>\$ 2,327,381</u>	<u>\$ 2,722,531</u>	<u>\$ 2,838,936</u>	<u>\$ 2,921,411</u>
<u>\$ 30,426,092</u>	<u>\$ 33,846,910</u>	<u>\$ 36,832,664</u>	<u>\$ 38,311,193</u>	<u>\$ 41,267,883</u>	<u>\$ 45,877,161</u>
\$ (36,070,190)	\$ (34,132,942)	\$ (36,126,333)	\$ (41,129,530)	\$ (37,403,026)	\$ (36,225,925)
282,655	150,324	(139,235)	262,766	278,880	328,129
<u>\$ (35,787,535)</u>	<u>\$ (33,982,618)</u>	<u>\$ (36,265,568)</u>	<u>\$ (40,866,764)</u>	<u>\$ (37,124,146)</u>	<u>\$ (35,897,796)</u>

(Continued)

CROW WING COUNTY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(Continued)

	Fiscal Year			
	2009	2010	2011	2012
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 34,566,755	\$ 35,585,536	\$ 35,213,383	\$ 35,814,571
Transportation sales and use tax	-	-	-	-
Mortgage registry and deed tax	79,515	71,796	65,367	86,114
Payments in lieu of tax	355,232	360,402	429,856	429,758
Unrestricted grants and contributions	3,170,952	2,065,541	2,071,218	1,293,122
Investment income	432,122	329,226	255,744	201,695
Miscellaneous	468,808	532,861	830,054	610,553
Gain on sale of capital assets	29,799	51,976	44,312	17,915
Transfers	48,895	(150,000)	(250,000)	(250,000)
Total governmental activities	<u>\$ 39,152,078</u>	<u>\$ 38,847,338</u>	<u>\$ 38,659,934</u>	<u>\$ 38,203,728</u>
Business-type activities:				
Unrestricted grants and contributions	\$ 595	\$ 595	\$ 595	\$ 595
Investment income	76,226	103,566	105,714	91,746
Miscellaneous	-	-	-	-
Transfers	(48,895)	150,000	250,000	250,000
Total business-type activities	<u>\$ 27,926</u>	<u>\$ 254,161</u>	<u>\$ 356,309</u>	<u>\$ 342,341</u>
Total primary government	<u><u>\$ 39,180,004</u></u>	<u><u>\$ 39,101,499</u></u>	<u><u>\$ 39,016,243</u></u>	<u><u>\$ 38,546,069</u></u>
Change in Net Position				
Governmental activities	\$ 8,909,380	\$ 11,732,171	\$ 7,005,654	\$ 19,190,209
Business-type activities	(378,327)	612,079	205,717	275,101
Total primary government	<u><u>\$ 8,531,053</u></u>	<u><u>\$ 12,344,250</u></u>	<u><u>\$ 7,211,371</u></u>	<u><u>\$ 19,465,310</u></u>

(Unaudited)

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 35,488,689	\$ 35,541,480	\$ 35,684,227	\$ 35,457,806	\$ 36,033,341	\$ 36,269,538
-	-	-	4,020,905	6,077,340	6,417,078
92,199	72,421	73,139	94,583	106,854	105,494
515,879	505,570	505,242	505,634	492,162	562,442
2,261,079	2,570,579	2,814,469	2,752,954	2,651,420	2,839,173
(33,980)	348,758	450,410	436,639	353,506	897,569
331,763	224,011	291,139	329,598	288,132	222,925
-	-	-	-	-	-
(250,000)	-	-	-	-	-
<u>\$ 38,405,629</u>	<u>\$ 39,262,819</u>	<u>\$ 39,818,626</u>	<u>\$ 43,598,119</u>	<u>\$ 46,002,755</u>	<u>\$ 47,314,219</u>
\$ 595	\$ 595	\$ 595	\$ 595	\$ 595	\$ 595
58,584	60,762	73,736	81,712	108,861	140,327
-	-	-	-	5,085	-
250,000	-	-	-	-	-
<u>\$ 309,179</u>	<u>\$ 61,357</u>	<u>\$ 74,331</u>	<u>\$ 82,307</u>	<u>\$ 114,541</u>	<u>\$ 140,922</u>
<u>\$ 38,714,808</u>	<u>\$ 39,324,176</u>	<u>\$ 39,892,957</u>	<u>\$ 43,680,426</u>	<u>\$ 46,117,296</u>	<u>\$ 47,455,141</u>
\$ 2,335,439	\$ 5,129,877	\$ 3,692,293	\$ 2,468,589	\$ 8,599,729	\$ 11,088,294
591,834	211,681	(64,904)	345,073	393,421	469,051
<u>\$ 2,927,273</u>	<u>\$ 5,341,558</u>	<u>\$ 3,627,389</u>	<u>\$ 2,813,662</u>	<u>\$ 8,993,150</u>	<u>\$ 11,557,345</u>

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

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Prior to GASB No. 54 ¹				
Reserved	\$ 2,308,065	\$ 2,482,487	\$ -	\$ -
Unreserved	14,293,522	15,347,549	-	-
After GASB No. 54 ¹				
Nonspendable	-	-	15,000	15,000
Restricted	-	-	2,618,717	2,545,786
Committed	-	-	3,958,743	1,669,644
Unassigned	-	-	12,578,723	15,857,951
Total General Fund	<u>\$ 16,601,587</u>	<u>\$ 17,830,036</u>	<u>\$ 19,171,183</u>	<u>\$ 20,088,381</u>
All Other Governmental Funds				
Prior to GASB No. 54 ¹				
Reserved	\$ 10,406,812	\$ 10,530,555	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	12,876,790	15,477,400	-	-
Capital projects funds	1,572,342	686,390	-	-
Permanent funds	122,435	146,507	-	-
After GASB No. 54 ¹				
Nonspendable	-	-	2,641,606	793,537
Restricted	-	-	12,051,982	5,976,805
Committed	-	-	-	-
Assigned	-	-	15,199,114	18,578,042
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 24,978,379</u>	<u>\$ 26,840,852</u>	<u>\$ 29,892,702</u>	<u>\$ 25,348,384</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					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
15,000	115,000	15,000	88,478	722,070	482,643
2,399,772	2,316,891	1,534,345	1,342,572	1,230,717	1,403,453
1,387,066	1,405,253	1,592,561	1,713,514	1,903,387	2,214,897
11,643,351	12,444,007	13,265,687	13,286,490	9,839,901	8,623,412
<u>\$ 15,445,189</u>	<u>\$ 16,281,151</u>	<u>\$ 16,407,593</u>	<u>\$ 16,431,054</u>	<u>\$ 13,696,075</u>	<u>\$ 12,724,405</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,782,100	2,844,125	2,888,674	2,954,769	2,795,080	2,762,192
9,903,970	9,164,679	9,949,073	11,712,750	13,417,206	16,595,773
7,566,908	6,447,090	3,635,338	4,267,218	3,063,645	3,803,621
13,774,715	14,972,976	13,875,559	11,802,920	12,323,648	9,477,041
-	-	-	-	-	(148,623)
<u>\$ 34,027,693</u>	<u>\$ 33,428,870</u>	<u>\$ 30,348,644</u>	<u>\$ 30,737,657</u>	<u>\$ 31,599,579</u>	<u>\$ 32,490,004</u>

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

	Fiscal Year					
	2009	2010	2011	2012	2013	2014
REVENUES						
Taxes	\$ 34,097,022	\$ 35,641,804	\$ 35,501,017	\$ 36,054,509	\$ 35,764,319	\$ 35,692,434
Special assessments	567,540	594,613	596,915	609,522	609,115	613,607
Licenses and permits	1,157,359	1,181,471	1,055,128	1,287,873	1,048,897	1,073,536
Intergovernmental	23,908,450	26,628,793	23,389,156	34,811,026	21,373,104	28,043,509
Charges for services	4,810,137	5,413,339	4,825,317	4,998,184	5,640,717	5,883,900
Fines and forfeits	32,333	48,453	96,562	82,796	58,800	41,724
Gifts and contributions	7,187	27,201	25,654	25,145	48,129	31,681
Investment earnings	633,165	441,877	354,183	253,954	11,981	364,783
Sales	199,987	161,048	174,159	166,959	131,836	364,344
Miscellaneous	3,018,342	2,712,556	3,784,059	3,385,313	3,251,407	2,728,398
Total Revenues	\$ 68,431,522	\$ 72,851,155	\$ 69,802,150	\$ 81,675,281	\$ 67,938,305	\$ 74,837,916
EXPENDITURES						
Current						
General government	\$ 12,454,136	\$ 12,003,338	\$ 12,159,749	\$ 12,232,650	\$ 12,492,804	\$ 13,828,033
Public safety	12,091,853	11,773,055	13,118,501	13,599,885	12,636,973	12,605,736
Highways and streets	13,339,626	13,420,833	8,729,183	11,255,631	6,189,673	6,579,224
Health and human services ¹	19,144,184	20,561,887	20,298,268	19,519,474	19,321,787	20,762,422
Health ¹	1,657,571	1,768,773	1,793,644	1,452,535	1,429,224	1,410,744
Sanitation	187,580	116,827	-	-	-	-
Culture and recreation	681,727	894,537	728,832	716,183	667,685	727,300
Conservation of natural resources	1,810,697	1,660,163	1,628,504	13,110,749	1,897,142	2,276,905
Economic development	115,240	217,807	352,710	-	-	-
Capital outlay ²	664,806	885,952	585,517	1,223,403	-	-
General government	-	-	-	-	382,325	443,895
Public safety	-	-	-	-	957,440	1,004,799
Highways and streets	-	-	-	-	5,028,125	8,707,930
Health and human services ¹	-	-	-	-	31,068	47,000
Culture and recreation	-	-	-	-	-	25,211
Conservation of natural resources	-	-	-	-	91,538	57,229
Intergovernmental						
Highways and streets	282,963	303,523	330,466	350,996	360,631	331,178
Debt service						
Principal	5,273,300	5,430,950	3,618,600	3,786,400	2,372,450	4,432,750
Interest	2,326,427	2,230,621	2,026,341	1,885,639	923,233	1,421,596
Bond issuance costs	29,550	22,860	-	-	124,981	-
Payment to refunded bond escrow agent	-	-	-	-	4,943,110	-
Administrative charges	1,671	5,175	2,313	4,288	2,538	850
Total Expenditures	\$ 70,061,331	\$ 71,296,301	\$ 65,372,628	\$ 79,137,833	\$ 69,852,727	\$ 74,662,802
Excess of revenues over (under) expenditures	\$ (1,629,809)	\$ 1,554,854	\$ 4,429,522	\$ 2,537,448	\$ (1,914,422)	\$ 175,114
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 1,092,184	\$ 1,562,546	\$ 3,004,178	\$ 1,652,782	\$ 9,381,540	\$ 122,772
Transfers out	(1,092,184)	(1,712,546)	(3,254,178)	(1,902,782)	(9,631,540)	(122,772)
Discount on bonds/notes issued	-	(15,929)	-	-	-	-
Refunding bonds issued	2,221,098	1,770,000	-	-	29,520,000	-
Bonds and notes issued	1,138,902	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(33,061,540)	-
Premium on bonds/notes issued	49,428	-	-	-	3,669,102	-
Proceeds from sale of capital assets	29,799	51,976	44,312	17,915	-	-
Insurance proceeds	-	-	-	-	-	-
Compensation for loss of capital assets	36,996	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 3,476,223	\$ 1,656,047	\$ (205,688)	\$ (232,085)	\$ (122,438)	\$ -
Net Change in Fund Balances	\$ 1,846,414	\$ 3,210,901	\$ 4,223,834	\$ 2,305,363	\$ (2,036,860)	\$ 175,114
Debt service as a percentage of noncapital expenditures	12.8%	12.6%	9.2%	9.8%	5.2%	9.1%

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

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

(Unaudited)

Fiscal Year			
2015	2016	2017	2018
\$ 35,867,692	\$ 39,712,574	\$ 42,436,831	\$ 42,467,215
608,992	621,398	724,944	632,609
1,281,108	1,050,158	1,697,062	1,389,658
28,052,796	28,124,758	30,508,611	34,554,701
5,434,236	6,139,651	6,330,045	6,941,495
45,354	64,349	92,135	90,609
71,420	64,024	58,690	42,060
529,616	616,672	427,982	965,654
622,047	753,533	831,225	1,248,078
2,492,269	2,954,330	2,525,559	2,280,653
<u>\$ 75,005,530</u>	<u>\$ 80,101,447</u>	<u>\$ 85,633,084</u>	<u>\$ 90,612,732</u>
\$ 14,461,781	\$ 14,650,561	\$ 14,076,747	\$ 14,575,517
14,225,602	15,577,683	17,246,989	17,983,983
7,011,820	7,715,638	7,031,539	11,673,819
22,113,076	23,440,807	23,005,362	23,377,256
-	-	-	-
1,239,329	58,868	3,533	-
663,326	688,256	767,105	676,807
2,777,174	2,503,865	3,435,452	3,047,423
17,053	72,562	50,872	56,416
-	-	-	-
436,883	1,170,319	1,490,007	2,216,513
434,930	343,511	904,588	530,386
9,195,148	7,603,072	13,833,479	10,689,220
20,072	12,753	-	-
18,992	434,752	63,266	54,737
57,229	57,229	81,172	277,771
350,932	364,361	364,212	424,552
3,907,750	4,091,205	4,284,050	4,650,065
1,203,941	1,010,687	807,095	592,652
-	-	-	-
-	-	-	-
5,675	4,974	1,183	2,887
<u>\$ 78,140,713</u>	<u>\$ 79,801,103</u>	<u>\$ 87,446,651</u>	<u>\$ 90,830,004</u>
<u>\$ (3,135,183)</u>	<u>\$ 300,344</u>	<u>\$ (1,813,567)</u>	<u>\$ (217,272)</u>
\$ 187,110	\$ 304,050	\$ 3,130,795	\$ 1,065,950
(187,110)	(304,050)	(3,130,795)	(1,065,950)
-	-	-	-
-	-	-	-
136,850	46,035	3,284	-
-	-	-	-
-	-	-	-
-	-	124,263	35,691
-	-	111,815	83,217
-	-	-	-
<u>\$ 136,850</u>	<u>\$ 46,035</u>	<u>\$ 239,362</u>	<u>\$ 118,908</u>
<u>\$ (2,998,333)</u>	<u>\$ 346,379</u>	<u>\$ (1,574,205)</u>	<u>\$ (98,364)</u>
7.5%	7.3%	7.2%	6.8%

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
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
2015	2016	\$ 36,087,799 35.16%	6,808,652 6.64	14,786,101 14.41	5,314,328 5.18	39,472,324 38.47
2016	2017	\$ 37,829,072 35.56%	7,082,810 6.66	14,941,071 14.05	5,321,937 5.00	40,843,109 38.40
2017	2018	\$ 39,112,439 36.17%	7,115,058 6.58	14,580,066 13.48	5,541,411 5.12	41,283,081 38.18

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
\$ 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%
166,072 0.16	1,144,562 1.12	1,170,572 (1.14)	\$ 102,609,266 100.00%	33.574%	\$ 9,548,387,800	1.075%
175,891 0.17	1,213,309 1.14	1,042,600 (0.98)	\$ 106,364,599 100.00%	32.308%	\$ 9,885,450,596	1.076%
232,899 0.22	1,286,454 1.19	1,018,439 (0.94)	\$ 108,132,969 100.00%	31.741%	\$ 10,077,476,226	1.073%

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

	Year Taxes Are Payable									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
County Direct Rates										
General revenue	13.938 %	13.468 %	14.515 %	15.398 %	17.422 %	18.303 %	18.483 %	17.953 %	16.575 %	15.684 %
Road and bridge	3.022	3.081	3.357	3.621	3.835	3.904	3.644	3.343	1.966	1.886
Community services	6.147	6.375	6.595	7.101	6.412	6.344	5.904	5.705	7.209	8.552
Capital Projects	-	-	-	1.742	1.855	0.917	0.906	1.048	1.241	0.390
Bonded debt	4.822	4.510	4.674	3.874	4.115	5.100	5.034	4.884	4.711	4.634
Transit system	0.045	0.028	0.030	0.033	0.034	0.036	0.035	0.014	0.002	0.002
Airport bonds	0.094	0.087	0.101	0.098	0.103	0.101	0.090	0.087	0.084	0.082
Library	0.500	0.480	0.513	0.541	0.566	0.564	0.557	0.540	0.520	0.511
Total direct rate	28.568 %	28.029 %	29.785 %	32.408 %	34.342 %	35.269 %	34.653 %	33.574 %	32.308 %	31.741 %
Cities										
Baxter	42.175 %	43.975 %	48.422 %	51.474 %	53.613 %	54.563 %	53.281 %	53.426 %	50.313 %	51.423 %
Brainerd	44.487	45.839	48.003	54.540	58.941	64.879	71.659	74.579	75.058	77.420
Breezy Point	32.968	33.137	33.895	39.281	42.202	44.389	44.175	42.683	42.454	42.870
Crosby	99.019	99.464	102.835	123.070	123.670	121.245	117.873	116.408	106.766	103.187
Crosslake	18.272	17.516	19.496	21.287	22.900	23.824	24.518	27.643	28.134	29.088
Cuyuna	34.738	33.680	37.081	49.064	54.002	57.443	60.047	55.893	57.466	61.128
Deerwood	69.664	70.807	74.769	88.211	92.043	92.880	93.798	95.337	95.395	90.776
Emily	27.815	25.747	27.813	30.934	35.833	40.146	41.507	39.278	41.665	41.632
Fifty Lakes	21.252	19.639	21.635	24.451	24.177	24.122	24.944	24.390	23.480	23.452
Fort Ripley	22.213	20.665	21.830	24.692	25.063	26.224	25.202	26.339	27.830	27.577
Garrison	52.410	55.249	60.063	66.237	71.709	68.487	67.769	69.215	71.537	70.426
Ironton	105.835	109.463	117.350	161.394	155.436	146.417	156.855	115.073	126.202	108.297
Jenkins	48.755	48.620	49.007	51.425	54.264	56.787	62.062	57.126	56.120	56.748
Manhattan Beach	27.619	23.781	26.365	28.272	26.618	26.541	27.011	27.094	23.602	23.999
Nisswa	20.944	21.253	23.421	26.804	29.058	30.996	31.029	30.778	30.428	31.577
Pequot Lakes	65.014	67.190	69.311	74.466	75.464	71.181	63.037	57.118	56.577	57.140
Riverton	51.096	48.660	47.316	54.056	43.619	46.641	45.075	46.551	42.496	40.409
Trommald	30.625	30.074	31.137	39.082	44.387	45.947	46.111	44.676	42.711	40.829
Townships										
Bay Lake fire district 1	6.117	5.340	5.404	5.848	5.856	6.148	6.446	9.343	9.037	9.706
Bay Lake fire district 2	6.148	5.398	5.863	6.352	6.419	6.652	6.797	9.938	9.603	9.482
Center	14.414	13.398	13.994	15.826	17.601	17.644	17.429	17.334	16.397	16.160
Crow Wing	28.073	25.617	20.283	20.136	19.725	20.483	21.529	20.152	30.875	29.795
Daggett Brook	21.844	19.421	20.861	25.377	26.528	24.230	25.005	23.794	22.614	20.700
Deerwood	10.532	10.415	10.990	12.412	13.365	15.624	17.074	17.356	17.347	17.964
Fairfield	17.777	16.638	17.378	19.470	20.867	21.821	21.925	21.436	21.868	21.191
Fort Ripley	25.084	17.386	17.013	18.894	20.162	16.907	14.039	13.532	5.660	7.867
Gail Lake	6.919	6.194	6.464	7.042	7.391	10.232	10.415	10.090	9.780	9.522
Garrison	11.593	10.821	11.655	12.603	13.417	13.747	14.003	16.476	17.999	19.882
Ideal	7.577	7.264	8.171	8.750	9.965	10.324	10.537	10.610	10.452	10.723
Irondale	39.803	38.388	40.816	45.381	46.983	51.190	50.748	47.054	45.366	44.401
Jenkins	10.145	10.688	9.521	9.570	13.185	10.784	13.094	13.077	12.425	11.823
Lake Edward	8.125	7.615	7.836	8.866	9.344	9.714	9.607	9.315	9.032	8.836
Little Pine	24.358	21.725	22.355	25.683	25.935	26.908	33.396	31.105	31.228	29.022
Long Lake	10.691	10.019	12.356	14.333	14.595	16.507	17.408	16.630	17.300	17.663
Maple Grove	8.825	8.176	8.806	9.845	11.487	12.763	13.002	11.780	10.381	10.039
Mission	10.425	11.088	13.594	15.198	15.328	17.642	18.045	18.483	18.665	17.329
Nokay Lake	20.401	19.867	21.626	22.811	23.422	25.591	25.746	25.894	24.949	29.182
Oak Lawn	16.765	16.366	17.402	20.023	21.044	21.863	22.149	20.286	19.252	19.176
Pelican	7.459	7.262	8.674	9.295	8.981	9.186	10.217	10.687	11.253	11.975
Perry Lake	6.493	6.095	7.076	8.703	9.678	10.689	11.797	12.259	12.166	12.142
Platte Lake	14.135	12.506	14.257	16.560	17.466	18.115	18.370	24.459	17.341	17.341
Rabbit Lake	24.203	23.618	26.339	28.977	30.719	30.696	30.840	30.255	28.294	28.460
Roosevelt	21.517	13.369	14.241	17.294	18.759	19.988	20.180	25.045	25.019	24.000
Ross Lake	7.411	7.096	7.456	9.293	9.979	11.309	10.998	9.623	9.929	10.848
St. Mathias	22.562	17.122	19.106	20.797	22.251	23.674	25.096	25.889	24.019	24.830
Timothy	6.957	5.898	6.328	5.779	6.294	6.514	6.622	6.618	6.566	6.565
Wolford	12.093	12.003	12.876	13.393	14.355	16.349	15.892	15.787	15.804	16.919
Unorganized - Dean Lake	12.002	10.640	14.794	19.233	27.003	31.214	33.972	32.889	35.055	34.462
Unorganized - 1st Asmnt	7.679	7.665	8.426	8.769	9.551	10.300	10.231	9.938	10.360	11.169
School Districts										
001 - Aitkin	3.650	2.727	2.825	2.868	3.135	3.029	3.400	4.604	4.030	4.435
181 - Brainerd	17.671	20.952	21.820	23.638	24.415	24.952	25.520	25.443	24.739	24.833
182 - Crosby	8.921	11.360	12.364	14.171	14.656	15.452	15.291	15.056	15.087	15.536
186 - Pequot Lakes	8.443	8.590	9.261	12.745	14.667	14.807	13.768	14.019	12.954	12.833
480 - Onamia	12.203	12.412	12.952	18.326	20.246	19.415	13.622	22.369	19.704	19.837
482 - Little Falls	14.473	14.955	12.060	18.237	15.624	14.160	14.648	14.544	21.395	21.104
484 - Pierz	15.598	15.857	15.358	18.383	21.096	21.089	19.595	18.695	18.789	16.672
2174 - Pine River	5.647	4.430	4.544	4.956	5.027	6.332	6.060	6.560	5.447	7.022
Special Districts										
Region five	0.095	0.095	0.106	0.119	0.128	0.133	0.133	0.131	0.131	0.134
County HRA	0.051	0.049	0.053	0.058	0.062	0.064	0.063	0.062	0.103	0.101
Cuyuna hospital district	0.937	0.881	0.938	1.057	1.125	1.181	1.174	1.141	1.114	1.083
Thirty lakes watershed	1.260	1.317	1.191	1.152	-	-	-	-	-	-
Brainerd HRA	1.513	1.554	1.671	1.836	1.625	1.677	1.702	1.669	1.687	1.725
Pequot Lakes HRA	0.972	1.031	1.037	1.378	1.399	1.483	1.442	1.406	1.355	1.334
Mille Lacs sewer district	5.921	4.852	8.719	13.577	20.817	21.676	21.766	23.062	22.968	22.593

Source: Land Services

(Unaudited)

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

Taxpayer	2018			2009		
	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
Minnesota Power and Light	\$ 570,571	1	0.54 %	\$ 369,670	3	0.30 %
Northern States Power	402,996	2	0.38	288,128	5	0.23
Etoc Co. Inc.	383,747	3	0.36	257,385	9	0.21
Burlington Northern Santa Fe Railroad	374,884	4	0.35			
Brainerd Lakes Integrated Health	346,147	5	0.33	244,844	10	0.20
Mills Properties Inc.	324,545	6	0.31	922,197	1	0.75
Great River Energy	281,868	7	0.27			
SUSO 2 Brainerd LP	251,266	8	0.24			
Crow Wing Coop Power & Light	228,852	9	0.22			
MFF Mortgage Borrower	219,812	10	0.21			
Potlatch Forest Holdings				372,365	2	0.30
Whitebirch Inc.				309,654	4	0.25
KTJ Limited Partnership				278,086	6	0.23
Wal-Mart Stores Inc.				275,337	7	0.22
Developers Diversified Realty				272,210	8	0.22
Total	<u>\$ 3,384,688</u>		<u>3.21 %</u>	<u>\$ 3,589,876</u>		<u>2.91 %</u>

Source: Land Services; 2009 Comprehensive Annual Financial Report

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

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 33,005,598	\$ 31,836,927	96.46 %	\$ 1,094,446	\$ 32,931,373	99.78 %
2010	34,036,631	33,063,192	97.14	944,152	34,007,344	99.91
2011	33,443,998	32,694,209	97.76	679,111	33,373,320	99.79
2012	34,156,910	33,461,342	97.96	639,222	34,100,564	99.84
2013	34,031,875	33,420,595	98.20	558,229	33,978,824	99.84
2014	33,998,443	33,431,295	98.33	516,988	33,948,283	99.85
2015	33,812,569	33,267,090	98.39	431,068	33,698,158	99.66
2016	33,803,532	33,284,458	98.46	401,060	33,685,518	99.65
2017	33,759,283	33,299,392	98.64	311,699	33,611,091	99.56
2018	33,735,266	33,252,082	98.57	-	33,252,082	98.57

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 Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Notes (3)	Lease Payable to Component Unit	Capital Lease			
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	1.96	686
2012	38,045,839	-	-	1,097,100	39,142,939	1.73	623
2013	33,636,404	-	-	1,009,650	34,646,054	1.49	549
2014	28,740,498	-	-	916,900	29,657,398	1.20	469
2015	24,369,592	136,850	-	824,150	25,330,592	0.98	399
2016	19,818,686	182,080	-	728,750	20,729,516	0.77	324
2017	15,082,780	179,364	-	630,700	15,892,844	0.58	248
2018	10,156,875	-	-	530,000	10,686,875	N/A (2)	166

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

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

(2) Personal income data for 2018 is unavailable at this time.

(3) The draw down of the Revenue Notes is recorded in the County's Capital Project Fund, as per the terms of the agreement with the Minnesota Public Facilities Authority. Payment of the Revenue notes will consist of repayments from the North Long Lake Sanitary Sewer District.

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

Fiscal Year	General Obligation Bonds (1)	Revenue Notes (2)	Subtotal	Less: Amounts Available in Debt Service Fund (3)	Total	Percentage of Estimated Actual Taxable Value of Property (4)	Per Capita
2009	\$ 49,888,650	\$ -	\$ 49,888,650	\$ 3,640,000	\$ 46,248,650	0.40 %	\$ 742
2010	46,245,061	-	46,245,061	3,713,400	42,531,661	0.35	679
2011	41,778,708	-	41,778,708	3,790,000	37,988,708	0.34	606
2012	38,045,839	-	38,045,839	2,360,000	35,685,839	0.36	568
2013	33,636,404	-	33,636,404	4,415,000	29,221,404	0.31	463
2014	28,740,498	-	28,740,498	3,890,000	24,850,498	0.27	393
2015	24,369,592	136,850	24,506,442	3,995,000	20,511,442	0.22	323
2016	19,818,686	182,080	20,000,766	4,180,000	15,820,766	0.17	247
2017	15,082,780	179,364	15,262,144	4,370,000	10,892,144	0.11	170
2018	10,156,875	-	10,156,875	4,577,500	5,579,375	0.06	87

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

(1) Net of original issuance discounts and premiums

(2) The draw down of the Revenue Notes is recorded in the County's Capital Project Fund, as per the terms of the agreement with the Minnesota Public Facilities Authority. Payment of the Revenue notes will consist of repayments from the North Long Lake Sanitary Sewer District.

(3) This is the amount restricted for debt service principal payments

(4) See 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, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Direct debt			
Crow Wing County	\$ 10,686,875	100.000 %	\$ 10,686,875
Overlapping debt			
School district 1 - Aitkin	\$ 3,670,000	7.558 %	\$ 277,379
School district 181 - Brainerd	228,975,000	85.417	195,583,576
School district 182 - Crosby	13,725,000	99.998	13,724,726
School district 186 - Pequot Lakes	39,405,000	95.348	37,571,879
School district 480 - Onamia	9,663,075	20.576	1,988,274
School district 482 - Little Falls	32,715,000	0.038	12,432
School district 484 - Pierz	13,320,000	0.359	47,819
School district 2174 - Pine River-Backus	5,521,133	42.054	2,321,857
Garrison-Kathio-West Mille Lacs Lake Sanitary Sewer District	5,087,997	62.579	3,184,018
Total overlapping debt	\$ 352,082,205		\$ 254,711,960
Total debt	\$ 362,769,080		\$ 265,398,835

Source: Land Services; 2018 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.

CROW WING COUNTY
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
Market value of taxable property	\$ 11,434,134,100	\$ 12,018,042,400	\$ 11,189,135,100	\$ 10,013,341,000
Debt limit (3% of market value)	\$ 343,024,023	\$ 360,541,272	\$ 335,674,053	\$ 300,400,230
Debt applicable to limit:				
General obligation bonds	\$ 49,675,000	\$ 46,075,000	\$ 41,778,708	\$ 37,917,500
Revenue notes	-	-	-	-
Less: Amount set aside for repayment of general obligation debt	(5,607,028)	(5,805,426)	(6,018,326)	(4,674,240)
Total net debt applicable to limit	\$ 44,067,972	\$ 40,269,574	\$ 35,760,382	\$ 33,243,260
Legal debt margin	\$ 298,956,051	\$ 320,271,698	\$ 299,913,671	\$ 267,156,970
Total net debt applicable to the limit as a percentage of the debt limit	12.85%	11.17%	10.65%	11.07%

Source: Land Services; Comprehensive Annual Financial Report

(Unaudited)

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 9,399,678,500	\$ 9,121,473,200	\$ 9,235,920,600	\$ 9,548,387,800	\$ 9,885,450,596	\$ 10,077,476,226
\$ 281,990,355	\$ 273,644,196	\$ 277,077,618	\$ 286,451,634	\$ 296,563,518	\$ 302,324,287
\$ 30,257,500 -	\$ 25,917,500 -	\$ 22,102,500 136,850	\$ 18,107,500 182,080	\$ 13,927,500 179,364	\$ 9,557,500 -
(5,075,811)	(4,454,886)	(4,540,823)	(4,627,998)	(4,713,769)	(4,801,263)
\$ 25,181,689	\$ 21,462,614	\$ 17,698,527	\$ 13,661,582	\$ 9,393,095	\$ 4,756,237
\$ 256,808,666	\$ 252,181,582	\$ 259,379,091	\$ 272,790,052	\$ 287,170,423	\$ 297,568,050
8.93%	7.84%	6.39%	4.77%	3.17%	1.57%

**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	(2) (5) Annual Average Labor Force	(3) (5) School Enrollment	(2) (5) Unemployment Rate
2009	62,307	\$ 1,980,355,000	\$ 31,784	33,408	9,753	9.6 %
2010	62,604	2,065,644,000	32,995	32,033	9,652	9.5
2011	62,662	2,189,476,000	34,941	31,556	9,466	8.7
2012	62,854	2,260,488,000	35,964	30,912	9,501	7.6
2013	63,075	2,324,633,000	36,855	31,397	9,610	6.8
2014	63,220	2,472,709,000	39,113	31,351	9,365	5.8
2015	63,428	2,582,156,000	40,710	31,262	9,352	5.2
2016	63,940	2,678,279,000	41,887	31,636	9,411	5.1
2017	64,000	2,755,387,000	42,770	32,038	9,508	4.6
2018	64,424 (6)	- (4)	- (4)	32,069	9,805	5.2

(1) Source: US Department of Commerce, Bureau of Economic Analysis

(2) Source: Minnesota Department of Employment and Economic Development

(3) Source: Minnesota Department of Education

(4) Not available at this time

(5) Annual data is only an estimate and subject to change.

(6) Source: Minnesota State Demographic Center

(Unaudited)

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

Taxpayer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Essentia Health - Central Region ¹	1,496	1	4.7 %	1,223	2	3.6 %
Cuyuna Regional Medical Center	973	2	3.1	734	4	2.2
Independent School District 181	900	3	2.8	1,544	1	4.6
Grand View Lodge Resort & Spa ²	997	4	3.2	825	3	2.4
Breezy Point Resort	525	5	1.7			
Ascensus ³	480	6	1.5	500	7	1.5
Clow Stamping	545	7	1.7			
Crow Wing County	417	8	1.3	455	9	1.3
Madden's Inc. ²	500	9	1.6	500	8	1.5
Cragun's Resort ²	408	10	1.3	300	10	0.9
Wal-Mart Supercenter				511	6	1.5
Mills Companies				526	5	1.6
Total	7,241		22.9 %	7,118		21.1 %

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

¹ Formerly St. Joseph's Medical Center

² Employee numbers indicate seasonal peak.

³ Formerly owned by Universal Pensions & Bisys Retirement Services.

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

Function/Program	Full-Time Equivalent Employees			
	2009	2010	2011	2012
General government	103.9	98.2	92.1	93.8
Public safety	127.0	121.8	119.5	120.2
Highways and streets	36.2	39.2	38.2	36.2
Sanitation	2.0	1.0	-	-
Health and human services ¹	134.4	131.5	129.7	129.9
Health ¹	22.0	20.3	18.6	17.8
Culture and recreation	0.5	0.3	0.8	0.8
Conservation of natural resources	9.9	8.1	9.0	8.7
Landfill enterprise fund	1.3	2.0	1.3	1.3
Total Full-Time Equivalents	<u>437.2</u>	<u>422.4</u>	<u>409.2</u>	<u>408.7</u>

Source: Administrative Services

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

(Unaudited)

Full-Time Equivalent Employees					
2013	2014	2015	2016	2017	2018
95.9	98.1	100.9	95.0	95.8	99.1
122.6	122.1	127.5	141.8	151.1	154.3
36.5	36.8	36.7	35.9	37.1	37.2
-	-	-	-	-	-
130.0	128.0	142.0	148.6	150.5	153.4
17.0	15.5	-	-	-	-
0.7	0.8	0.2	0.9	1.1	0.8
8.8	9.5	6.3	8.5	8.4	12.5
1.2	1.3	2.0	1.3	1.3	1.5
<u>412.7</u>	<u>412.1</u>	<u>415.6</u>	<u>432.0</u>	<u>445.3</u>	<u>458.8</u>

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

Function/Program	Fiscal Year				
	2009	2010	2011	2012	2013
General Government					
Customer Services					
Birth Certificates	3,398	2,906	2,442	2,560	2,611
Marriage Licenses	441	433	411	454	462
Marriage Certificates	241	330	370	356	368
Notary Registrations	143	397	133	137	131
Abstract Documents	17,419	16,106	14,846	17,384	16,513
Torrens Documents	5,480	5,363	4,579	5,588	5,137
Warranty Deeds	2,013	1,757	1,672	1,946	2,114
Foreclosures	351	388	360	273	192
Environmental Services					
Township Permits Issued (All Types)	759	772	752	991	815
Information Technology					
Computers Purchased	98	103	88	128	63
Telephones Purchased	4	49	19	-	17
iPads/Tablets Purchased	-	-	-	-	-
Work Orders Completed	5,558	5,810	4,160	3,905	3,281
Assessing Services					
Number of Parcels	81,806	81,172	81,724	82,100	82,181
Number of Improved Parcels	41,371	41,863	41,882	42,227	42,414
Number of Personal Property Parcels	1,419	1,416	1,408	1,465	1,451
Number of Exempt Parcels	9,708	9,053	8,052	8,705	8,846
All Property Notices Printed (Except Exempt)	73,441	73,468	73,561	73,569	73,548
Public Safety					
Sheriff					
Part I Crimes	445	476	614	695	706
Part II Crimes	892	803	879	834	818
Non Reportable Crimes/Incidents	16,690	16,752	19,610	21,043	22,154
Dispatch					
911 Emergency Calls	30,148	31,197	31,684	35,176	28,566
Jail					
Average Monthly Bookings	308	285	277	280	276
Average Monthly Inmate Population	134	135	128	137	165
Highways and Streets					
Miles of Overlay	8	8	6	11	11
Miles of Construction	6	5	6	4	-
Tons of Crushing	-	40,000	-	35,000	3,223
Miles of Crack Sealing	10	40	49	37	17
Health and Human Services					
Health					
Family Health Contacts	9,328	9,432	9,127	8,768	7,839
Health Promotion Contacts	14,547	17,603	15,069	13,620	9,257
Disease Prevention & Control Immunizations (2)	12,417	4,054	3,074	1,772	1,660
Community Screenings (2)	705	267	51	42	43
Human Services					
Children In/Out of Home Placement	237	227	222	228	185
Persons Receiving DD Waivered Services	157	158	159	162	166
Child Support Cases	3,604	3,643	3,672	3,779	3,867
Financial Assistance Cases	5,331	5,623	6,598	6,433	6,030
Conservation of Natural Resources					
Solid Waste (Non-Landfill)					
Solid Waste (Non-Landfill) Funded Residential Recycling (Ton)	4,696	4,781	4,679	4,517	4,513
Commercial Recycling (Ton)	23,051	23,568	23,896	25,687	26,734
Solid Waste (Non-Landfill) - Problem Material Management					
Hazardous Waste (Ton)	41	51	50	62	57
Electronics (Ton)	146	152	152	144	136
Tires (Each)	6,984	7,145	8,461	8,828	6,175
White Goods (Each)	4,077	3,801	3,131	3,025	3,021
Used Oil (Gallon)	36,424	39,890	34,409	36,576	28,324
Mattresses Recycled (Each)	2,251	2,383	2,286	3,138	3,275
Sanitation					
Landfill					
Municipal Solid Waste Land filled SW376 (Ton)	35,545	35,557	35,933	36,563	38,286
Industrial Waste Land filled SW376 (Ton)	3,856	4,295	4,421	4,194	3,555
Demolition Waste Land filled SW440 (Cu Yd)	14,055	13,124	13,880	32,769	12,232

Source: Survey of County departments

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

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

N/A - Data not available or not applicable.

(Unaudited)

Fiscal Year				
2014	2015	2016	2017	2018
2,582	2,599	2,814	2,598	2,778
405	421	451	404	885
307	286	315	285	407
270	257	136	150	142
14,181	14,533	14,854	15,096	14,486
4,575	4,741	4,787	4,919	4,921
2,285	2,622	2,804	2,894	2,945
135	122	92	74	66
864	991	929	1,014	847
197	135	66	149	73
1	6	11	71	156
24	13	76	12	32
2,245	2,315	3,166	4,254	5,804
82,083	82,042	82,039	81,353	81,486
42,582	42,823	43,095	43,418	43,807
1,396	1,347	1,456	1,495	1,183
9,058	9,077	9,046	8,485	8,402
73,522	73,441	73,516	73,583	73,242
406	466	456	463	421
838	967	998	1,200	865
22,791	22,717	21,929	20,513	20,977
33,480	30,301	34,044	40,364	40,450
297	308	354	396	374
173	183	207	232	209
20	17	27	46	50
8	6	2	9	32
-	14,560	13,120	-	-
15	49	101	141	108
7,523	7,819	7,728	7,483	7,008
12,817	10,275	10,352	11,422	24,868
532	N/A	N/A	N/A	N/A
75	N/A	N/A	N/A	N/A
188	184	255	254	297
163	167	171	167	162
3,707	3,524	3,319	3,305	3,423
8,409	9,796	9,530	10,184	9,928
4,871	4,583	4,464	3,435	3,825
39,010	40,770	42,358	59,640	20,756
58	49	56	61	71
156	186	207	212	180
6,393	6,942	8,789	6,870	6,966
3,149	3,699	4,098	4,213	4,056
30,431	18,172	42,177	39,474	2,913
3,645	3,993	4,299	4,708	4,784
40,508	42,660	45,359	46,776	47,217
3,418	4,043	3,911	3,244	4,406
13,714	13,849	12,789	10,081	8,178

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

Function/Program	Fiscal Year			
	2009	2010	2011	2012
General Government				
Courthouse	1	1	1	1
Judicial Center	1	1	1	1
Central Services Building	1	1	1	1
Land Services Building (1)	1	1	1	1
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, Boats, Trailers, and Motorized Equipment	89	84	84	83
Law Enforcement Center	1	1	1	1
Jails	1	1	1	1
Mobile Emergency Operations Centers	1	1	1	1
Highways and Streets				
Vehicles	70	71	67	64
Graders, Loaders and Heavy Trucks	31	32	32	32
Miles of County Roads	182	182	182	182
Miles of County State Aid Highways	380	380	380	380
Garage and Storage Buildings	12	12	11	11
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	23	23	23	23
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.

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

(Unaudited)

Fiscal Year					
2013	2014	2015	2016	2017	2018
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	2	2	3	3
N/A	N/A	9	9	11	11
N/A	N/A	5	6	5	5
82	82	85	81	77	82
1	1	1	1	1	1
1	1	1	1	1	1
1	1	2	2	2	2
61	60	60	67	67	68
30	30	29	30	23	27
182	177	177	168	168	166
380	380	380	377	377	377
11	11	11	11	12	11
1	1	1	1	1	1
N/A	N/A	9	9	9	10
4	4	4	4	4	5
17	17	16	16	17	17
23	23	23	23	23	23
N/A	N/A	4	2	1	1
N/A	N/A	8	13	12	12
2	2	2	2	2	2