



# COMPREHENSIVE ANNUAL FINANCIAL REPORT 2020



Photo Courtesy of Jason Walkowiak

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**  
CROW WING COUNTY, MINNESOTA

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

**For The Year Ended December 31, 2020**

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 4, 2021

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

**Subject: 2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

The Comprehensive Annual Financial Report (Annual Report) of Crow Wing County is submitted for the fiscal year ending December 31, 2020. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls 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, 2020. 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 located on the main campus 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 an estimated population of 13,434 residents according to United States Census population estimates, July 1, 2019.

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**

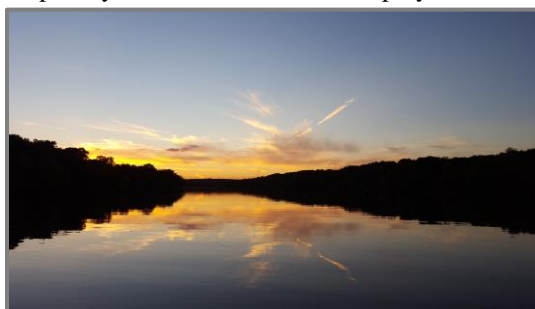
The County contains a variety of commercial and industrial businesses in areas such as retail and wholesale, health care, education, manufacturing and construction, and financial and information services. Tourism is an important facet of the local economy. The impact of the Coronavirus Pandemic is still an unknown as of the publishing of the Comprehensive Annual Financial Report, but is anticipated to have had an impact on the local economy as Minnesota restricted business operations for a time during the 2020 fiscal year.

### **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 \$256 million in gross sales in 2019, the most recent year data available, making a 9.18 percent increase in gross sales when compared to 2018. In 2019, the most current data available, 258 leisure and hospitality businesses employed an annual average of 4,356 employees. This was an increase of 315 jobs over 2018, or 7.8 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 2019, the most current data available, 341 retail trade businesses employed an annual average of 4,796 employees, a decrease of 167 jobs, or 3.36 percent, over the previous year. In 2019, an annual average of 558 individuals were employed by 64 wholesale trade businesses, a decrease of 20 jobs, or 3.46 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 nearly 1,000 physicians, nurses, health care professionals, and support staff.

Essentia Health currently operates the St. Joseph's Medical Center in Brainerd, an 80-bed 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 2019, the most current data available, 215 Crow Wing County establishments provided an annual average of 5,978 jobs in the areas of health care and social assistance. This was a decrease of 170 jobs over 2018, or 2.77 percent.

### **Education**

The K-12 schools in the Brainerd Lakes Area educate approximately 10,000 students annually, making the combined districts the 14<sup>th</sup> largest in the state. The largest of these is Independent School District (ISD) #181, serving Brainerd and surrounding communities with enrollment over 6,700. Brainerd also hosts the campus of Central Lakes College (CLC), a comprehensive community and technical college. CLC serves about 5,500 students per year.

In 2019, the most current data available, 38 establishments provided 2,264 jobs in the area of educational services, an increase of 50 jobs, or 2.26 percent, when compared to 2018 employment data.

### Manufacturing and Construction

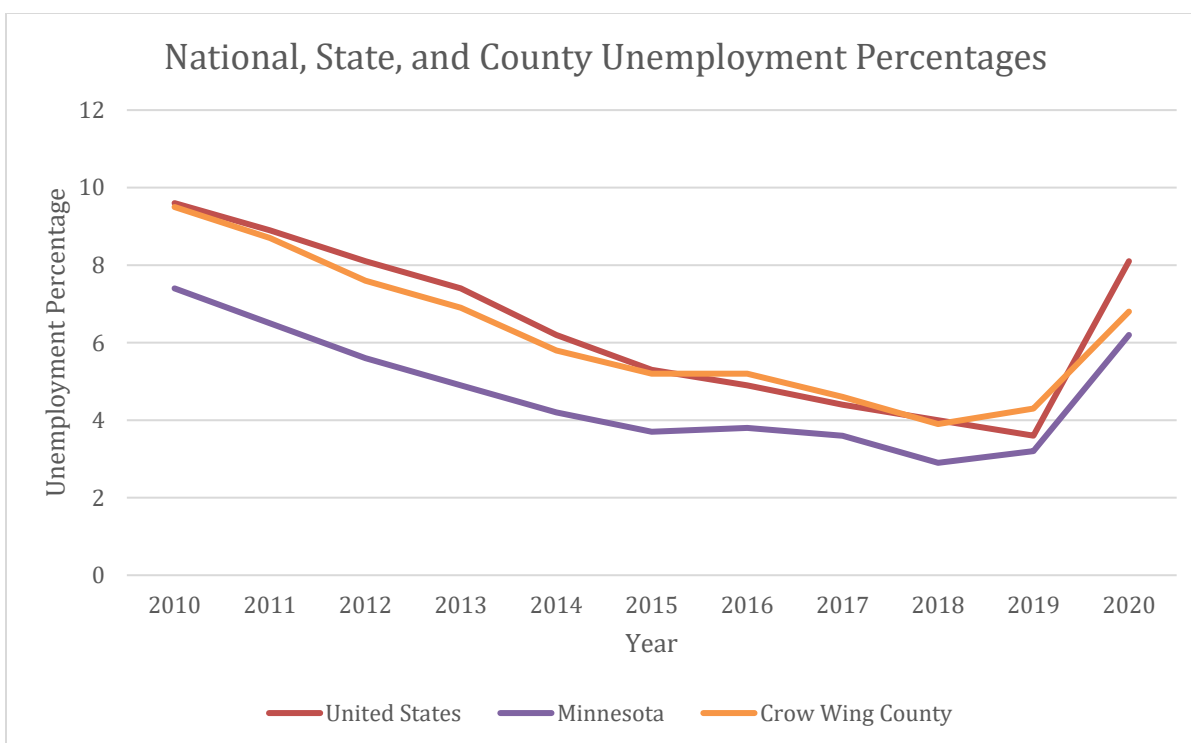
In 2019, the most current data available, 118 companies employed an annual average of 2,797 people in a variety of manufacturing arenas, from plastics to precision machining and metal fabrication. This is an increase of 82 positions, or 3.02 percent, when compared to 2018 employment data. Clow Stamping and Bang Printing are the largest manufacturing employers in the County with approximately 545 and 200 employees, respectively. In 2019, 273 area construction firms employed 1,990 people, an increase of 77 jobs in Crow Wing County. This reflects a 4.03 percent increase when compared to 2018 employment data.

### Finance and Insurance

The finance and insurance industries are well represented in the region. In 2019, the most current data available, 200 firms provided an annual average of 1,679 jobs, an increase of 409 jobs over the prior year. This reflects a 32 percent increase when compared to 2018 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 62,604 residents in 2010 to 65,274 residents in 2020; the total population rank was 15<sup>th</sup> of 87 counties in Minnesota.
- The County's annual average labor force changed from 33,408 workers in 2009 to 32,904 workers in 2020, a decrease of 1.5 percent.
- In 2019, Crow Wing County had a per capita personal income (PCPI) of \$45,685. Crow Wing County's PCPI rank was 69<sup>th</sup> of the 87 counties in the state. Crow Wing County was 78 percent of the state average of \$58,834, and 81 percent of the national average of \$56,490.





## 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 costs continue to pose budgetary challenges.
- The County Board approved a levy increase of 4.97 percent for taxes payable 2021. This is only the third time that the County Board has adopted an increased levy since 2011, with the 2019 taxes payable year being the first.
- In 2016, the County Board approved a 0.5 percent local option sales tax to be used to finance road projects. This has allowed the County Highway Department to deliver an additional \$23 million of construction and maintenance on County Roads.
- In 2020, Crow Wing County navigated the Coronavirus Pandemic and issued over \$3.7 million in for-profit and non-profit economic assistance grants and invested over \$2.2 million in broadband infrastructure projects utilizing CARES Act funding.

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.

## 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 2019 fiscal year follows:

	<u>Amount</u>	<u>Net debt per capita</u>
Net General Bonded Debt Outstanding	\$182,500	\$8

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	2020-2022
Assistant County Attorney Association	2021-2023
LELS Local #14 Deputies	2020-2022
LELS Local #13 Dispatchers	2020-2022
LELS Local #16 Correctional Officers	2019-2021
IUOE Local #49 Facilities	2021-2023
IUOE Local #49 Highway	2021-2023
Organization of Non-Contract Employees	2020-2022
Teamsters Local #320 Social Services	2021-2023
Teamsters Local #346 Sheriff's Licensed Supervisory	2018-2020
Teamsters Local #346 Corrections and Dispatch Supervisory	2020-2022

All contracts begin January 1 and end December 31.

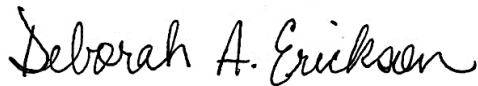
## Awards and Acknowledgements

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, 2019. This was the seventh 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. 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

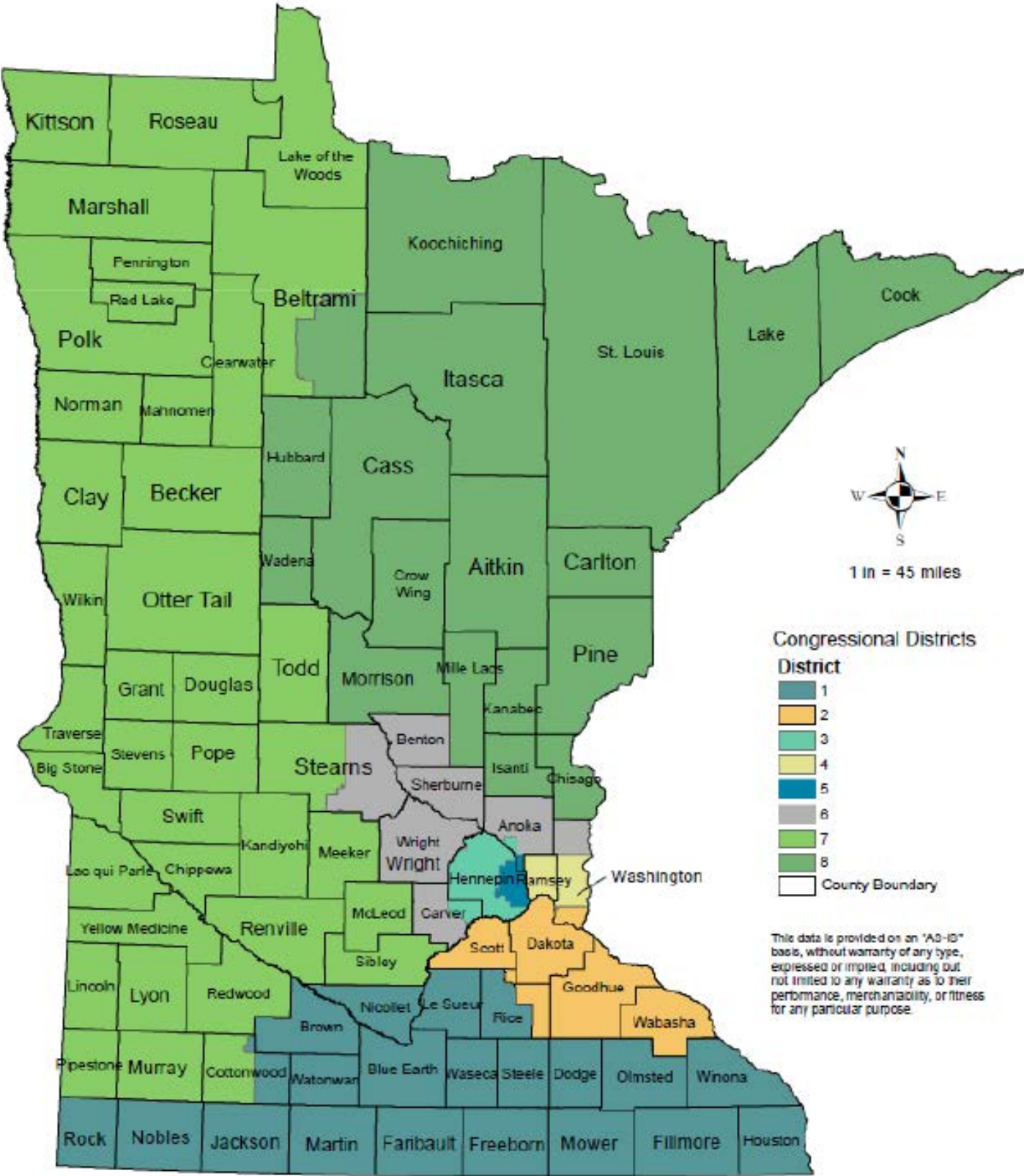
December 31, 2019

*Christopher P. Morill*

Executive Director/CEO



# State of Minnesota Congressional Districts



Congressional Districts

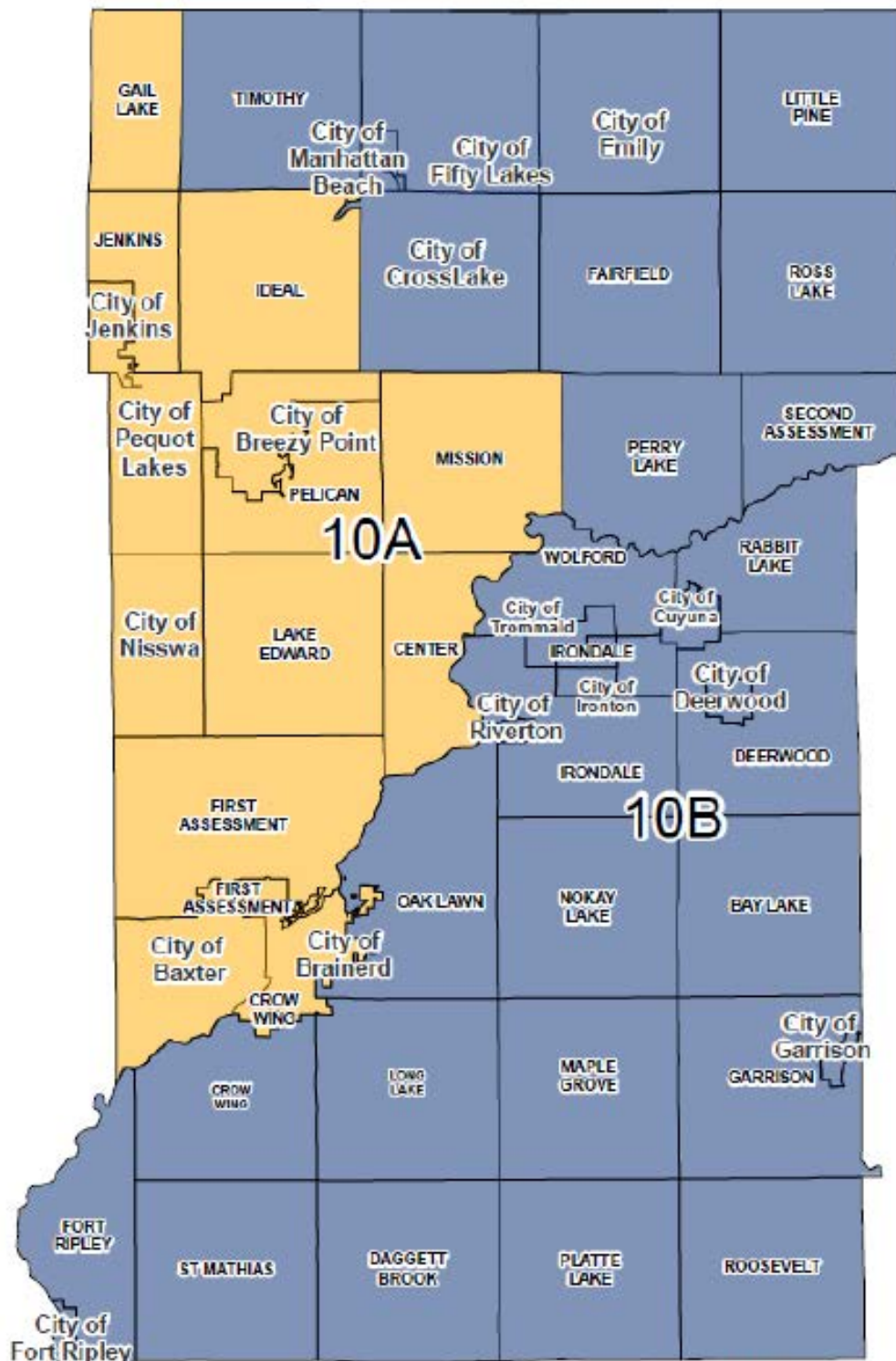
District

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- County Boundary

This data is provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.



# Crow Wing County Legislative Districts



**Legislative Districts**

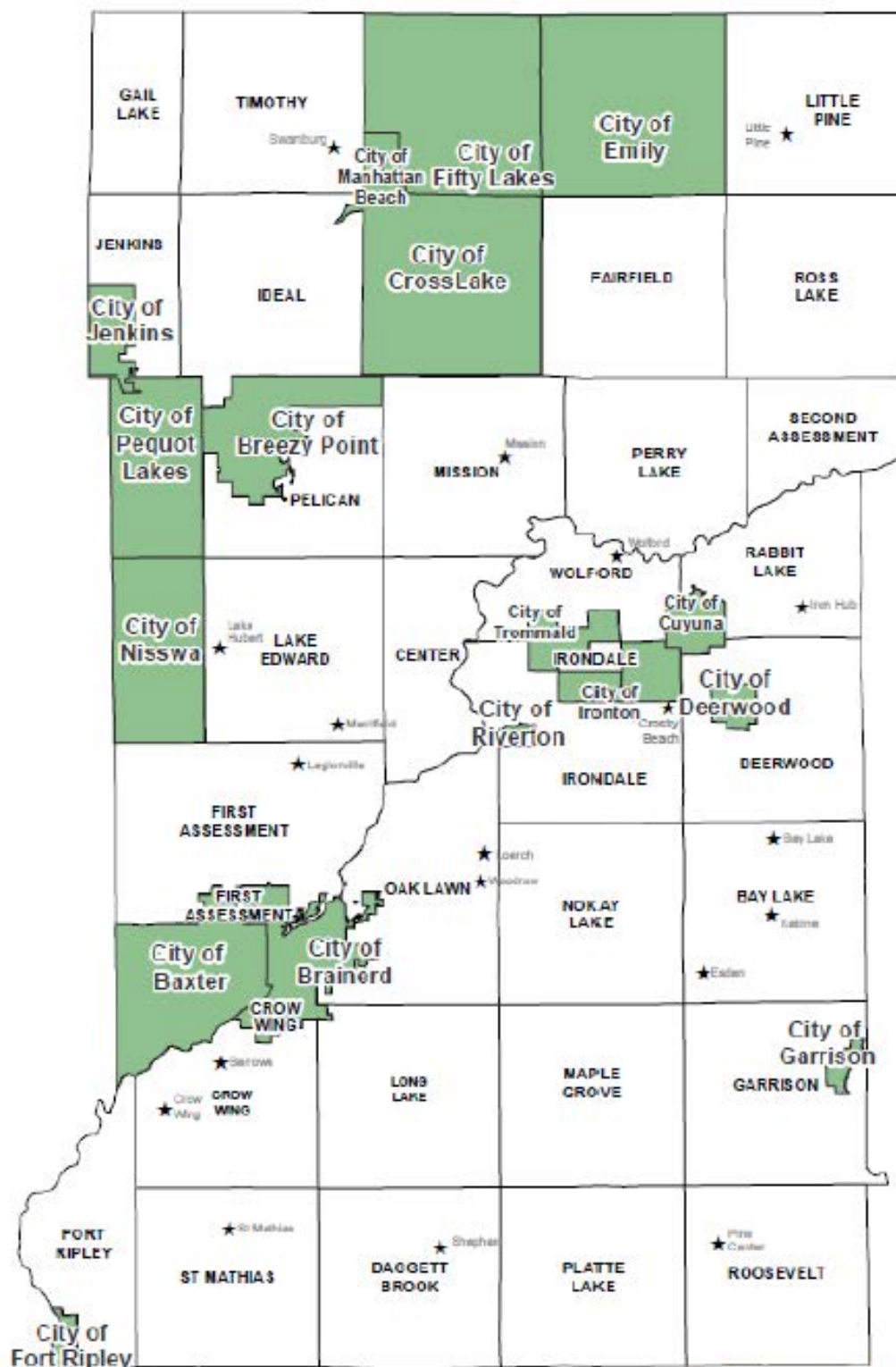
- 10A
- 10B
- Township/City Boundary

This data is provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

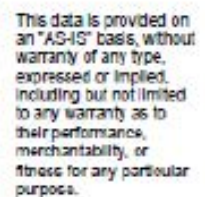




# Crow Wing County Political Subdivisions



This data is provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness.



**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**LIST OF ELECTED AND APPOINTED OFFICIALS  
2020**

Office	Name	Elected or Statutory Term Expires
<b>County Board of Commissioners</b>		
1 <sup>st</sup> District	Paul Koering	January 2021
2 <sup>nd</sup> District	Bill Brekken	January 2023
3 <sup>rd</sup> District	Steve Barrows*, **	January 2023
4 <sup>th</sup> District	Rosemary Franzen	January 2023
5 <sup>th</sup> District	Doug Houge	January 2021
*Denotes 2020 Chair		
**Denotes 2021 Chair		
<b>County Offices</b>		
<b>Elected</b>		
Attorney	Donald F. Ryan	January 2023
Sheriff	Scott Goddard	January 2023
<b>Appointed</b>		
Administrator	Timothy J. Houle	Indefinite
Auditor/Treasurer	Deborah A. Erickson	Indefinite
Recorder	Doug Hansen	Indefinite
Land Services Director <sup>1</sup>	Gary Griffin	January 2021
Environmental Services Supervisor <sup>1</sup>	Ryan Simonson	Indefinite
Environmental Services Supervisor <sup>1</sup>	Jacob Frie	Indefinite
Engineer	Timothy V. Bray	May 2023
Examiner of Titles	Glen A. Gustafson	Indefinite
Veterans Service Officer	Erik Flowers	June 2023

<sup>1</sup>The 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



Bill Brekken  
District 2

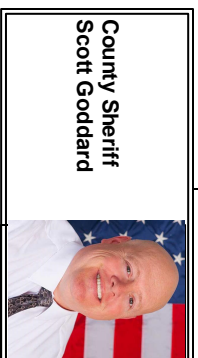


Steve Barrows  
District 3



County Attorney  
Don Ryan

County Board  
of Commissioners



County Sheriff  
Scott Goddard



Veteran's  
Services  
Erik Flowers



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, 2020, 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, 2020, 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 a Correction of an Error***

During the year ended December 31, 2020, the County restated fund balance in the Highway Fund and net position for Governmental Activities, to correct errors in the previously issued financial statements (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 of changes in the total OPEB liability, related ratios, and notes, the schedules of proportionate share of net pension liability, the schedules of PERA 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 fund financial statements, budgetary comparison schedules, 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 fund financial statements, budgetary comparison schedules, 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 4, 2021, 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 4, 2021

## **CROW WING COUNTY BRainerd, MINNESOTA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020 (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, 2020. 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 \$230,010,221 (net position). Of this amount, (\$13,403,547) is classified as unrestricted net position. Unrestricted net position includes \$14,768,210 of investments in joint ventures, leaving an unrestricted net position of (\$28,171,757). Total net position increased by \$20,552,684 over the prior year.
- As of the close of the 2020 fiscal year, Crow Wing County's governmental funds reported combined ending fund balances of \$45,468,932, compared to \$41,769,194 reported at the close of the 2019 fiscal year before accounting for the prior period adjustment. Approximately 61.1 percent of this amount, \$27,773,834, is reported as unrestricted fund balance in either the committed, assigned, or unassigned categories. Commitments totaling \$1,916,044 represent amounts already designated for specific purposes by the County Board. Assigned balances of \$14,091,448 are used to fund highway improvements, social programs, capital acquisition, recycling programs, and debt repayment. The remaining unassigned balance of \$11,766,342 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 \$13,682,064 or 35.5 percent of total General Fund expenditures, an increase of \$2,858,091 in comparison with the prior year. The unassigned amount of fund balance for the General Fund was \$11,766,342, or 30.5 percent of total General Fund expenditures. This increase of \$2,897,431 is mostly due the increased intergovernmental revenues.
- Crow Wing County's long-term liabilities (due in more than one year) increased by \$6,849,581, or 11.0 percent, to \$68,996,977 during the current fiscal year. This change is primarily the result of the reduction of debt principal payments in the amount of \$4,900,850. The decrease in outstanding debt was offset by an increase in the County's net change in total OPEB liability obligation in the amount of \$4,141,657, for a total liability of \$44,259,707. The County also had an increase in the estimated liability for landfill closure/postclosure in the amount of \$399,791.

#### **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.

(Unaudited)

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 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.

(Unaudited)

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 custodial 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 87 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information other than MD&A that can be found on pages 89 through 106 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 108 through 127 of this report.

(Unaudited)



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Crow Wing County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$230,010,221 at the close of the most recent fiscal year.

Net investment in capital assets of \$221,201,299 represents the largest portion of net position (96.2 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, \$22,212,469, or 9.7 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is unrestricted (\$13,403,547). Unrestricted net position includes \$14,768,210 of investments in joint ventures, or 6.4% of the total net position.

### Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 68,470,568	\$ 67,747,786	\$ 12,611,191	\$ 12,361,830	\$ 81,081,759	\$ 80,109,616
Capital assets	214,440,001	203,752,383	7,443,860	6,753,873	221,883,861	210,506,256
Total assets	<u>\$ 282,910,569</u>	<u>\$ 271,500,169</u>	<u>\$ 20,055,051</u>	<u>\$ 19,115,703</u>	<u>\$ 302,965,620</u>	<u>\$ 290,615,872</u>
Total deferred outflows of resources	<u>\$ 12,925,876</u>	<u>\$ 10,893,431</u>	<u>\$ 58,423</u>	<u>\$ 37,883</u>	<u>\$ 12,984,299</u>	<u>\$ 10,931,314</u>
Noncurrent liabilities	\$ 64,064,718	\$ 57,641,853	\$ 4,932,259	\$ 4,505,543	\$ 68,996,977	\$ 62,147,396
Other liabilities	8,708,854	14,603,589	376,987	598,790	9,085,841	15,202,379
Total liabilities	<u>\$ 72,773,572</u>	<u>\$ 72,245,442</u>	<u>\$ 5,309,246</u>	<u>\$ 5,104,333</u>	<u>\$ 78,082,818</u>	<u>\$ 77,349,775</u>
Total deferred inflows of resources	<u>\$ 7,836,062</u>	<u>\$ 14,084,020</u>	<u>\$ 20,818</u>	<u>\$ 32,837</u>	<u>\$ 7,856,880</u>	<u>\$ 14,116,857</u>
Net position						
Net investment in capital assets	\$ 213,757,439	\$ 197,321,553	\$ 7,443,860	\$ 6,367,272	\$ 221,201,299	\$ 203,688,825
Restricted	20,445,521	24,838,282	1,766,948	2,017,980	22,212,469	26,856,262
Unrestricted	(18,976,149)	(26,095,697)	5,572,602	5,631,164	(13,403,547)	(20,464,533)
Total net position	<u>\$ 215,226,811</u>	<u>\$ 196,064,138</u>	<u>\$ 14,783,410</u>	<u>\$ 14,016,416</u>	<u>\$ 230,010,221</u>	<u>\$ 210,080,554</u>

In 2020, Crow Wing County's net position increased \$20,552,684 over 2019. 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 \$19,785,690, 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 \$16,435,886 due to increased asset purchases and decreased debt related to them; and an increase in unrestricted net position of \$7,119,548, which is primarily attributable to the increase in cash and investments.

Approximately \$16,007,492 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 \$14,768,210 of investments in joint ventures.

Charges for services decreased by \$268,666 from the prior year. The largest component of this change was a decrease of an approximate \$191,000 related charges and services for general government operations.

Operating grants and contributions increased \$12,667,766 over the prior year. Large components of this increase are increases in general government and public safety for \$9,321,614 related to federal COVID-19 Coronavirus Relief grants.

Capital grants and contributions increased \$2,458,838 from the prior year. The County received \$1,753,226 more in federal capital grants in the current year from the Minnesota Department of Transportation.

Property taxes increased \$2,532,471 related to the increase in levy from prior year and the collection of delinquent taxes in the current year.

Transportation sales and use tax increased \$551,027 from the prior year due to sales and use tax collections.

Total expenses increased \$5,440,525 from 2019; of this, mostly the increase is related to COVID-19 Coronavirus Relief spending. Increases or decreases in expenses for general government, public safety, and health and human services were 2.1 percent or more from the prior year, or had significant dollar variances. Notable variances from the prior year include expenses for highways and streets (increased 2.1 percent), sanitation (increased 1.0 percent), conservation of natural resources (increased 18.3 percent), economic development (increased 12,367.2 percent), and interest (decreased 84.9 percent).

Highways and streets expenses increased \$290,923 from 2019 due to increased bituminous resurfacing and construction projects that occurred during 2020.

Sanitation expenses increased \$56 from 2019. 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 is nearly finished.

Expenses for conservation of natural resources increased \$558,580 from 2019. Increased expenses are attributable to salaries and benefits along with the purchases of minor capital related items.

The increase to economic development expenses of \$5,897,789 is related to federal COVID-19 Coronavirus Relief grants .

(Unaudited)

## Business-Type Activities

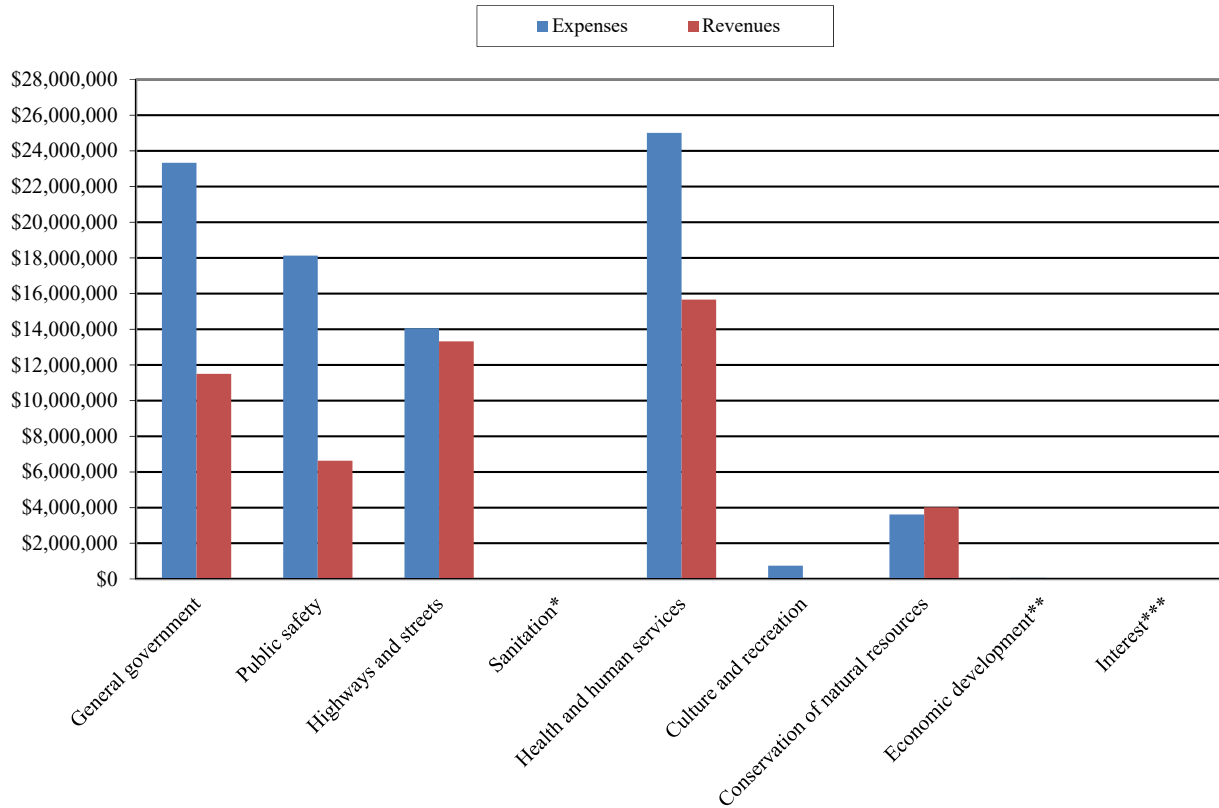
Business-type activities increased Crow Wing County's net position by \$766,994. This increase is the result of a favorable operating surplus. Investment income decreased \$9,115 from the prior year. This change is primarily due to decreased landfill cash held in investments. Expenses related to the landfill decreased \$54,649 from 2019.

### Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 12,231,512	\$ 12,500,178	\$ 3,196,269	\$ 2,909,938	\$ 15,427,781	\$ 15,410,116
Operating grants and contributions	36,419,534	23,751,768	-	-	36,419,534	23,751,768
contributions	2,466,458	7,620	-	-	2,466,458	7,620
General revenues			-	-		
Property taxes	40,749,596	38,217,125	-	-	40,749,596	38,217,125
tax	7,554,696	7,003,669	-	-	7,554,696	7,003,669
Mortgage registry and deed tax	152,553	112,094	-	-	152,553	112,094
Payments in lieu of tax	572,945	573,695	-	-	572,945	573,695
Grants and contributions not restricted to specific programs	3,295,298	2,933,555	-	595	3,295,298	2,934,150
Investment income	1,124,483	1,650,168	148,759	157,874	1,273,242	1,808,042
Miscellaneous	168,473	178,817	-	-	168,473	178,817
Total Revenues	\$ 104,735,548	\$ 86,928,689	\$ 3,345,028	\$ 3,068,407	\$ 108,080,576	\$ 89,997,096
Expenses						
General government	\$ 17,438,271	\$ 17,623,743	\$ -	\$ -	\$ 17,438,271	\$ 17,623,743
Public safety	18,124,461	18,519,174	-	-	18,124,461	18,519,174
Highways and streets	14,050,967	13,760,044	-	-	14,050,967	13,760,044
Sanitation	5,589	5,533	-	-	5,589	5,533
Health and human services	25,004,482	25,616,323	-	-	25,004,482	25,616,323
Culture and recreation	740,934	712,275	-	-	740,934	712,275
Conservation of natural resources	3,614,092	3,055,512	-	-	3,614,092	3,055,512
Economic development	5,945,478	47,689	-	-	5,945,478	47,689
Interest	25,584	169,040	-	-	25,584	169,040
Landfill	-	-	2,578,034	2,632,683	2,578,034	2,632,683
Total Expenses	\$ 84,949,858	\$ 79,509,333	\$ 2,578,034	\$ 2,632,683	\$ 87,527,892	\$ 82,142,016
Increase (decrease) in Net Position	\$ 19,785,690	\$ 7,419,356	\$ 766,994	\$ 435,724	\$ 20,552,684	\$ 7,855,080
Net Position, beginning	196,064,138	188,126,107	14,016,416	13,580,692	210,080,554	201,706,799
Restatement	(623,017)	518,675	-	-	(623,017)	518,675
Net Position, as restated	195,441,121	188,644,782	14,016,416	13,580,692	209,457,537	202,225,474
Net Position, ending	\$ 215,226,811	\$ 196,064,138	\$ 14,783,410	\$ 14,016,416	\$ 230,010,221	\$ 210,080,554

(Unaudited)

## Expenses and Program Revenues - Governmental Activities

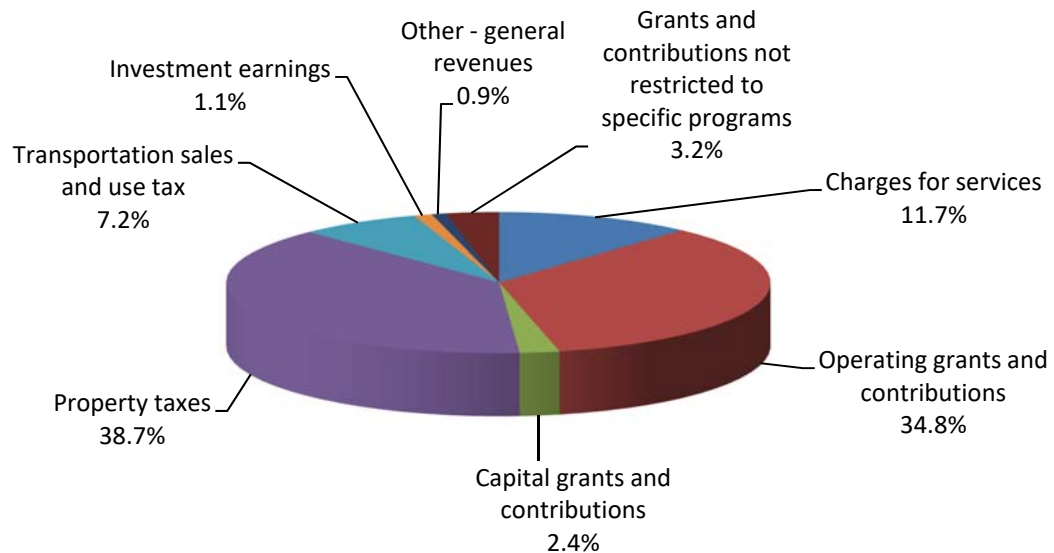


\*Sanitation had expenses of \$5,589 and no revenues, which are difficult to measure using the above graph.

\*\*Economic development had expenses of \$52,538 and no revenues, which are difficult to measure using the above graph.

\*\*\*Interest had expenses of \$25,584 and no revenues, 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 \$45,468,932, an increase of \$3,699,738 in comparison with the prior year after accounting for the restatement and change in inventory. Of this total amount, \$27,773,834 constitutes unrestricted fund balance. The remaining \$17,695,098 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 Local option sales tax \$7,527,723; Restricted for Solid waste (non-landfill) \$2,098,757; Restricted for Economic development \$1,288,217; Restricted for Unorganized townships \$817,010; Nonspendable Environmental trust corpus \$1,846,499; and Nonspendable Inventories \$504,002.

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 \$13,682,064, while the total fund balance was \$16,646,180. 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 35.5 percent of the total General Fund expenditures, while unassigned fund balance represents 30.5 percent of that same amount.

The fund balance of Crow Wing County's General Fund increased \$4,272,334 from 2019. This change is mostly due increase in intergovernmental revenues and the COVID-19 Coronavirus Relief grants. Revenues for the General Fund increased by \$13,419,295 or 45.7 percent and expenditures increased \$7,780,057, or 25.3 percent.

The Highway Special Revenue Fund had a total fund balance of \$15,669,950 at the end of the fiscal year. The fund balance of the Highway Special Revenue Fund decreased by \$1,042,915 during the current fiscal year after accounting for the restatement and change in inventory. On the modified accrual basis, revenues increased \$3,241,561 from the prior year, primarily related to the shared revenues received for bituminous overlay projects that was received in 2020. Expenditures increased by \$5,383,563 due to more operating expenditures and 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 \$3,450,872 at the end of the fiscal year. The fund balance of the Community Services Special Revenue Fund increased by \$2,714,337 during the current fiscal year. Revenues increased \$3,962,645 from the prior year; this change is primarily related to an increase property taxes in the amount of \$2,723,046. Expenditures decreased \$265,054 from the prior year: contributing factors were decreased costs for social services and for decreased costs for state operated services and out-of-home placements.

The Public Land Management Special Revenue Fund had a total fund balance of \$537,241 at the end of the fiscal year. The fund balance of the Public Land Management Special Revenue Fund decreased by \$32,926 during the current fiscal year. While expenditures increased \$749,095 from the prior year due to an increase in the salaries and benefits and capital related expenses, revenues also increased \$697,417 mostly due to the tax forfeited land sale.

The Debt Service Fund had a total fund balance of \$319,917 at the end of the fiscal year. The fund balance of the Debt Service Fund decreased by \$4,731,054 during the current fiscal year. Changes in fund balance of the Debt Service Fund are due to debt being paid off.

The Capital Projects Fund had a total fund balance of \$3,017,395 at the end of the fiscal year. The fund balance of the Capital Projects Fund increased by \$2,420,512 during the current fiscal year. Revenues increased by \$2,022,338 and expenditures decreased \$3,094,939, due primarily to County Board approved increase in tax revenues earmarked for capital projects and a freeze in capital project spending during 2020.

(Unaudited)



**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:

- A favorable variance for intergovernmental revenue for \$11,315,914 primarily related to the COVID-19 Coronavirus Relief grants.
- An unfavorable variance for charges for services revenue for \$382,063 primarily related to fewer state reimbursements for public safety placements.

## **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, 2020, amounts to \$221,883,861 (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 5.4 percent.

Major capital asset events during 2020 included an increase in infrastructure and bituminous overlays for multiple roadways and striping and signage of \$16,500,000 related to highway improvement projects, and increases in construction in progress.

(Unaudited)

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 15,167,653	\$ 15,135,153	\$ 412,334	\$ 412,334	\$ 15,579,987	\$ 15,547,487
Construction in progress	9,391,509	9,115,474	4,767,009	4,039,111	14,158,518	13,154,585
Infrastructure - right-of-way	7,509,873	7,004,391	-	-	7,509,873	7,004,391
Buildings	38,700,342	40,300,329	332,351	360,893	39,032,693	40,661,222
Land improvements	1,399,767	1,524,270	-	-	1,399,767	1,524,270
Machinery, furniture, and equipment	4,378,517	5,262,521	15,351	17,188	4,393,868	5,279,709
Infrastructure	137,892,340	125,410,245	-	-	137,892,340	125,410,245
Landfill	-	-	1,916,815	1,924,347	1,916,815	1,924,347
Total	<u>\$ 214,440,001</u>	<u>\$ 203,752,383</u>	<u>\$ 7,443,860</u>	<u>\$ 6,753,873</u>	<u>\$ 221,883,861</u>	<u>\$ 210,506,256</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 2020, Crow Wing County had total bonded debt outstanding of \$182,500. This is a decrease of \$4,797,500 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	
	2020	2019
General obligation bonds	\$ 182,500	\$ 4,980,000
Capital lease	325,950	429,300
Total	<u>\$ 508,450</u>	<u>\$ 5,409,300</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 2020 debt limitation for Crow Wing County is \$331,071,011, 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.

(Unaudited)

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County's elected and appointed officials considered many factors when setting the fiscal year 2020 budget, tax rates, and fees that will be charged for the business-type activities.

- The County's estimated market value increased by 5.40 percent in 2020.
- 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 2020 is 33.15 percent.
- In December 2020 the Crow Wing County Board of Commissioners approved the 2021 budget for \$91,341,952, related to the County's Governmental Funds. The 2021 total levy is \$41,262,480, which is an increase of \$1,954,846, or 4.97 percent, compared to the 2020 levy of \$39,307,634.

## **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 [Finance.Dept@crowwing.us](mailto:Finance.Dept@crowwing.us) or visit our web site at [www.crowwing.us](http://www.crowwing.us).

(Unaudited)

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and investments	\$ 40,706,908	\$ 6,037,564	\$ 46,744,472
Taxes receivable - delinquent	1,057,069	-	1,057,069
Accounts receivable (net)	187,370	130,929	318,299
Accrued interest receivable	144,258	-	144,258
Contracts receivable	1,314,723	-	1,314,723
Due from other governments	8,892,235	-	8,892,235
Loans receivable	106,891	-	106,891
Inventories	504,002	-	504,002
Prepaid items	622,188	414	622,602
<b>Total current assets</b>	<b>\$ 53,535,644</b>	<b>\$ 6,168,907</b>	<b>\$ 59,704,551</b>
<b>Noncurrent assets</b>			
Restricted assets			
Cash and investments	\$ -	\$ 6,442,284	\$ 6,442,284
Long-term receivable	166,714	-	166,714
Investment in joint venture	14,768,210	-	14,768,210
Capital assets			
Non-depreciable	32,069,035	5,179,343	37,248,378
Depreciable - net of accumulated depreciation	182,370,966	2,264,517	184,635,483
<b>Total noncurrent assets</b>	<b>\$ 229,374,925</b>	<b>\$ 13,886,144</b>	<b>\$ 243,261,069</b>
<b>Total Assets</b>	<b>\$ 282,910,569</b>	<b>\$ 20,055,051</b>	<b>\$ 302,965,620</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow for other post employment benefits obligations	\$ 8,699,552	\$ 51,830	\$ 8,751,382
Deferred outflow for pensions	4,226,324	6,593	4,232,917
<b>Total Deferred Outflows of Resources</b>	<b>\$ 12,925,876</b>	<b>\$ 58,423</b>	<b>\$ 12,984,299</b>

(Continued)

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2020  
(Continued)**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 1,675,173	\$ 28,748	\$ 1,703,921
Salaries payable	455,506	1,254	456,760
Accrued payroll taxes payable	31,684	96	31,780
Contracts payable	37,201	-	37,201
Retainage payable	148,119	316,584	464,703
Due to other governments	512,900	-	512,900
Accrued interest payable	5,223	-	5,223
Claims payable	65,896	-	65,896
Customer deposits	70,576	-	70,576
Compensated absences payable - current	3,230,703	16,714	3,247,417
Capital leases payable - current	106,000	-	106,000
General obligation bonds payable - current	88,573	-	88,573
Other post employment benefits obligations - current	2,281,300	13,591	2,294,891
<b>Total current liabilities</b>	<b>\$ 8,708,854</b>	<b>\$ 376,987</b>	<b>\$ 9,085,841</b>
<b>Noncurrent liabilities</b>			
Compensated absences payable	\$ 358,967	\$ 1,857	\$ 360,824
Capital lease payable	219,950	-	219,950
General obligation bonds payable	92,381	-	92,381
Other post employment benefits obligations	41,774,081	190,735	41,964,816
Net pension liability	21,619,339	64,331	21,683,670
Estimated liability for landfill closure/postclosure	-	4,675,336	4,675,336
<b>Total noncurrent liabilities</b>	<b>\$ 64,064,718</b>	<b>\$ 4,932,259</b>	<b>\$ 68,996,977</b>
<b>Total Liabilities</b>	<b>\$ 72,773,572</b>	<b>\$ 5,309,246</b>	<b>\$ 78,082,818</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes collected for subsequent years	\$ 36,624	\$ -	\$ 36,624
Deferred inflow for other post employment benefits obligations	2,994,978	17,843	3,012,821
Deferred inflow for pensions	4,804,460	2,975	4,807,435
<b>Total Deferred Inflows of Resources</b>	<b>\$ 7,836,062</b>	<b>\$ 20,818</b>	<b>\$ 7,856,880</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 213,757,439	\$ 7,443,860	\$ 221,201,299
Restricted for:			
General government	803,487	-	803,487
Public safety	164,188	-	164,188
Highways and streets	10,505,755	-	10,505,755
Health and human services	295,857	-	295,857
Culture and recreation	145,274	-	145,274
Conservation of natural resources	4,644,809	-	4,644,809
Environmental uses - expendable	257,596	-	257,596
Environmental uses - nonexpendable	1,846,499	-	1,846,499
Economic development	1,398,370	-	1,398,370
Debt service	383,686	-	383,686
Landfill closure/postclosure	-	1,766,948	1,766,948
Unrestricted	(18,976,149)	5,572,602	(13,403,547)
<b>Total Net Position</b>	<b>\$ 215,226,811</b>	<b>\$ 14,783,410</b>	<b>\$ 230,010,221</b>

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

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**CROW WING COUNTY  
BRainerd, MINNESOTA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government</b>				
<b>Governmental activities</b>				
General government	\$ 17,438,271	\$ 2,461,388	\$ 3,146,437	\$ -
Public safety	18,124,461	2,087,797	4,538,360	-
Highways and streets	14,050,967	2,267,984	8,578,837	2,466,458
Sanitation	5,589	-	-	-
Health and human services	25,004,482	1,834,082	13,823,343	-
Culture and recreation	740,934	2,359	4,090	-
Conservation of natural resources	3,614,092	3,577,902	435,527	-
Economic development	5,945,478	-	5,892,940	-
Interest	25,584	-	-	-
<b>Total governmental activities</b>	<b>\$ 84,949,858</b>	<b>\$ 12,231,512</b>	<b>\$ 36,419,534</b>	<b>\$ 2,466,458</b>
<b>Business-type activities</b>				
Landfill	\$ 2,578,034	\$ 3,196,269	\$ -	\$ -
<b>Total primary government</b>	<b>\$ 87,527,892</b>	<b>\$ 15,427,781</b>	<b>\$ 36,419,534</b>	<b>\$ 2,466,458</b>

**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 earnings  
Miscellaneous

**Total general revenues**

**Change in net position**

**Net Position - Beginning**

**Prior Period Adjustment (See Note V)**

**Net Position - Beginning, as Restated**

**Net Position - Ending**

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

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (11,830,446)	\$ -	\$ (11,830,446)
(11,498,304)	-	(11,498,304)
(737,688)	-	(737,688)
(5,589)	-	(5,589)
(9,347,057)	-	(9,347,057)
(734,485)	-	(734,485)
399,337	-	399,337
(52,538)	-	(52,538)
(25,584)	-	(25,584)
<b>\$ (33,832,354)</b>	<b>\$ -</b>	<b>\$ (33,832,354)</b>
<b>\$ -</b>	<b>\$ 618,235</b>	<b>\$ 618,235</b>
<b>\$ (33,832,354)</b>	<b>\$ 618,235</b>	<b>\$ (33,214,119)</b>
\$ 40,749,596	\$ -	\$ 40,749,596
7,554,696	-	7,554,696
152,553	-	152,553
572,945	-	572,945
3,295,298	-	3,295,298
1,124,483	148,759	1,273,242
168,473	-	168,473
<b>\$ 53,618,044</b>	<b>\$ 148,759</b>	<b>\$ 53,766,803</b>
<b>\$ 19,785,690</b>	<b>\$ 766,994</b>	<b>\$ 20,552,684</b>
<b>196,064,138</b>	<b>14,016,416</b>	<b>210,080,554</b>
<b>(623,017)</b>	<b>-</b>	<b>(623,017)</b>
<b>195,441,121</b>	<b>14,016,416</b>	<b>209,457,537</b>
<b>\$ 215,226,811</b>	<b>\$ 14,783,410</b>	<b>\$ 230,010,221</b>

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	<u>General</u>	<u>Highway</u>	<u>Community Services</u>	<u>Public Land Management</u>
<b>ASSETS</b>				
Cash and investments	\$ 15,125,740	\$ 12,759,670	\$ 2,065,970	\$ 1,841,594
Taxes receivable - delinquent	560,176	62,457	297,333	-
Accounts receivable (net)	27,972	-	135,568	-
Accrued interest receivable	141,681	-	-	-
Due from other funds	325,640	97,285	-	-
Contracts receivable	-	-	-	1,314,723
Due from other governments	1,426,411	4,979,028	2,434,455	-
Loans receivable	-	-	-	-
Inventories	-	504,002	-	-
Prepaid items	463,747	13,042	141,645	3,140
<b>Total Assets</b>	<b><u>\$ 18,071,367</u></b>	<b><u>\$ 18,415,484</u></b>	<b><u>\$ 5,074,971</u></b>	<b><u>\$ 3,159,457</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 391,129	\$ 412,113	\$ 607,899	\$ 181,759
Salaries payable	246,203	33,421	171,687	3,008
Accrued payroll taxes payable	15,670	2,557	13,136	230
Contracts payable	-	-	-	37,201
Retainage payable	-	73,822	-	-
Due to other funds	-	-	-	759,826
Due to other governments	42,600	1,342	137,502	325,469
Claims payable	65,896	-	-	-
Customer deposits	70,576	-	-	-
<b>Total Liabilities</b>	<b><u>\$ 832,074</u></b>	<b><u>\$ 523,255</u></b>	<b><u>\$ 930,224</u></b>	<b><u>\$ 1,307,493</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue (Note III.D.)	<b><u>\$ 593,113</u></b>	<b><u>\$ 2,222,279</u></b>	<b><u>\$ 693,875</u></b>	<b><u>\$ 1,314,723</u></b>

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>
\$ 320,037	\$ 2,677,563	\$ 5,916,334	\$ 40,706,908
80,914	31,233	24,956	1,057,069
-	-	23,830	187,370
-	-	2,577	144,258
-	434,186	-	857,111
-	-	-	1,314,723
-	-	52,341	8,892,235
-	-	106,891	106,891
-	-	-	504,002
-	-	614	622,188
<u>\$ 400,951</u>	<u>\$ 3,142,982</u>	<u>\$ 6,127,543</u>	<u>\$ 54,392,755</u>

\$ 42	\$ 18,462	\$ 63,769	\$ 1,675,173
-	-	1,187	455,506
-	-	91	31,684
-	-	-	37,201
-	74,297	-	148,119
-	-	97,285	857,111
-	-	5,987	512,900
-	-	-	65,896
-	-	-	70,576
<u>\$ 42</u>	<u>\$ 92,759</u>	<u>\$ 168,319</u>	<u>\$ 3,854,166</u>

<u>\$ 80,992</u>	<u>\$ 32,828</u>	<u>\$ 131,847</u>	<u>\$ 5,069,657</u>
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(Continued)

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020  
(Continued)**

	<u>General</u>	<u>Highway</u>	<u>Community Services</u>	<u>Public Land Management</u>
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Missing heirs	\$ 76,449	\$ -	\$ -	\$ -
Inventories	-	504,002	-	-
Prepays	463,747	13,042	141,645	3,140
Environmental trust corpus	-	-	-	-
<b>Restricted for:</b>				
Enhanced 911	117,409	-	-	-
Sheriff's drug contingency	3,138	-	-	-
DUI assessment	13,052	-	-	-
Lakes area drug investigation forfeiture	30,589	-	-	-
Water plan	15,594	-	-	-
Recreation	145,274	-	-	-
Land based improvements	320,115	-	-	-
Recorder's technology	358,031	-	-	-
Law library	62,877	-	-	-
Attorney's forfeited property	46,870	-	-	-
Aquatic invasive species	22,754	-	-	-
Local option sales tax	-	7,527,723	-	-
Resource development	-	-	-	473,741
Forest access roads	-	-	-	57,464
Debt service	-	-	-	-
Solid waste (non-landfill)	-	-	-	-
Greater Minnesota landfill cleanup fee	-	-	-	-
Economic development	1,288,217	-	-	-
Economic development revolving loans	-	-	-	-
Environmental uses	-	-	-	-
Unorganized townships	-	-	-	-
Ditch #13	-	-	-	-
<b>Committed for:</b>				
Dive team	13,006	-	-	-
Facilities	224,035	-	-	-
Mounted patrol	11,571	-	-	-
Triad	5,004	-	-	-
Veterans' service van	2,053	-	-	-
Thirty Lakes Watershed	127,311	-	-	-
Information technology	121,609	-	-	-
Employee recognition program	11,133	-	-	-
Other post employment benefits (OPEB)	1,400,000	-	-	-
Breastfeeding peer counseling project	-	-	322	-
<b>Assigned for:</b>				
Highway	-	7,625,183	-	-
Community services	-	-	3,308,905	-
Capital projects	-	-	-	-
Solid waste (non-landfill)	-	-	-	-
Public land management	-	-	-	2,896
Debt service	-	-	-	-
<b>Unassigned</b>	<u>11,766,342</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>\$ 16,646,180</u>	<u>\$ 15,669,950</u>	<u>\$ 3,450,872</u>	<u>\$ 537,241</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 18,071,367</u>	<u>\$ 18,415,484</u>	<u>\$ 5,074,971</u>	<u>\$ 3,159,457</u>

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>
\$ -	\$ -	\$ -	\$ 76,449
-	-	-	504,002
-	-	614	622,188
-	-	1,846,499	1,846,499
-	-	-	117,409
-	-	-	3,138
-	-	-	13,052
-	-	-	30,589
-	-	-	15,594
-	-	-	145,274
-	-	-	320,115
-	-	-	358,031
-	-	-	62,877
-	-	-	46,870
-	-	-	22,754
-	-	-	7,527,723
-	-	-	473,741
-	-	-	57,464
307,917	-	-	307,917
-	-	2,098,757	2,098,757
-	-	677,370	677,370
-	-	-	1,288,217
-	-	3,262	3,262
-	-	257,596	257,596
-	-	817,010	817,010
-	-	1,200	1,200
-	-	-	13,006
-	-	-	224,035
-	-	-	11,571
-	-	-	5,004
-	-	-	2,053
-	-	-	127,311
-	-	-	121,609
-	-	-	11,133
-	-	-	1,400,000
-	-	-	322
-	-	-	7,625,183
-	-	-	3,308,905
-	3,017,395	-	3,017,395
-	-	125,069	125,069
-	-	-	2,896
12,000	-	-	12,000
-	-	-	11,766,342
<u>\$ 319,917</u>	<u>\$ 3,017,395</u>	<u>\$ 5,827,377</u>	<u>\$ 45,468,932</u>
<u>\$ 400,951</u>	<u>\$ 3,142,982</u>	<u>\$ 6,127,543</u>	<u>\$ 54,392,755</u>



**CROW WING COUNTY  
BRainerd, MINNESOTA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2020**

<b>Fund balance - total governmental funds</b>	<b>\$ 45,468,932</b>
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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.	214,440,001
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Long-term receivables are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	166,714
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Investment in joint venture is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds.	14,768,210
--	------------

Deferred outflows resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.	4,226,324
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Deferred outflows resulting from other post employment benefits obligations are not available resources and, therefore, are not reported in governmental funds.	8,699,552
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Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	5,033,033
--	-----------

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	\$ (182,500)	
Discount on bonds issued	1,546	
Accrued interest payable	(5,223)	
Other post employment benefits obligations	(44,055,381)	
Net pension liability	(21,619,339)	
Compensated absences payable	(3,589,670)	
Capital lease payable	<u>(325,950)</u>	(69,776,517)

Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in governmental funds.	(4,804,460)
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Deferred inflows resulting from other post employment benefits obligations are not due and payable in the current period and, therefore, are not reported in governmental funds.	(2,994,978)
--	-------------

<b>Net position of governmental activities</b>	<b><u>\$ 215,226,811</u></b>
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The notes to the financial statements are an integral part of this statement.

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**CROW WING COUNTY  
BRainerd, MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Highway	Community Services	Public Land Management
<b>REVENUES</b>				
Taxes	\$ 22,889,943	\$ 9,432,419	\$ 13,381,842	\$ -
Special assessments	-	-	-	1,046
Licenses and permits	718,312	-	-	1,020,345
Intergovernmental	13,600,975	11,034,806	14,925,710	163,945
Charges for services	3,273,865	2,423,922	1,262,289	5,663
Fines and forfeits	30,940	-	-	-
Gifts and contributions	11,769	-	10,000	-
Investment earnings	1,157,963	-	-	110,840
Sales	-	-	-	1,810,083
Miscellaneous	1,099,869	4,587	539,791	23,809
<b>Total Revenues</b>	<b>\$ 42,783,636</b>	<b>\$ 22,895,734</b>	<b>\$ 30,119,632</b>	<b>\$ 3,135,731</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	\$ 15,917,720	\$ -	\$ -	\$ -
Public safety	15,490,780	-	3,180,784	-
Highways and streets	41,546	7,435,534	-	-
Health and human services	131,470	-	24,226,893	-
Culture and recreation	650,521	-	-	-
Conservation of natural resources	156,404	-	-	2,204,412
Economic development	5,892,940	-	-	-
<b>Capital Outlay</b>				
General government	54,336	-	-	-
Public safety	131,978	-	-	-
Highways and streets	-	14,915,380	-	-
Health and human services	-	-	-	-
Culture and recreation	109,455	-	-	-
Conservation of natural resources	-	-	-	964,245
<b>Intergovernmental</b>	-	437,955	-	-
<b>Debt Service</b>				
Principal	-	103,350	-	-
Interest	-	8,375	-	-
Administrative charges	-	136	-	-
<b>Total Expenditures</b>	<b>\$ 38,577,150</b>	<b>\$ 22,900,730</b>	<b>\$ 27,407,677</b>	<b>\$ 3,168,657</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 4,206,486</b>	<b>\$ (4,996)</b>	<b>\$ 2,711,955</b>	<b>\$ (32,926)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 7,794	\$ -	\$ -
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Insurance proceeds	65,848	1,911	2,382	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 65,848</b>	<b>\$ 9,705</b>	<b>\$ 2,382</b>	<b>\$ -</b>
<b>Net Change in Fund Balances</b>	<b>\$ 4,272,334</b>	<b>\$ 4,709</b>	<b>\$ 2,714,337</b>	<b>\$ (32,926)</b>
<b>Fund Balance - January 1</b>	<b>12,373,846</b>	<b>16,712,865</b>	<b>736,535</b>	<b>570,167</b>
<b>Prior Period Adjustment (See Note V)</b>	<b>-</b>	<b>(623,017)</b>	<b>-</b>	<b>-</b>
<b>Fund balance - January 1, as Restated</b>	<b>12,373,846</b>	<b>16,089,848</b>	<b>736,535</b>	<b>570,167</b>
<b>Increase (decrease) in inventories</b>	<b>-</b>	<b>(424,607)</b>	<b>-</b>	<b>-</b>
<b>Fund balance - December 31</b>	<b>\$ 16,646,180</b>	<b>\$ 15,669,950</b>	<b>\$ 3,450,872</b>	<b>\$ 537,241</b>

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>
\$ 186,127	\$ 2,096,752	\$ 1,017,016	\$ 49,004,099
-	-	630,439	631,485
-	-	100	1,738,757
5,357	2,607,300	391,776	42,729,869
-	-	390,187	7,355,926
-	-	-	30,940
-	-	-	21,769
-	-	147,139	1,415,942
-	-	-	1,810,083
-	104,698	124,897	1,897,651
<u>\$ 191,484</u>	<u>\$ 4,808,750</u>	<u>\$ 2,701,554</u>	<u>\$ 106,636,521</u>
\$ -	\$ 500,639	\$ 123,664	\$ 16,542,023
-	205,875	195,123	19,072,562
-	-	704,901	8,181,981
-	12,155	-	24,370,518
-	-	-	650,521
-	-	1,318,085	3,678,901
-	-	52,537	5,945,477
-	236,022	-	290,358
-	992,284	-	1,124,262
-	454,304	-	15,369,684
-	1,434	-	1,434
-	-	-	109,455
-	-	200,000	1,164,245
-	-	-	437,955
4,797,500	-	-	4,900,850
124,996	-	-	133,371
42	-	-	178
<u>\$ 4,922,538</u>	<u>\$ 2,402,713</u>	<u>\$ 2,594,310</u>	<u>\$ 101,973,775</u>
<u>\$ (4,731,054)</u>	<u>\$ 2,406,037</u>	<u>\$ 107,244</u>	<u>\$ 4,662,746</u>
\$ -	\$ -	\$ 148,759	\$ 156,553
-	-	(156,553)	(156,553)
-	14,475	-	14,475
-	-	-	70,141
<u>\$ -</u>	<u>\$ 14,475</u>	<u>\$ (7,794)</u>	<u>\$ 84,616</u>
\$ (4,731,054)	\$ 2,420,512	\$ 99,450	\$ 4,747,362
5,050,971	596,883	5,727,927	41,769,194
-	-	-	(623,017)
<u>5,050,971</u>	<u>596,883</u>	<u>5,727,927</u>	<u>41,146,177</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(424,607)</u>
<u>\$ 319,917</u>	<u>\$ 3,017,395</u>	<u>\$ 5,827,377</u>	<u>\$ 45,468,932</u>

**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, 2020**

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>4,747,362</b>
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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	\$ 5,033,033	
Deferred inflows of resources - January 1	(5,668,432)	(635,399)

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	\$ 17,761,020	
Net book value of assets sold or disposed	(36,533)	
Trade-in value received for capital assets	15,462	
Current year depreciation	(7,052,331)	10,687,618

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	4,797,500	
Capital lease	103,350	
Long term receivables	(5,589)	
Amortization of premium and discount on bonds	45,016	
Amortization of deferred charge on refunding	(37,575)	4,902,702

Decrease in joint venture does not provide current financial resources and is not reported as revenue in the funds.		(566,890)
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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	\$ 100,388	
Change in compensated absences	(628,918)	
Change in inventories	(424,607)	
Change in other post employment benefits obligations	(4,117,128)	
Change in net pension liability	(2,603,760)	
Change in deferred outflows of resources for pensions	(857,929)	
Change in deferred outflows of resources for other post employment benefits obligations	2,927,949	
Change in deferred inflow of resources for pensions	5,504,524	
Change in deferred inflow of resources for other post employment benefits obligations	749,778	650,297

<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>19,785,690</u></b>
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**CROW WING COUNTY  
BRainerd, MINNESOTA**

**STATEMENT OF NET POSITION  
LANDFILL ENTERPRISE FUND  
DECEMBER 31, 2020**

**ASSETS**

**Current assets**

Cash and investments	\$ 6,037,564
Accounts receivable	130,929
Prepaid items	414

<b>Total current assets</b>	<b>\$ 6,168,907</b>
-----------------------------	---------------------

**Noncurrent assets**

Restricted assets	
Cash and investments	\$ 6,442,284
Capital assets	
Non-depreciable	5,179,343
Depreciable - net of accumulated depreciation	2,264,517

<b>Total noncurrent assets</b>	<b>\$ 13,886,144</b>
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<b>Total Assets</b>	<b>\$ 20,055,051</b>
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**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflow for pensions	\$ 6,593
Deferred outflow for other post employment benefits	51,830
	<b>\$ 58,423</b>

**LIABILITIES**

**Current liabilities**

Accounts payable	\$ 28,748
Salaries payable	1,254
Retainage payable	316,584
Accrued payroll taxes payable	96
Compensated absences payable - current	16,714
Other post employment benefits obligations - current	13,591

<b>Total current liabilities</b>	<b>\$ 376,987</b>
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**Noncurrent liabilities**

Compensated absences payable	\$ 1,857
Other post employment benefits obligations	190,735
Net pension liability	64,331
Estimated liability for landfill closure/postclosure	4,675,336

<b>Total noncurrent liabilities</b>	<b>\$ 4,932,259</b>
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<b>Total Liabilities</b>	<b>\$ 5,309,246</b>
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**DEFERRED INFLOWS OF RESOURCES**

Deferred inflow for other post employment benefits obligations	\$ 17,843
Deferred inflow for pensions	2,975
	<b>\$ 20,818</b>

**NET POSITION**

Net investment in capital assets	\$ 7,443,860
Restricted for landfill closure/postclosure	1,766,948
Unrestricted	5,572,602

<b>Total Net Position</b>	<b>\$ 14,783,410</b>
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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, 2020**

**OPERATING REVENUES**

Charges for services	\$ 3,194,269
Licenses and permits	2,000

**Total Operating Revenues**

**\$ 3,196,269**

**OPERATING EXPENSES**

Personnel services	\$ 175,993
Employee benefits and payroll taxes	53,140
Professional services	194,330
Contracted services	1,006,591
Maintenance	187,157
Supplies	156,514
Telephone	770
Utilities	59,219
Fuel	3,464
Advertising	7,008
Insurance	4,546
Staff training	565
Licenses and dues	2,113
Postage	4,833
Engineering costs	143,900
Depreciation	178,100
Landfill closure and postclosure costs	399,791

**Total Operating Expenses**

**\$ 2,578,034**

**Operating Income (Loss)**

**\$ 618,235**

**NONOPERATING REVENUES (EXPENSES)**

Investment earnings	\$ 148,759
---------------------	------------

**Income (Loss) Before Contributions and Transfers**

**\$ 766,994**

Transfers in	148,759
Transfers out	(148,759)

**Change in Net Position**

**\$ 766,994**

**Net Position - Beginning**

**14,016,416**

**Net Position - Ending**

**\$ 14,783,410**

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

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**STATEMENT OF CASH FLOWS  
LANDFILL ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020  
Increase (Decrease) in Cash and Cash Equivalents**

**Cash Flows from Operating Activities**

Receipts from customers and users	\$ 3,193,100
Receipts for interfund services	90
Payments to suppliers	(1,919,611)
Payments to employees for salaries and benefits	<u>(238,366)</u>

**Net cash provided by (used in) operating activities**

**\$ 1,035,213**

**Cash Flows from Noncapital Financing Activities**

Transfers in from other funds	\$ 148,759
Transfers out to other funds	<u>(148,759)</u>

**Net cash provided by (used in) noncapital financing activities**

**\$ -**

**Cash Flows from Capital and Related Financing Activities**

Purchases of capital assets	<u>\$ (938,104)</u>
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**Net cash provided by (used in) capital and related financing activities**

**\$ (938,104)**

**Cash Flows from Investing Activities**

Investment earnings received	<u>\$ 148,759</u>
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**Net cash provided by (used in) investing activities**

**\$ 148,759**

**Net Increase (Decrease) in Cash and Cash Equivalents**

**\$ 245,868**

**Cash and Cash Equivalents at January 1**

**12,233,980**

**Cash and Cash Equivalents at December 31**

**\$ 12,479,848**

**Cash and Cash Equivalents - Statement of Net Position**

Cash and investments	\$ 6,037,564
Restricted cash and investments	<u>6,442,284</u>

**Total Cash and Cash Equivalents**

**\$ 12,479,848**  
(Continued)

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**STATEMENT OF CASH FLOWS  
LANDFILL ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020  
Increase (Decrease) in Cash and Cash Equivalents  
(Continued)**

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

<b>Operating income (loss)</b>	<b>\$ 618,235</b>
<hr/>	
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities</b>	
Depreciation expense	\$ 178,100
(Increase) decrease in accounts receivable	(3,169)
(Increase) decrease in due from other funds	90
(Increase) decrease in prepaid items	(414)
(Increase) decrease in deferred outflow for pensions	(1,495)
(Increase) decrease in deferred outflow for other post employment benefits obligations	(19,045)
Increase (decrease) in accounts payable	(148,187)
Increase (decrease) in salaries payable	(6,330)
Increase (decrease) in compensated absences payable	1,212
Increase (decrease) in deferred inflow for pensions	(8,591)
Increase (decrease) in deferred inflow for other post employment benefits obligations	(3,428)
Increase (decrease) in other post employment benefits obligations	24,529
Increase (decrease) in pension liability	3,915
Increase (decrease) in landfill closure/postclosure costs liability	399,791
	<hr/>
<b>Total adjustments</b>	<b>\$ 416,978</b>
	<hr/>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 1,035,213</b>
	<hr/>

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

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2020**

	<b>Custodial Funds</b>	<b>Private-Purpose Trust Funds</b>
<b>ASSETS</b>		
Cash and investments	\$ 6,049,093	\$ 42,527
Due from other governments	898,863	-
Taxes for other governments	2,065,843	-
Accounts receivable	2,923	-
<b>Total Assets</b>	<b>9,016,722</b>	<b>42,527</b>
<b>LIABILITIES</b>		
Due to others	271,275	-
Due to other governments	4,283,963	-
<b>Total Liabilities</b>	<b>4,555,238</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes collected for subsequent period	75,512	-
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations, and other governments	<u><u>\$ 4,385,972</u></u>	<u><u>\$ 42,527</u></u>

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Custodial Funds</b>	<b>Private-Purpose Trust Funds</b>
<b>ADDITIONS</b>		
Contributions		
Individuals	\$ 482,215	\$ 197,452
Gifts and contributions	897,397	-
Property tax collections for other governments	87,474,783	-
License and fees collected for state	18,334,645	-
Miscellaneous	3,740,844	2,293
<b>Total Additions</b>	<u>110,929,884</u>	<u>199,745</u>
<b>DEDUCTIONS</b>		
Beneficiary payments to individuals	502,004	182,028
Payments of property tax to other governments	87,822,737	-
Administrative expense	81,252	-
Payments to other entities	23,405,556	-
<b>Total Deductions</b>	<u>111,811,549</u>	<u>182,028</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	(881,665)	17,717
Fiduciary Net Position - January 1	<u>5,267,637</u>	<u>24,810</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u><u>\$ 4,385,972</u></u>	<u><u>\$ 42,527</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, 2020**

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**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, 2020. 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.

Crow Wing County Housing and Redevelopment Authority

Crow Wing County Housing and Redevelopment Authority (HRA) was created to administer the public housing programs authorized by the United States Housing Act of 1937, as amended, and to carry out other housing assistance programs. The HRA is currently governed by a five-member Board of Directors appointed by the Crow Wing County Board of Commissioners. The HRA is not material and is therefore not disclosed in this report.

Joint Ventures

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

**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)



## CROW WING COUNTY BRAINERD, MINNESOTA

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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 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.

## CROW WING COUNTY BRAINERD, MINNESOTA

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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.

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 two private-purpose trust funds, 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 and the Social Welfare Fund which accounts for the activity related to income received and payments made on behalf of individuals for whom the County is responsible to assist.

Custodial funds are custodial in nature. These funds are used for a variety of purposes: to account for the collection and disbursement of taxes on behalf of other local governments within the County; as an agent for a mental health collaborative, child protection services, and estate recoveries; as an agent for local lake improvement districts, recreational trails, and other environmental purposes; as an agent for a water quality awareness organization; as an agent for an adult mental health delivery system organization; as an agent for state revenue payments, 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.

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

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**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, 2020. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value or fair value per share. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments of governmental and fiduciary funds are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. The pooled investment earnings for 2020 were \$1,273,242.

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 1<sup>st</sup> on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due May 15<sup>th</sup> and the second half payment due October 15<sup>th</sup> or November 15<sup>th</sup>. Unpaid taxes at December 31<sup>st</sup> 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.

## **CROW WING COUNTY BRAINERD, MINNESOTA**

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### **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 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. Federally funded capital assets are identified with an initial, individual cost of \$5,000. 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

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:

<b><u>Assets</u></b>	<b><u>Years</u></b>
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. Other Postemployment Benefits Liability (OPEB Liability)**

For purposes of measuring the OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit term.

### **8. 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.

## CROW WING COUNTY BRAINERD, MINNESOTA

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### 9. 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 two items that qualify for reporting in this category: deferred outflow for pensions and deferred outflow for OPEB, all of which are reported in the government-wide statement of net position. The pension obligation amounts consist of pension plan contributions paid subsequent to the measurement date, changes in actuarial 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.

### 10. 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.

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### **11. 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.

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.

### **12. 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 four 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 deferred inflow for OPEB relates primarily to results from the changes in total OPEB liability and in the OPEB plan’s fiduciary net position. 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.

### **13. Unearned Revenue**

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

### **14. Classification of Net Position**

Net position in the government-wide and proprietary fund financial statements is classified in the following categories:

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### Net investment in capital assets

The amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

### Restricted net position

The amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

### Unrestricted net position

The amount of net position that does not meet the definition of restricted or net investment in capital assets.

## **15. 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



## CROW WING COUNTY BRAINERD, MINNESOTA

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that is not restricted or limited. The authority to assign fund balances for certain purposes resides with the County Administrator or Finance Director, in accordance with the *Fund Balance and Reserves Policy* adopted by the County Board.

### Unassigned

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

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.

### **16. 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.

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### Intergovernmental

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

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 15<sup>th</sup>, the County Administrator submits to the County Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1<sup>st</sup>. 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.

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5. Formal budgetary integration is employed as a management control device during the year for the 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, 2020, 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	\$ 573,799	33.154%	\$ 190,237
City of Brainerd	268,269	32.507%	87,206
City of Breezy Point	10,741	33.154%	3,561
City of Crosby	124,169	32.279%	40,081
City of Crosslake	20,605	33.154%	6,831
City of Nisswa	19,995	33.154%	6,629
<b>Total</b>	<b>\$ 1,017,578</b>		<b>\$ 334,545</b>

**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, 2020:

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	Expenditures	Final Budget	Excess
General	\$ 38,577,150	\$ 32,622,155	\$ 5,954,995
Highway	22,900,730	19,584,040	3,316,690
Public Land Management	3,168,657	2,491,918	676,739
Debt	4,922,538	4,922,496	42
Small Cities Development Program	52,537	-	52,537
Environmental Trust	3,913	-	3,913

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

### **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 \$ 40,706,908

Business-type activities

Cash and investments 6,037,564

Cash and investments - restricted assets 6,442,284

Statement of fiduciary net position

Cash and investments 6,091,620

Total Cash and Investments \$ 59,278,376

Deposits \$ 31,922,178

Petty Cash and Change Funds 2,945

Investments 27,353,253

Total \$ 59,278,376

##### **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.

## CROW WING COUNTY BRAINERD, MINNESOTA

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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, 2020, the County’s deposits were fully covered by insurance, surety bonds, and collateral and were not exposed to custodial credit risk.

### b) Investments

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

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

### c) Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Listed in Section V of the County’s *Investment Policy*, 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, 2020, 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	\$ -	\$ 306,680	\$ -	\$ 306,680
Mutual Funds	NR	5,611,736	-	-	5,611,736
Mortgage Backed Securities	N/A *	-	-	3,958,047	3,958,047
Federal Home Loan Bank	N/A *	-	318,089	896,019	1,214,108
Federal Farm Credit Banks	N/A *	-	1,244,858	331,356	1,576,214
Municipal Bonds	AA	612,970	6,553,018	2,325,675	9,491,663
Municipal Bonds	AAA	-	3,970,209	1,224,596	5,194,805
Total Investments		<u>\$ 6,224,706</u>	<u>\$ 12,392,854</u>	<u>\$ 8,735,693</u>	<u>\$ 27,353,253</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, 2020, is listed in the table above.

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, 2020.

As listed in Section VI of the County's *Investment Policy*, 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

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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.

Diversification strategies will be implemented with the following constraints:

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

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<sup>1</sup> 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.

<sup>2</sup> 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 (35%), Municipal Bonds rated AAA (19%), Mortgage Backed Securities (14%), Mutual Funds (21%), and Federal Farm Credit Banks (6%). 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.

At December 31, 2020, the County had the following recurring fair value measurements:

	December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 306,680	\$ -	\$ 306,680	\$ -
Mutual Funds	5,611,736	-	5,611,736	-
Mortgage Backed Securities	3,958,047	-	3,958,047	-
Federal Home Loan Bank	1,214,108	-	1,214,108	-
Federal Farm Credit Banks	1,576,214	-	1,576,214	-
Municipal Bonds	14,686,468	-	14,686,468	-
	<u>\$ 27,353,253</u>	<u>\$ -</u>	<u>\$ 27,353,253</u>	<u>\$ -</u>

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



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**2. Receivables**

Receivables as of December 31, 2020, for the County's governmental activities are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Taxes - delinquent	\$ 1,057,069	\$ -
Accounts (net)	187,370	-
Accrued interest	144,258	-
Contracts	1,314,723	1,106,705
Due from other governments	8,892,235	-
Loans	106,891	97,372
Total Governmental Activities	<u>\$ 11,702,546</u>	<u>\$ 1,204,077</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. Accounts receivable are offset by an allowance for doubtful accounts. The County develops an estimate of this allowance based on specific identifications. All other receivables are considered collectible in full.

**3. Capital Assets**

Capital asset activity for the year ended December 31, 2020, was as follows:

**Governmental Activities**

	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital assets not depreciated				
Land	\$ 15,135,153	\$ 32,500	\$ -	\$ 15,167,653
Construction in progress	9,115,474	17,014,680	(16,738,645)	9,391,509
Infrastructure - right-of-way	7,004,391	505,482	-	7,509,873
Total capital assets not depreciated	<u>\$ 31,255,018</u>	<u>\$ 17,552,662</u>	<u>\$ (16,738,645)</u>	<u>\$ 32,069,035</u>
Capital assets depreciated				
Buildings	\$ 65,548,445	\$ -	\$ (6,000)	\$ 65,542,445
Land improvements	3,075,240	29,802	-	3,105,042
Machinery, furniture, and equipment	20,889,031	759,065	(810,399)	20,837,697
Infrastructure	170,144,998	16,158,136	-	186,303,134
Total capital assets depreciated	<u>\$ 259,657,714</u>	<u>\$ 16,947,003</u>	<u>\$ (816,399)</u>	<u>\$ 275,788,318</u>
Less: accumulated depreciation for				
Buildings	\$ (25,248,116)	\$ (1,599,987)	\$ 6,000	\$ (26,842,103)
Land improvements	(1,550,970)	(154,305)	-	(1,705,275)
Machinery, furniture, and equipment	(15,626,510)	(1,621,998)	789,328	(16,459,180)
Infrastructure	(44,734,753)	(3,676,041)	-	(48,410,794)
Total accumulated depreciation	<u>\$ (87,160,349)</u>	<u>\$ (7,052,331)</u>	<u>\$ 795,328</u>	<u>\$ (93,417,352)</u>
Total capital assets depreciated, net	<u>\$ 172,497,365</u>	<u>\$ 9,894,672</u>	<u>\$ (21,071)</u>	<u>\$ 182,370,966</u>
Governmental Activities Capital Assets, Net	<u>\$ 203,752,383</u>	<u>\$ 27,447,334</u>	<u>\$ (16,759,716)</u>	<u>\$ 214,440,001</u>

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Depreciation expense for 2020 was charged to functions/programs of the government's governmental activities as follows:

Governmental Activities

General government	\$ 1,270,592
Public safety	1,207,907
Highways and streets (including depreciation of infrastructure assets)	4,331,357
Health and human services	147,462
Culture and recreation	73,686
Conservation of natural resources	21,327
Total Depreciation Expense - Governmental Activities	<u>\$ 7,052,331</u>

Business-Type Activities

	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital assets not depreciated				
Land	\$ 412,334	\$ -	\$ -	\$ 412,334
Construction in progress	4,039,111	727,898	-	4,767,009
Total capital assets not depreciated	<u>\$ 4,451,445</u>	<u>\$ 727,898</u>	<u>\$ -</u>	<u>\$ 5,179,343</u>
Capital assets depreciated				
Buildings	\$ 781,973	\$ -	\$ -	\$ 781,973
Landfill	13,858,732	151,041	-	14,009,773
Machinery, furniture, and equipment	301,079	-	(10,852)	290,227
Total capital assets depreciated	<u>\$ 14,941,784</u>	<u>\$ 151,041</u>	<u>\$ (10,852)</u>	<u>\$ 15,081,973</u>
Less: accumulated depreciation for				
Buildings	\$ (421,080)	\$ (28,542)	\$ -	\$ (449,622)
Landfill	(11,934,385)	(158,573)	-	(12,092,958)
Machinery, furniture, and equipment	(283,891)	(1,837)	10,852	(274,876)
Total accumulated depreciation	<u>\$ (12,639,356)</u>	<u>\$ (188,952)</u>	<u>\$ 10,852</u>	<u>\$ (12,817,456)</u>
Total capital assets depreciated, net	<u>\$ 2,302,428</u>	<u>\$ (37,911)</u>	<u>\$ -</u>	<u>\$ 2,264,517</u>
Business-Type Activities Capital Assets, Net	<u>\$ 6,753,873</u>	<u>\$ 689,987</u>	<u>\$ -</u>	<u>\$ 7,443,860</u>

Depreciation expense for 2020 was charged to functions/programs of the government's business-type activities as follows:

Business-Type Activities

Landfill	<u>\$ 188,952</u>
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**B. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of December 31, 2020, 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	\$ 325,640	Tax forfeited settlement
Highway	Unorganized Townships	97,285	Receivable for goods/services
Capital Projects	Public Land Management	434,186	Tax forfeited settlement
Total Due To/From Other Funds		<u>\$ 857,111</u>	

**2. Interfund Transfers**

Interfund transfers for the year ended December 31, 2020, consisted of the following:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
Highway	Ditch	\$ 7,794
Solid Waste (Non-Landfill)	Landfill	148,759
Landfill	Solid Waste (Non-Landfill)	148,759
Total Interfund Transfers		<u>\$ 305,312</u>

Transfer between Highway Fund and Ditch Fund was for a budgeted transfer for operations, and transfer between Solid Waste (Non-Landfill) Fund and Landfill was for interest earned from the Greater MN Landfill Clean Up funds. The transfer from the Landfill to the Solid Waste (Non-Landfill) was for interest earned from the Greater MN Landfill Clean Up funds.

**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.

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Pursuant to the provisions of the plan, retirees are required to pay varying percentages of the total premium cost. Retirees hired after January 1, 2002 are required to pay 100% of the total premium cost. Crow Wing County contributed \$2,057,487 towards retiree health insurance. Since the premium is a blended rate and determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy.

The County's OPEB plan was based on the January 1, 2019 study that stated 199 retirees were receiving health benefits from the County's health plan. There were 443 active employees, zero inactive employees, and zero inactive employees entitled to but not yet receiving benefits.

### 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, 2020, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2019.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary	Service graded table
Health Care Trend Rates	6.25% Decreasing to 5.00%

Mortality rates were based on the Pub-2010 public retirement plans headcount-weighted mortality tables (general, safety) with MP-2018 Generational Improvement Scale. The actuarial assumptions used in the January 1, 2019 valuation were based on the PERA actuarial experience studies. The most recent six-year experience study for the General Employees Plan was completed in 2015. The most recent four-year experience study for the Police and Fire Plan was completed in 2016.

The discount rate used to measure the total OPEB liability was 2.9%. The discount rate is equal to the 20-Year Municipal Bond Yield.

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

- The discount rate was changed from 3.80% to 2.90%

Changes in total OPEB liability

	<u>Total OPEB liability</u>
Balance as of January 1, 2020	\$ 40,118,050
Changes for the Year:	
Service Cost	558,697
Interest	1,501,451
Assumption Changes	4,433,213
Benefit Payments	(2,351,704)
Net Change in Total OPEB Liability	<u>4,141,657</u>
Balance as of December 31, 2020	<u>\$ 44,259,707</u>

Of the \$44,259,707 total OPEB liability, \$2,294,891 is due within one year. 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:

	1% Decrease (1.90%)	Discount Rate (2.90%)	1% Increase (3.90%)
Total OPEB Liability	\$ 50,368,518	\$ 44,259,707	\$ 39,244,563

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 6 years) or 1% higher (7.25% decreasing to 6.00% over 5 years) than the current healthcare cost trend rates:

	1% Decrease (5.25% Decreasing to 4.00% over 5 years)	Current Trend Rates (6.25% Decreasing to 5.00% over 5 years)	1% Increase (7.25% Decreasing to 6.00% over 5 years)
Medical Trend Rate			
Total OPEB Liability	\$ 38,571,097	\$ 44,259,707	\$ 51,265,792

For the year ended December 31, 2020, the County recognized OPEB expense of \$2,736,348. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 3,694,344	\$ 3,012,821
Liability Gain or Loss	2,762,147	-
Contributions		
Subsequent to the Measurement Date	2,294,891	-
Total	<u>\$ 8,751,382</u>	<u>\$ 3,012,821</u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	OPEB Expense Amount
2021	\$ 676,200
2022	676,200
2023	676,200
2024	676,202
2025	738,868
Thereafter	-

**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 portion of the building 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, 2020, were as follows:

December 31	Lease Payments
2021	\$ 112,229
2022	112,544
2023	112,636
Total minimum lease payments	337,409
Less: amount representing interest	(11,459)
Present Value of Minimum Lease Payments	\$ 325,950

As of December 31, 2020 the total cost of this asset is \$1,688,050 with accumulated depreciation of \$574,371.

**3. Long-Term Debt**

**Governmental Activities**

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2020
2010A G.O. Refunding Airport Improvement Bonds (50% County Portion)	2022	\$72,500 - \$92,500	1.00 - 3.35	\$ 885,000	\$ 182,500

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**4. Debt Service Requirements**

Debt service requirements at December 31, 2020, were as follows:

Governmental Activities

<u>December 31</u>	<u>Long-Term Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 90,000	\$ 4,517
2022	92,500	1,549
Total	<u>\$ 182,500</u>	<u>\$ 6,066</u>

**5. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2020, was as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 4,980,000	\$ -	\$ 4,797,500	\$ 182,500	\$ 90,000
Plus: deferred amounts for issuance premiums (discounts)	43,470	-	45,016	(1,546)	(1,427)
General obligation debt subtotal	\$ 5,023,470	\$ -	\$ 4,842,516	\$ 180,954	\$ 88,573
Capital lease	429,300	-	103,350	325,950	106,000
Compensated absences	2,960,752	3,680,775	3,051,857	3,589,670	3,230,703
Governmental Activities Long-Term Liabilities	<u>\$ 8,413,522</u>	<u>\$ 3,680,775</u>	<u>\$ 7,997,723</u>	<u>\$ 4,096,574</u>	<u>\$ 3,425,276</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.

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Estimated liability for landfill closure and postclosure	\$ 4,275,545	\$ 399,791	\$ -	\$ 4,675,336	\$ -
Compensated absences	17,359	12,432	11,220	18,571	16,714
Business-Type Activities Long-Term Liabilities	<u>\$ 4,292,904</u>	<u>\$ 412,223</u>	<u>\$ 11,220</u>	<u>\$ 4,693,907</u>	<u>\$ 16,714</u>

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### 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 \$895,000 for the year ended December 31, 2020.

### **6. Defined Benefit Pension Plans**

#### a. Plan Description

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

##### 1. General Employees Retirement Plan (General Employees Plan)

The General Employees Retirement Plan covers certain full time and part time employees of the Crow Wing County. General Employees Plan members belong to the Coordinated Plan members 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 Correctional Plan 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.

#### 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.



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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. The postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

### **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. The postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

### **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 increased are provided to benefit recipients each January. The postretirement increase will be equal to 100 percent of the COLA announced by SSA, with a minimum increase of at least 1 percent and a maximum of 2.5 percent. If the plan's funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.5 percent to 1.5 percent. Recipients that have been receiving the annuity or

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benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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 2020 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, 2020, were \$1,664,995. The County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Plan members contribution rates increased from 11.3 percent of pay to 11.8 percent and the County's rate increased from 16.95 percent to 17.70 percent on January 1, 2020. The County's contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$612,781. 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 2020. The County's contributions to the Correctional Fund for the year ended December 31, 2020, were \$313,995. The County's contributions were equal to the required contributions as set by state statute.

d. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2020, the County reported a liability of \$17,386,872 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 2020. 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 \$537,148. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the County's proportionate share was 0.2900 percent at the end of the measurement

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period and 0.2804 percent for the beginning of the period.

County's proportionate share of the net pension liability	\$ 17,386,872
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>537,148</u>
Total	<u>\$ 17,924,020</u>

For the year ended December 31, 2020, the County recognized pension expense of \$882,098 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized \$46,748 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the annual \$16 million contribution.

At December 31, 2020, 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	\$ 158,525	\$ 65,783
Changes in Actuarial Assumptions	-	644,599
Net Difference Between Projected and Actual Changes in Proportion	300,370	-
County Contributions Subsequent to the Measurement Date	459,127	93,718
	<u>867,489</u>	<u>-</u>
Total	<u>\$ 1,785,511</u>	<u>\$ 804,100</u>

\$867,489 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, 2021. 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:

Year Ended December 31	Pension Expenses Amount
2021	\$ (917,082)
2022	127,323
2023	483,609
2024	420,072

**2. Police and Fire Fund Pension Costs**

At December 31, 2020, the County reported a liability of \$3,864,690 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's

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participating employers. The County's proportionate share was 0.2932 percent at the end of the measurement period and 0.3149 percent for the beginning of the period.

The State of Minnesota contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct aid that does meet the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state aid was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9.0 million to the Police and Fire Fund until funding is reached or July 1, 2048, whichever is earlier. The \$9.0 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the County recognized pension expense of \$467,233 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$28,010 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$4.5 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County recognized \$26,388 for the year ended December 31, 2020 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.

County's proportionate share of the net pension liability	\$ 3,864,690
State of Minnesota's proportionate share of the net postion liability associated with the County	<u>91,043</u>
Total	<u><u>\$ 3,955,733</u></u>

At December 31, 2020, the County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 170,764	\$ 183,531
Changes in Actuarial Assumptions	1,295,138	2,410,270
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	117,388	-
Changes in Proportion	295,551	354,394
County Contributions Subsequent to the Measurement Date	320,242	-
Total	<u>\$ 2,199,083</u>	<u>\$ 2,948,195</u>

\$320,242 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, 2021. 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:

Year Ended December 31	Pension Expense Amount
2021	\$ (279,062)
2022	(1,065,416)
2023	191,363
2024	143,066
2025	(59,305)

3. Correctional Plan Pension Costs

At December 31, 2020, the County reported a liability of \$432,108 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 1.5925 percent at the end of the measurement period and 1.5988 percent for the beginning of the period.

For the year ended December 31, 2020, the County recognized pension expense of (\$798,428) for its proportionate share of the Correctional Plan's pension expense.

At December 31, 2020, 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:

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 4,053	\$ 159,014
Changes in Actuarial Assumptions	-	875,078
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	82,216	-
Changes in Proportion	-	21,048
County Contributions Subsequent to the Measurement Date	162,054	-
Total	<u>\$ 248,323</u>	<u>\$ 1,055,140</u>

\$162,054 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to Correctional Fund pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2021	\$ (1,014,069)
2022	(54,405)
2023	21,650
2024	77,953

**Summary**

The aggregate amount of net position liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the County's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employees costs are associated. The table below includes the County's portion of each plan.

	General Employees Fund	Police and Fire Fund	Correctional Fund	Total
Net Pension Liability	\$ 17,386,872	\$ 3,864,690	\$ 432,108	\$ 21,683,670
Deferred Outflows of Resources				
Related to Pension	\$ 1,785,511	\$ 2,199,083	\$ 248,323	\$ 4,232,917
Deferred Inflows of Resources				
Related to Pension	\$ 804,100	\$ 2,948,195	\$ 1,055,140	\$ 4,807,435
Pension Expense	\$ 928,846	\$ 495,243	\$ (798,428)	\$ 625,661

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e. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following actuarial assumptions:

	GERF	PEFPF	PECF
Inflation	2.25 Percent per Year	2.50 Percent per Year	2.50 Percent per Year
Active Member Payroll Growth	3.00 Percent per Year	3.25 Percent per Year	3.25 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 Pub-2010 General Employee Mortality table for the General Employees Plan and RP 2014 tables for the Police and Fire and the Correctional Plans 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 and 2.0 percent per year for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.0 percent per year as set by state statute.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The four year experience study used for the Police and Fire Plan was completed in 2016. The five year experience study used 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. Inflation and investment return assumptions for the Police and Fire Plan and the Correctional Plan are based on the General Employees Retirement Plan experience study completed in 2019. The most recent four-year experience studies for the Police and Fire Plan and the Correctional Plan were completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changed result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2.5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males

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and females.

- The base mortality table for healthy annuitants and employees was changed from RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

#### Changes in Plan Provisions:

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

#### Police and Fire Fund

##### Changes in Actuarial Assumptions:

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

##### Changes in Plan Provisions

- There have been no changes since the prior valuation.

#### Correctional Fund

##### Changes in Actuarial Assumptions:

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

##### Changes in Plan Provisions

- There have been no changes since the prior valuation

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 Stocks	35.50 %	5.10 %
International Stocks	17.50	5.30
Bonds (Fixed Income)	20.00	0.75
Alternative Assets (Private Markets)	25.00	5.90
Cash	2.00	0.00
Totals	<u>100.00 %</u>	



# CROW WING COUNTY BRAINERD, MINNESOTA

f. Discount Rate

The discount rate used to measure the total pension liability in 2020 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:

	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%	\$ 27,865,124	6.50%	\$ 7,702,883	6.50%	\$ 2,685,512
Current	7.50%	17,386,872	7.50%	3,864,690	7.50%	432,108
1% Increase	8.50%	8,743,155	8.50%	689,257	8.50%	(1,372,082)

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](http://www.mnpera.org).

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

Three 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

## CROW WING COUNTY BRAINERD, MINNESOTA

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 2020 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$6,179	\$6,179	5%	5%	5%

### 8. Construction Commitments

The County has active construction projects and outstanding contracts as of December 31, 2020. The projects include the following:

Project Description	Spent-to-Date	Remaining Commitment
County Road Projects	\$ 9,311,458	\$ 305,196

### 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 \$4,675,336 landfill closure and postclosure care liability at December 31, 2020, represents the cumulative amount reported to date based on the use of 82.71 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,056,564 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. The County expects to close a cell at 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, 2020, investments of \$6,442,284 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

## CROW WING COUNTY BRAINERD, MINNESOTA

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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 2020. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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

### **D. Deferred Inflows of Resources**

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

	Unavailable Revenue
Delinquent property taxes receivable	\$ 1,025,569
Delinquent mobile home receivable	31,500
Prepaid property taxes	36,624
Contracts receivable	1,314,723
Charges for services	95,808
Highway aids receivable that do not provide current financial resources	2,154,835
Interest receivable that does not provide current financial resources	7,850
Loans receivable that do not provide current financial resources	106,891
Grants receivable that do not provide current financial resources	295,857
Total unavailable revenue for Governmental Funds	<u>\$ 5,069,657</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. Contingent Liability**

During 2019, counties were notified by the Minnesota Department of Human Services (DHS) that DHS made errors in the calculation of Substance Use Disorder (SUD) for Institutes of Mental Disease (IMD) claims from January 2014 to June 2019. Based on these errors, DHS is requesting Minnesota counties repay \$8.8 million back to DHS. During 2020, this amount was revised to \$8.6 million. Crow Wing County's share of this \$8.6 million is \$200,228. Minnesota counties have raised concerns over how the amount was calculated, the accuracy of the calculations and whether DHS has the legal/statutory authority

## **CROW WING COUNTY BRAINERD, MINNESOTA**

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to require the counties to repay the amounts. The Association of Minnesota Counties (AMC) has recommended counties to not repay this amount until these concerns have been addressed in hopes this matter is resolved by other means. Therefore, this amount has not been booked as a payable.

### **C. 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.

On December 31, 2020, the outstanding amount of the bonds was \$365,000. The City of Brainerd's share of this amount is \$182,500, for which the County is only contingently liable.

In 2020, 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 \$14,768,210 on December 31, 2019, the most recent data available, and is reported as an investment in joint venture on the government-wide statement of net position.

For 2019 (the most recent available audited information), the project reported \$29,837,636 of total assets, net position of \$29,536,419, operating revenues of \$2,758,081, general revenues of \$23,296, operating expenses of \$3,915,157 and an overall decrease in net position of \$1,133,780. In 2018, the decrease in net position was \$1,017,899 for the project.

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.

## **CROW WING COUNTY BRAINERD, MINNESOTA**

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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 a custodial fund in its financial statements.

In 2020, Crow Wing County did not make any contributions to CMEMSR.  
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.

In 2020, Crow Wing County did not make any contributions to LADID.

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

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 2020, Crow Wing County did not make any contributions to MCIS.

Separate financial information can be obtained from:

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

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### 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 2020, 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](mailto:mhb@mississippiheadwaters.org)

### 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 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. In 2020, Crow Wing County did not make any contributions to the Northeast Regional Emergency Communication Board.

Financial information can be obtained from:

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

## **CROW WING COUNTY BRAINERD, MINNESOTA**

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### 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.

Financing is predominantly provided by contributions, grants, donations, and gifts. Crow Wing County is the fiscal host. In 2020, Crow Wing County did not make any contributions to Region V + Adult Mental Health Initiative.

Complete financial information can be obtained from:

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

### **D. 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.

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

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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, 2020. Separate financial information can be obtained from:

Kitchigami Regional Library  
P.O. Box 84  
Pine River, Minnesota 56474  
[www.krls.org](http://www.krls.org)

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



**CROW WING COUNTY  
BRAINERD, MINNESOTA**

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**V. Prior Period Adjustment**

During the current year it was determined that the receivables and revenues in the Highway fund were overstated in the prior year due to an error.

To correct this error, beginning fund balance of the Highway fund and beginning net position of governmental activities were each restated by a decrease of \$623,017.

	<u>Governmental Activities</u>	<u>Highway</u>
Net Position/Fund Balance, January 1, 2020 as Previously Reported	\$ 196,064,138	\$ 16,712,865
Restatement	<u>(623,017)</u>	<u>(623,017)</u>
Net Position/Fund Balance, January 1, 2020, as Restated	<u>\$ 195,441,121</u>	<u>\$ 16,089,848</u>

**VI. Subsequent Event**

On March 11, 2021, Crow Wing County was allocated \$12,617,017 in additional aid from the American Rescue Plan Act of 2021.

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**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 23,013,543	\$ 23,013,543	\$ 22,889,943	\$ (123,600)
Licenses and permits	737,585	737,585	718,312	(19,273)
Intergovernmental	2,285,061	2,285,061	13,600,975	11,315,914
Charges for services	3,655,928	3,655,928	3,273,865	(382,063)
Fines and forfeits	39,000	39,000	30,940	(8,060)
Gifts and contributions	2,000	2,000	11,769	9,769
Investment earnings	1,246,000	1,246,000	1,157,963	(88,037)
Miscellaneous	1,142,040	1,142,040	1,099,869	(42,171)
<b>Total Revenues</b>	<b>\$ 32,121,157</b>	<b>\$ 32,121,157</b>	<b>\$ 42,783,636</b>	<b>\$ 10,662,479</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General government</b>				
<b>Governance Services</b>				
Commissioners	\$ 320,668	\$ 320,668	\$ 349,566	\$ (28,898)
Courts	262,013	262,013	333,212	(71,199)
Law library	65,000	65,000	81,826	(16,826)
Administrator	373,952	373,952	1,079,467	(705,515)
Attorney	2,670,764	2,670,764	2,681,434	(10,670)
Veterans service officer	286,147	286,147	326,735	(40,588)
Appropriations	193,035	193,035	182,614	10,421
Other general government	51,900	53,700	57,822	(4,122)
<b>Administrative Services</b>				
Finance	852,688	852,688	871,837	(19,149)
Elections	395,850	395,850	547,317	(151,467)
Human resources and risk management	518,606	518,606	482,592	36,014
Information technology	2,117,325	2,188,174	1,903,411	284,763
Facilities	2,791,952	2,873,113	2,616,837	256,276
<b>Land Services</b>				
Customer services	1,118,724	1,126,675	1,094,728	31,947
Recorder	82,850	82,850	95,059	(12,209)
Environmental services	1,354,487	1,369,266	1,313,554	55,712
Assessing services	1,802,656	1,858,958	1,899,709	(40,751)
<b>Total general government</b>	<b>\$ 15,258,617</b>	<b>\$ 15,491,459</b>	<b>\$ 15,917,720</b>	<b>\$ (426,261)</b>
<b>EXPENDITURES</b>				
<b>Public safety</b>				
<b>Public Safety Services</b>				
Patrol	\$ 4,971,365	\$ 4,971,365	\$ 4,634,522	\$ 336,843
Investigations	1,294,203	1,304,903	1,271,067	33,836
Operations	261,954	261,954	253,806	8,148
Support	2,263,897	2,264,890	2,449,671	(184,781)
Jail	7,167,271	7,167,271	6,756,477	410,794
Other public safety services	114,177	118,972	125,237	(6,265)
<b>Total public safety</b>	<b>\$ 16,072,867</b>	<b>\$ 16,089,355</b>	<b>\$ 15,490,780</b>	<b>\$ 598,575</b>

(Continued)

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Current (Continued)</b>				
<b>Highways and streets</b>				
<b>Transportation Services</b>				
Administration	\$ -	\$ -	\$ 41,546	\$ (41,546)
<b>Health and human services</b>				
Administration Services				
Heath	\$ -	\$ -	\$ 131,470	\$ (131,470)
<b>Culture and recreation</b>				
<b>Governance Services</b>				
Kitchigami library	\$ 509,127	\$ 509,127	\$ 509,127	\$ -
Appropriations	39,000	39,000	39,000	-
<b>Land Services</b>				
Recreation	155,561	155,561	102,394	53,167
<b>Total culture and recreation</b>	<b>\$ 703,688</b>	<b>\$ 703,688</b>	<b>\$ 650,521</b>	<b>\$ 53,167</b>
<b>Conservation of natural resources</b>				
<b>Administrative Services</b>				
County extension	\$ 159,242	\$ 163,945	\$ 156,404	\$ 7,541
<b>Economic development</b>				
<b>Administrative Services</b>				
Community development	\$ -	\$ -	\$ 5,892,940	\$ (5,892,940)
<b>Capital outlay</b>				
General government	\$ 8,500	\$ 33,185	\$ 54,336	\$ (21,151)
Public safety	130,523	130,523	131,978	(1,455)
Culture and recreation	10,000	10,000	109,455	(99,455)
<b>Total capital outlay</b>	<b>\$ 149,023</b>	<b>\$ 173,708</b>	<b>\$ 295,769</b>	<b>\$ (122,061)</b>
<b>Total Expenditures</b>	<b>\$ 32,343,437</b>	<b>\$ 32,622,155</b>	<b>\$ 38,577,150</b>	<b>\$ (5,954,995)</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>\$ (222,280)</b>	<b>\$ (500,998)</b>	<b>\$ 4,206,486</b>	<b>\$ 4,707,484</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 43,000	\$ 43,000	\$ -	\$ (43,000)
Insurance proceeds	-	-	65,848	65,848
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 43,000</b>	<b>\$ 43,000</b>	<b>\$ 65,848</b>	<b>\$ 22,848</b>
<b>Net Change in Fund Balance</b>	<b>\$ (179,280)</b>	<b>\$ (457,998)</b>	<b>\$ 4,272,334</b>	<b>\$ 4,730,332</b>
<b>Fund Balance - January 1</b>	<b>12,373,846</b>	<b>12,373,846</b>	<b>12,373,846</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 12,194,566</b>	<b>\$ 11,915,848</b>	<b>\$ 16,646,180</b>	<b>\$ 4,730,332</b>

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, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 9,017,143	\$ 9,017,143	\$ 9,432,419	\$ 415,276
Intergovernmental	9,517,868	9,517,868	11,034,806	1,516,938
Charges for services	678,500	678,500	2,423,922	1,745,422
Miscellaneous	30,000	30,000	4,587	(25,413)
<b>Total Revenues</b>	<b>\$ 19,243,511</b>	<b>\$ 19,243,511</b>	<b>\$ 22,895,734</b>	<b>\$ 3,652,223</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Highways and streets</b>				
<b>Transportation Services</b>				
Administration	\$ 578,161	\$ 578,161	\$ 562,407	\$ 15,754
Maintenance	2,378,415	2,378,415	2,184,646	193,769
Engineering/construction	1,751,873	1,751,873	1,479,979	271,894
Equipment maintenance and shop	1,423,755	1,423,755	1,272,288	151,467
Local option sales tax	2,360,326	2,360,326	1,936,214	424,112
<b>Total highways and streets</b>	<b>\$ 8,492,530</b>	<b>\$ 8,492,530</b>	<b>\$ 7,435,534</b>	<b>\$ 1,056,996</b>
<b>Capital outlay</b>				
Highways and streets	<b>\$ 10,978,080</b>	<b>\$ 10,978,080</b>	<b>\$ 14,915,380</b>	<b>\$ (3,937,300)</b>
<b>Intergovernmental</b>				
Highways and streets	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 437,955</b>	<b>\$ (437,955)</b>
<b>Debt service</b>				
Principal	\$ 100,700	\$ 100,700	\$ 103,350	\$ (2,650)
Interest	12,430	12,430	8,375	4,055
Administrative charges	300	300	136	164
<b>Total debt service</b>	<b>\$ 113,430</b>	<b>\$ 113,430</b>	<b>\$ 111,861</b>	<b>\$ 1,569</b>
<b>Total Expenditures</b>	<b>\$ 19,584,040</b>	<b>\$ 19,584,040</b>	<b>\$ 22,900,730</b>	<b>\$ (3,316,690)</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>\$ (340,529)</b>	<b>\$ (340,529)</b>	<b>\$ (4,996)</b>	<b>\$ 335,533</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(14,300)	(14,300)	7,794	22,094
Insurance proceeds	10,000	10,000	1,911	(8,089)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,300)</b>	<b>(4,300)</b>	<b>9,705</b>	<b>14,005</b>
<b>Net Change in Fund Balance</b>	<b>\$ (344,829)</b>	<b>\$ (344,829)</b>	<b>\$ 4,709</b>	<b>\$ 349,538</b>
<b>Fund Balance - January 1</b>	<b>16,712,865</b>	<b>16,712,865</b>	<b>16,712,865</b>	<b>-</b>
<b>Prior Period Adjustment (See Note V)</b>	<b>-</b>	<b>-</b>	<b>(623,017)</b>	<b>(623,017)</b>
<b>Fund balance - January 1, as Restated</b>	<b>16,712,865</b>	<b>16,712,865</b>	<b>16,089,848</b>	<b>(623,017)</b>
<b>Increase (decrease) in inventories</b>	<b>-</b>	<b>-</b>	<b>(424,607)</b>	<b>(424,607)</b>
<b>Fund Balance - December 31</b>	<b>\$ 16,368,036</b>	<b>\$ 16,368,036</b>	<b>\$ 15,669,950</b>	<b>\$ (698,086)</b>

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 13,553,547	\$ 13,553,547	\$ 13,381,842	\$ (171,705)
Intergovernmental	16,547,699	16,547,699	14,925,710	(1,621,989)
Charges for services	937,008	937,008	1,262,289	325,281
Gifts and contributions	10,000	10,000	10,000	-
Investment Earnings	-	-	-	-
Miscellaneous	566,700	566,700	539,791	(26,909)
<b>Total Revenues</b>	<b>\$ 31,614,954</b>	<b>\$ 31,614,954</b>	<b>\$ 30,119,632</b>	<b>\$ (1,495,322)</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Public safety</b>				
<b>Community Services</b>				
Juvenile detention	\$ 974,000	\$ 974,000	\$ 970,866	\$ 3,134
Community corrections	2,221,727	2,221,727	2,209,918	11,809
<b>Total public safety</b>	<b>\$ 3,195,727</b>	<b>\$ 3,195,727</b>	<b>\$ 3,180,784</b>	<b>\$ 14,943</b>
<b>Health and human services</b>				
<b>Community Services</b>				
Income maintenance	\$ 7,367,097	\$ 7,367,097	\$ 7,293,003	\$ 74,094
Social services	18,784,762	18,784,762	15,493,679	3,291,083
Health	1,442,992	1,442,992	1,440,211	2,781
<b>Total health and human services</b>	<b>\$ 27,594,851</b>	<b>\$ 27,594,851</b>	<b>\$ 24,226,893</b>	<b>\$ 3,367,958</b>
<b>Total Expenditures</b>	<b>\$ 30,790,578</b>	<b>\$ 30,790,578</b>	<b>\$ 27,407,677</b>	<b>\$ 3,382,901</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 824,376</b>	<b>\$ 824,376</b>	<b>\$ 2,711,955</b>	<b>\$ 1,887,579</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance Proceeds	-	-	2,382	2,382
<b>Net Change in Fund Balance</b>	<b>\$ 824,376</b>	<b>\$ 824,376</b>	<b>\$ 2,714,337</b>	<b>\$ 1,889,961</b>
<b>Fund Balance - January 1</b>	<b>736,535</b>	<b>736,535</b>	<b>736,535</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,560,911</b>	<b>\$ 1,560,911</b>	<b>\$ 3,450,872</b>	<b>\$ 1,889,961</b>

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

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC LAND MANAGEMENT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Special assessments	\$ -	\$ -	\$ 1,046	\$ 1,046
Licenses and permits	651,500	651,500	1,020,345	368,845
Intergovernmental	137,076	137,076	163,945	26,869
Charges for services	-	-	5,663	5,663
Investment earnings	20,000	20,000	110,840	90,840
Sales	565,000	565,000	1,810,083	1,245,083
Miscellaneous	31,300	31,300	23,809	(7,491)
<b>Total Revenues</b>	<b>\$ 1,404,876</b>	<b>\$ 1,404,876</b>	<b>\$ 3,135,731</b>	<b>\$ 1,730,855</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Conservation of natural resources</b>				
<b>Land Services</b>				
County land management	\$ 1,716,923	\$ 1,775,218	\$ 2,204,412	\$ (429,194)
<b>Capital outlay</b>				
Conservation of natural resources	\$ 319,200	\$ 716,700	\$ 964,245	\$ (247,545)
<b>Total Expenditures</b>	<b>\$ 2,036,123</b>	<b>\$ 2,491,918</b>	<b>\$ 3,168,657</b>	<b>\$ (676,739)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (631,247)</b>	<b>\$ (1,087,042)</b>	<b>\$ (32,926)</b>	<b>\$ 1,054,116</b>
<b>Fund Balance - January 1</b>	<b>570,167</b>	<b>570,167</b>	<b>570,167</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ (61,080)</b>	<b>\$ (516,875)</b>	<b>\$ 537,241</b>	<b>\$ 1,054,116</b>

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY, RELATED  
RATIOS, AND NOTES  
LAST 10 FISCAL YEARS**

	Measurement Date January 1, 2018	Measurement Date January 1, 2019	Measurement Date January 1, 2020
<b>Total OPEB Liability</b>			
Service Cost	\$ 584,968	\$ 428,012	\$ 558,697
Interest	1,334,431	1,326,826	1,501,451
Changes of Assumptions	-	(4,519,233)	4,433,213
Differences between expected and actual experience	-	4,143,221	-
Benefit Payments	(1,743,435)	(2,062,513)	(2,351,704)
Net Change in Total OPEB Liability	175,964	(683,687)	4,141,657
Total OPEB Liability - Beginning	\$ 40,625,773	\$ 40,801,737	\$ 40,118,050
Total OPEB Liability - Ending	<u>\$ 40,801,737</u>	<u>\$ 40,118,050</u>	<u>\$ 44,259,707</u>
 Covered-Employee Payroll	 \$ 25,450,999	 \$ 26,160,825	 \$ 26,945,650
 County's OPEB Liability as a Percentage of Covered Employee Payroll	 160.3%	 153.4%	 164.3%

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, 2020**

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>State's Proportionate Share of the Net Pension Liability Associated with Crow Wing County (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)</b>	<b>Covered Payroll (c)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2020	0.290%	\$ 17,386,872	\$ 537,148	\$ 17,924,020	\$ 20,651,800	84.19%	79.06%
2019	0.280	15,502,212	482,646	15,984,858	19,807,600	78.26	80.23
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, 2020**

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b-a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
2020	\$ 1,664,995	\$ 1,664,995	\$ -	\$ 22,199,933	7.50%
2019	1,511,484	1,511,484	-	20,085,893	7.50
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, 2020**

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>State's Proportionate Share of the Net Pension Liability Associated with Crow Wing County (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)</b>	<b>Covered Payroll (c)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2020	0.293%	\$ 3,864,690	\$ 91,043	\$ 3,955,733	3,382,112	114.27%	87.19%
2019	0.315	3,352,429	-	3,352,429	3,399,080	98.63	89.26
2018	0.302	3,219,009	-	3,219,009	3,182,924	101.13	88.80
2017	0.286	3,861,340	-	3,861,340	2,933,235	131.64	85.43
2016	0.292	11,718,468	-	11,718,468	2,815,068	416.28	63.88
2015	0.298	3,385,977	-	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, 2020**

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b-a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
2020	\$ 612,781	\$ 612,781	\$ -	\$ 3,462,040	17.70%
2019	560,378	560,378	-	3,306,065	16.95
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, 2020**

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>Covered Payroll (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2020	1.593%	\$ 432,108	\$ 3,465,109	12.47%	96.67%
2019	1.599	221,354	3,410,309	6.49	98.17
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, 2020**

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b-a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
2020	\$ 313,995	\$ 313,995	\$ -	\$ 3,588,514	8.75%
2019	303,437	303,437	-	3,467,851	8.75
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.

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

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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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 30, 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 27.

The appropriated budget is prepared by fund, function, and department. Revisions that alter the budgeted revenues or expenditures of any fund must be approved by the County Board of Commissioners. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the agency level. During the year, supplemental budgetary appropriations in the Capital Projects Fund totaling \$983,437 is considered significant. The amendment for the Capital Projects Fund was due to County Board authorization to freeze capital projects.

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, 2020, expenditures exceeded appropriations in the following funds: General, Highway, and Public Land Management.

Expenditures exceeded appropriations in the General Fund by \$5,954,996 largely due to CARES Act spending and grants. This was offset with the CARES Act revenue of \$9,093,294. Expenditures exceeded appropriations in the Highway Fund by \$3,316,690 largely due to increase in capital outlay. This was offset with excess appropriations over expenditures for local option sales tax. Expenditures exceeded appropriations in the Public Land Management Fund by \$676,739 largely due to salary and benefit increases.

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:

2020

- For the year ending December 31, 2019: The health care trend rates, mortality tables, retirement and withdrawal rates for public safety employees and salary increase rates were updated with the discount rate changing from 3.30% to 3.80%
- For the year ending December 31, 2020: The discount rate was changed from 3.80% to 2.90%.

2019

- The health care trend rates were changed to better anticipate short term and long term medical increases.

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2016 Generational Improvement Scale to the Pub- 2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2018 Generational Improvement Scale.
- The retirement and withdrawal tables for public safety employees were updated.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.30% to 3.80%.
- These changes decreased the liability \$4,519,233.

2018

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

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

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

2020

Changes in Actuarial Assumptions:

- The price inflation was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for male and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2104 table to the Pub 2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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Changes in Plan Provisions:

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

2019

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- 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.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding to 50% of the Social Security cost of living adjustment, not less than 1.0% and not more than 1.5% beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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.



**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21 million in calendar years 2017 and 2018 and returns to \$31 million through calendar year 2031. The state's required contribution is \$16 million in PERA's fiscal years 2018 and 2019 and returned to \$6 million annually through calendar year 2031.

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**

2020

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation

2019

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048 if earlier.

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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- Member contributions were changed effective January 1, 2019, and January 1, 2020, from 10.80 percent to 11.30 and 11.80 percent of pay, respectively.
- Employer contributions were changed effective January 1, 2019, and January 1, 2020, from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July, 1 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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.
- 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.

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**C. Correctional Fund**

2020

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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.
- The augmentation adjustment in early retirement factors is eliminated over a give-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Post-retirement benefit increases were changed from 2.5% per year with a provision to reduce to 1.0% if the funding status declines to a certain level, to 100% of the Social Security cost of living adjustment, not less than 1.0% and not more than 2.5%, beginning January 1, 2019. If the funding status declines to 85% for two consecutive years, or 80% for one year, the maximum increase will be lowered to 1.5%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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).

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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- 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, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 82,709	\$ 82,709	\$ 186,127	\$ 103,418
Intergovernmental	-	-	5,357	5,357
<b>Total Revenues</b>	<b>\$ 82,709</b>	<b>\$ 82,709</b>	<b>\$ 191,484</b>	<b>\$ 108,775</b>
<b>EXPENDITURES</b>				
<b>Debt service</b>				
Principal	\$ 4,797,500	\$ 4,797,500	\$ 4,797,500	\$ -
Interest	124,996	124,996	124,996	-
Administrative charges	-	-	42	(42)
<b>Total Expenditures</b>	<b>\$ 4,922,496</b>	<b>\$ 4,922,496</b>	<b>\$ 4,922,538</b>	<b>\$ (42)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (4,839,787)</b>	<b>\$ (4,839,787)</b>	<b>\$ (4,731,054)</b>	<b>\$ 108,733</b>
<b>Fund Balance - January 1</b>	<b>5,050,971</b>	<b>5,050,971</b>	<b>5,050,971</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 211,184</b>	<b>\$ 211,184</b>	<b>\$ 319,917</b>	<b>\$ 108,733</b>

**CROW WING COUNTY  
BRainerd, Minnesota**

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 1,960,691	\$ 1,960,691	\$ 2,096,752	\$ 136,061
Intergovernmental	2,577,035	2,577,035	2,607,300	30,265
Miscellaneous	80,488	80,488	104,698	24,210
<b>Total Revenues</b>	<b>\$ 4,618,214</b>	<b>\$ 4,618,214</b>	<b>\$ 4,808,750</b>	<b>\$ 190,536</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General government</b>				
<b>Administrative Services</b>				
Information technology	244,260	303,690	179,694	123,996
Facilities	299,000	510,431	320,945	189,486
<b>Total general government</b>	<b>\$ 543,260</b>	<b>\$ 814,121</b>	<b>\$ 500,639</b>	<b>\$ 313,482</b>
<b>Public safety</b>				
<b>Public Safety Services</b>				
Sheriff	\$ 218,368	\$ 231,685	\$ 205,875	\$ 25,810
<b>Health and human services</b>				
<b>Community Services</b>				
Human services	\$ 168,000	\$ 170,855	\$ 12,155	\$ 158,700
<b>Capital outlay</b>				
General government	\$ 666,386	\$ 534,314	\$ 236,022	\$ 298,292
Public safety	2,121,200	2,897,436	992,284	1,905,152
Highways and streets	517,000	556,927	454,304	102,623
Health and human services	34,000	46,313	1,434	44,879
<b>Total capital outlay</b>	<b>\$ 3,338,586</b>	<b>\$ 4,034,990</b>	<b>\$ 1,684,044</b>	<b>\$ 2,350,946</b>
<b>Total Expenditures</b>	<b>\$ 4,268,214</b>	<b>\$ 5,251,651</b>	<b>\$ 2,402,713</b>	<b>\$ 2,848,938</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	\$ 350,000	\$ (633,437)	\$ 2,406,037	\$ 3,039,474
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	\$ -	\$ -	\$ 14,475	\$ 14,475
<b>Net Change in Fund Balance</b>	<b>\$ 350,000</b>	<b>\$ (633,437)</b>	<b>\$ 2,420,512</b>	<b>\$ 3,053,949</b>
<b>Fund Balance - January 1</b>	<b>596,883</b>	<b>596,883</b>	<b>596,883</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 946,883</b>	<b>\$ (36,554)</b>	<b>\$ 3,017,395</b>	<b>\$ 3,053,949</b>

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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.

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

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

**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.

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	Special Revenue Funds			
	Solid Waste (Non-Landfill)	Small Cities Development Program	Unorganized Townships	Ditch
<b>ASSETS</b>				
Cash and investments	\$ 2,912,129	\$ 3,184	\$ 898,225	\$ 1,200
Taxes receivable - delinquent	-	-	24,956	-
Accounts receivable	23,830	-	-	-
Accrued interest receivable	-	78	-	-
Due from other governments	943	-	51,398	-
Loans receivable	-	106,891	-	-
Prepaid items	614	-	-	-
<b>Total Assets</b>	<b>\$ 2,937,516</b>	<b>\$ 110,153</b>	<b>\$ 974,579</b>	<b>\$ 1,200</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 28,441	\$ -	\$ 35,328	\$ -
Salaries payable	1,187	-	-	-
Accrued payroll taxes payable	91	-	-	-
Due to other funds	-	-	97,285	-
Due to other governments	5,987	-	-	-
<b>Total Liabilities</b>	<b>\$ 35,706</b>	<b>\$ -</b>	<b>\$ 132,613</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue (Note III.D.)	\$ -	\$ 106,891	\$ 24,956	\$ -
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Prepays	\$ 614	\$ -	\$ -	\$ -
Environmental trust corpus	-	-	-	-
<b>Restricted for:</b>				
Solid waste (non-landfill)	2,098,757	-	-	-
Greater Minnesota Landfill Cleanup Fee	677,370	-	-	-
Economic development revolving loans	-	3,262	-	-
Environmental uses	-	-	-	-
Unorganized townships	-	-	817,010	-
Ditch #13	-	-	-	1,200
<b>Assigned for:</b>				
Solid waste (non-landfill)	125,069	-	-	-
<b>Total Fund Balances</b>	<b>\$ 2,901,810</b>	<b>\$ 3,262</b>	<b>\$ 817,010</b>	<b>\$ 1,200</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,937,516</b>	<b>\$ 110,153</b>	<b>\$ 974,579</b>	<b>\$ 1,200</b>

<b><u>Permanent Fund</u></b>		
<b><u>Total Special Revenue Funds</u></b>	<b><u>Environmental Trust</u></b>	<b><u>Total</u></b>
\$ 3,814,738	\$ 2,101,596	\$ 5,916,334
24,956	-	24,956
23,830	-	23,830
78	2,499	2,577
52,341	-	52,341
106,891	-	106,891
614	-	614
<b><u>\$ 4,023,448</u></b>	<b><u>\$ 2,104,095</u></b>	<b><u>\$ 6,127,543</u></b>
\$ 63,769	\$ -	\$ 63,769
1,187	-	1,187
91	-	91
97,285	-	97,285
5,987	-	5,987
<b><u>\$ 168,319</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 168,319</u></b>
<b><u>\$ 131,847</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 131,847</u></b>
\$ 614	\$ -	\$ 614
-	1,846,499	1,846,499
2,098,757	-	2,098,757
677,370	-	677,370
3,262	-	3,262
-	257,596	257,596
817,010	-	817,010
1,200	-	1,200
125,069	-	125,069
<b><u>\$ 3,723,282</u></b>	<b><u>\$ 2,104,095</u></b>	<b><u>\$ 5,827,377</u></b>
<b><u>\$ 4,023,448</u></b>	<b><u>\$ 2,104,095</u></b>	<b><u>\$ 6,127,543</u></b>

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Special Revenue Funds			
	Solid Waste (Non-Landfill)	Small Cities Development Program	Unorganized Townships	Ditch
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 1,017,016	\$ -
Special assessments	605,201	-	10,982	14,256
Licenses and permits	-	-	100	-
Intergovernmental	333,325	-	58,451	-
Charges for services	390,187	-	-	-
Investment earnings	-	2,150	-	-
Miscellaneous	75,402	49,495	-	-
<b>Total Revenues</b>	<b>\$ 1,404,115</b>	<b>\$ 51,645</b>	<b>\$ 1,086,549</b>	<b>\$ 14,256</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	\$ -	\$ -	\$ 123,664	\$ -
Public safety	-	-	195,123	-
Highways and streets	-	-	704,901	-
Conservation of natural resources	1,310,812	-	-	3,360
Economic development	-	52,537	-	-
<b>Capital outlay</b>				
Conservation of natural resources	200,000	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,510,812</b>	<b>\$ 52,537</b>	<b>\$ 1,023,688</b>	<b>\$ 3,360</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (106,697)</b>	<b>\$ (892)</b>	<b>\$ 62,861</b>	<b>\$ 10,896</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 148,759	\$ -	\$ -	\$ -
Transfers out	(148,759)	-	-	(7,794)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,794)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (106,697)</b>	<b>\$ (892)</b>	<b>\$ 62,861</b>	<b>\$ 3,102</b>
<b>Fund Balance - January 1</b>	<b>3,008,507</b>	<b>4,154</b>	<b>754,149</b>	<b>(1,902)</b>
<b>Fund Balance - December 31</b>	<b>\$ 2,901,810</b>	<b>\$ 3,262</b>	<b>\$ 817,010</b>	<b>\$ 1,200</b>

	<u>Permanent Fund</u>	
<u>Total Special Revenue Funds</u>	<u>Environmental Trust</u>	<u>Total</u>
\$ 1,017,016	\$ -	\$ 1,017,016
630,439	-	630,439
100	-	100
391,776	-	391,776
390,187	-	390,187
2,150	144,989	147,139
124,897	-	124,897
<u>\$ 2,556,565</u>	<u>\$ 144,989</u>	<u>\$ 2,701,554</u>
\$ 123,664	\$ -	\$ 123,664
195,123	-	195,123
704,901	-	704,901
1,314,172	3,913	1,318,085
52,537	-	52,537
200,000	-	200,000
<u>\$ 2,590,397</u>	<u>\$ 3,913</u>	<u>\$ 2,594,310</u>
<u>\$ (33,832)</u>	<u>\$ 141,076</u>	<u>\$ 107,244</u>
\$ 148,759	\$ -	\$ 148,759
(156,553)	-	(156,553)
<u>\$ (7,794)</u>	<u>\$ -</u>	<u>\$ (7,794)</u>
\$ (41,626)	\$ 141,076	\$ 99,450
<u>3,764,908</u>	<u>1,963,019</u>	<u>5,727,927</u>
<u>\$ 3,723,282</u>	<u>\$ 2,104,095</u>	<u>\$ 5,827,377</u>

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
SOLID WASTE (NON-LANDFILL) SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Special assessments	\$ 608,000	\$ 608,000	\$ 605,201	\$ (2,799)
Intergovernmental	225,738	225,738	333,325	107,587
Charges for services	358,632	358,632	390,187	31,555
Miscellaneous	67,750	67,750	75,402	7,652
<b>Total Revenues</b>	<b>\$ 1,260,120</b>	<b>\$ 1,260,120</b>	<b>\$ 1,404,115</b>	<b>\$ 143,995</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Conservation of natural resources</b>				
Solid waste (non-landfill)	\$ 1,153,214	\$ 1,191,714	\$ 1,310,812	\$ (119,098)
<b>Capital outlay</b>				
Conservation of natural resources	\$ 813,250	\$ 813,250	\$ 200,000	\$ 613,250
<b>Total Expenditures</b>	<b>\$ 1,966,464</b>	<b>\$ 2,004,964</b>	<b>\$ 1,510,812</b>	<b>\$ 494,152</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>\$ (706,344)</b>	<b>\$ (744,844)</b>	<b>\$ (106,697)</b>	<b>\$ 638,147</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 143,724	\$ 143,724	\$ 148,759	\$ 5,035
Transfers out	(143,724)	(143,724)	(148,759)	(5,035)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Change in Fund Balance</b>	<b>\$ (706,344)</b>	<b>\$ (744,844)</b>	<b>\$ (106,697)</b>	<b>\$ 638,147</b>
<b>Fund Balance - January 1</b>	<b>3,008,507</b>	<b>3,008,507</b>	<b>3,008,507</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 2,302,163</b>	<b>\$ 2,263,663</b>	<b>\$ 2,901,810</b>	<b>\$ 638,147</b>

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
SMALL CITIES DEVELOPMENT PROGRAM SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 2,150	\$ 2,150
Miscellaneous	-	-	49,495	49,495
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,645</b>	<b>\$ 51,645</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Economic development</b>				
Redevelopment	-	-	52,537	(52,537)
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (892)</b>	<b>\$ (892)</b>
<b>Fund Balance - January 1</b>	<b>4,154</b>	<b>4,154</b>	<b>4,154</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 4,154</b>	<b>\$ 4,154</b>	<b>\$ 3,262</b>	<b>\$ (892)</b>

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
UNORGANIZED TOWNSHIPS SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 1,045,834	\$ 1,045,834	\$ 1,017,016	\$ (28,818)
Special assessments	-	-	10,982	10,982
Licenses and permits	-	-	100	100
Intergovernmental	47,000	47,000	58,451	11,451
<b>Total Revenues</b>	<b>\$ 1,092,834</b>	<b>\$ 1,092,834</b>	<b>\$ 1,086,549</b>	<b>\$ (6,285)</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General government</b>				
Unorganized township general revenue	\$ 105,344	\$ 105,344	\$ 123,664	\$ (18,320)
<b>Public safety</b>				
Unorganized township fire	194,276	194,276	195,123	(847)
<b>Highways and streets</b>				
Unorganized township roads	759,835	759,835	704,901	54,934
<b>Total Expenditures</b>	<b>\$ 1,059,455</b>	<b>\$ 1,059,455</b>	<b>\$ 1,023,688</b>	<b>\$ 35,767</b>
<b>Net Change in Fund Balance</b>	<b>\$ 33,379</b>	<b>\$ 33,379</b>	<b>\$ 62,861</b>	<b>\$ 29,482</b>
<b>Fund Balance - January 1</b>	<b>754,149</b>	<b>754,149</b>	<b>754,149</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 787,528</b>	<b>\$ 787,528</b>	<b>\$ 817,010</b>	<b>\$ 29,482</b>



**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
DITCH SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Special assessments	\$ 14,201	\$ 14,201	\$ 14,256	\$ 55
<b>EXPENDITURES</b>				
Current				
Conservation of natural resources				
Ditch	14,201	14,201	3,360	10,841
<b>Excess of Revenues Over (Under)</b>				
Expenditures	\$ -	\$ -	\$ 10,896	\$ 10,896
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out	-	-	(7,794)	(7,794)
<b>Net Change in Fund Balance</b>	\$ -	\$ -	\$ 3,102	\$ 3,102
<b>Fund Balance - January 1</b>	(1,902)	(1,902)	(1,902)	-
<b>Fund Balance - December 31</b>	<u>\$ (1,902)</u>	<u>\$ (1,902)</u>	<u>\$ 1,200</u>	<u>\$ 3,102</u>

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
ENVIRONMENTAL TRUST PERMANENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Investment earnings	\$ 43,000	\$ 43,000	\$ 144,989	\$ 101,989
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Conservation of natural resources</b>				
Environmental services	-	-	3,913	(3,913)
<b>Net Change in Fund Balance</b>	<b>\$ 43,000</b>	<b>\$ 43,000</b>	<b>\$ 141,076</b>	<b>\$ 98,076</b>
<b>Fund Balance - January 1</b>	<b>1,963,019</b>	<b>1,963,019</b>	<b>1,963,019</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 2,006,019</b>	<b>\$ 2,006,019</b>	<b>\$ 2,104,095</b>	<b>\$ 98,076</b>

## **Fiduciary Funds**

### **Custodial 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 for municipalities within the County.

**MN Estate Recoveries** – This fund is used to hold the State’s portion of estates from 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.

**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 eleven lake improvement districts within the County.

**Jail 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 persistence mental illnesses.

**State Revenue** – This fund is used for the collection of fees on behalf of the State.

### **Private-Purpose Trust Funds**

**North Long Lake Sanitary Sewer District (NLLSSD) Trust** – This fund is used as a long-term replacement fund for the sewer system of the District.

**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.

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - CUSTODIAL FUNDS  
DECEMBER 31, 2020**

	<b>Custodial Funds</b>			
	<b>Collaborative</b>	<b>Child Protection Team</b>	<b>Taxes and Penalties</b>	<b>MN Estate Recoveries</b>
<b>ASSETS</b>				
Cash and investments	\$ 515,421	\$ 44,632	\$ 3,443,160	\$ 170,977
Due from other governments	81,288	-	-	-
Taxes for other governments	-	-	2,065,843	-
Accounts Receivable	-	-	2,923	-
<b>Total Assets</b>	<u>596,709</u>	<u>44,632</u>	<u>5,511,926</u>	<u>170,977</u>
<b>LIABILITIES</b>				
Due to others	-	7,783	19,781	-
Due to other governments	107,458	-	3,350,790	170,977
<b>Total Liabilities</b>	<u>107,458</u>	<u>7,783</u>	<u>3,370,571</u>	<u>170,977</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes collected for subsequent period	-	-	75,512	-
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	<u>\$ 489,251</u>	<u>\$ 36,849</u>	<u>\$ 2,065,843</u>	<u>\$ -</u>

Custodial Funds							Total Custodial Funds
Snowmobile, ATV, Ski Trails	Mississippi Headwaters Board	Lake Improvement Districts	Jail Canteen	Region V + Adult Mental Health Initiative	State Revenue		
\$ 147,943	\$ 335,832	\$ 590,298	\$ 19,852	\$ 126,561	\$ 654,417	\$ 6,049,093	
95,768	-	-	-	721,486	321	898,863	
-	-	-	-	-	-	2,065,843	
-	-	-	-	-	-	2,923	
243,711	335,832	590,298	19,852	848,047	654,738	9,016,722	
243,711	-	-	-	-	-	271,275	
-	-	-	-	-	654,738	4,283,963	
243,711	-	-	-	-	654,738	4,555,238	
-	-	-	-	-	-	75,512	
\$ -	\$ 335,832	\$ 590,298	\$ 19,852	\$ 848,047	\$ -	\$ 4,385,972	

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - CUSTODIAL FUNDS  
DECEMBER 31, 2020**

	<b>Custodial Funds</b>			
	<b>Collaborative</b>	<b>Child Protection Team</b>	<b>Taxes and Penalties</b>	<b>MN Estate Recoveries</b>
<b>ADDITIONS</b>				
Contributions				
Individuals	\$ -	\$ -	\$ -	\$ -
Gifts and contributions	862,722	34,675	-	-
Property tax collections for other governments	-	-	87,474,783	-
License and fees collected for state	-	-	-	-
Miscellaneous	-	-	-	346,170
<b>Total Additions</b>	<u>862,722</u>	<u>34,675</u>	<u>87,474,783</u>	<u>346,170</u>
<b>DEDUCTIONS</b>				
Beneficiary payments to individuals	-	-	-	-
Payments of property tax to other governments	-	-	87,822,737	-
Administrative expense	78,777	-	-	-
Payments to other entities	976,549	35,417	-	584,783
<b>Total Deductions</b>	<u>1,055,326</u>	<u>35,417</u>	<u>87,822,737</u>	<u>584,783</u>
<b>NET INCREASE (DECREASE)</b>				
<b>IN FIDUCIARY NET POSITION</b>	(192,604)	(742)	(347,954)	(238,613)
Fiduciary Net Position - Beginning of Year	<u>681,855</u>	<u>37,591</u>	<u>2,413,797</u>	<u>238,613</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u>\$ 489,251</u>	<u>\$ 36,849</u>	<u>\$ 2,065,843</u>	<u>\$ -</u>

Custodial Funds						Total Custodial Funds
Snowmobile, ATV, Ski Trails	Mississippi Headwaters Board	Lake Improvement Districts	Jail Canteen	Region V + Adult Mental Health Initiative	State Revenue	
\$ -	\$ -	\$ -	\$ 482,215	\$ -	\$ -	\$ 482,215
-	-	-	-	-	-	897,397
-	-	-	-	-	-	87,474,783
-	-	-	-	-	18,334,645	18,334,645
689,853	240,249	260,230	-	2,204,342	-	3,740,844
689,853	240,249	260,230	482,215	2,204,342	18,334,645	110,929,884
-	-	-	502,004	-	-	502,004
-	-	-	-	-	-	87,822,737
-	2,475	-	-	-	-	81,252
689,853	232,106	310,037	-	2,242,166	18,334,645	23,405,556
689,853	234,581	310,037	502,004	2,242,166	18,334,645	111,811,549
-	5,668	(49,807)	(19,789)	(37,824)	-	(881,665)
-	330,164	640,105	39,641	885,871	-	5,267,637
\$ -	\$ 335,832	\$ 590,298	\$ 19,852	\$ 848,047	\$ -	\$ 4,385,972

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS  
DECEMBER 31, 2020**

	<u>Private-Purpose Trust</u>		<u>Total</u>
	<u>NLLSSD</u>	<u>Social Welfare</u>	<u>Private-Purpose Trust Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 8,585	\$ 33,942	\$ 42,527
<b>NET POSITION</b>			
Restricted for:			
Individuals, organizations, and other governments	<u>\$ 8,585</u>	<u>\$ 33,942</u>	<u>\$ 42,527</u>



**CROW WING COUNTY  
BRainerd, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS  
DECEMBER 31, 2020**

	<b>Private-Purpose Trust</b>		<b>Total</b>
	<b>NLLSSD</b>	<b>Social Welfare</b>	<b>Private-Purpose Trust Funds</b>
<b>ADDITIONS</b>			
Contributions			
Individuals	\$ -	\$ 197,452	\$ 197,452
Miscellaneous	2,293	-	2,293
<b>Total Additions</b>	<u>2,293</u>	<u>197,452</u>	<u>199,745</u>
<b>DEDUCTIONS</b>			
Beneficiary payments to individuals	<u>-</u>	<u>182,028</u>	<u>182,028</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	2,293	15,424	17,717
Fiduciary Net Position - Beginning of Year	<u>6,292</u>	<u>18,518</u>	<u>24,810</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u><u>\$ 8,585</u></u>	<u><u>\$ 33,942</u></u>	<u><u>\$ 42,527</u></u>

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**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Governmental Funds and Total Primary Government</b>
<hr/>	
<b>Shared Revenues</b>	
<b>State</b>	
Highway users tax	\$ 9,296,547
Market value credit	146,454
Supplemental taconite credit	483,170
Pension contribution	99,177
Aquatic invasive species aid	441,715
Out of home placement aid	49,935
Disparity reduction aid	14,086
County program aid	2,579,643
Police aid	404,819
E-911	148,826
	<hr/>
<b>Total Shared Revenues</b>	<b>\$ 13,664,372</b>
	<hr/>
<b>Reimbursement for Services</b>	
<b>State</b>	
Minnesota Department of Human Services	<b>\$ 4,034,213</b>
	<hr/>
<b>Payments</b>	
<b>Local</b>	
Local contributions	\$ 10,186
Payments in lieu of taxes	572,945
	<hr/>
<b>Total Payments</b>	<b>\$ 583,131</b>
	<hr/>

(Continued)

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

	<b>Governmental Funds and Total Primary Government</b>
<b>Grants</b>	
<b>State</b>	
Minnesota Department of	
Agriculture	\$ 2,270
Corrections	959,649
Finance	1,288,217
Health	605,989
Human Services	2,482,557
Natural Resources	236,007
Public Safety	13,093
Trial Courts	39,438
Veterans Affairs	30,000
Peace Officers Board	38,577
Pollution Control Agency	281,055
Secretary of State	71,945
Water and Soil Resources	155,907
Iron Range Resources and Rehabilitation Board	10,749
<b>Total State</b>	<b>\$ 6,215,453</b>
<b>Federal</b>	
Department of	
Agriculture	1,026,242
Election Assistance Commission	59,756
Health and Human Services	5,606,494
Homeland Security	328,992
Justice	60,177
Transportation	1,829,425
Treasury	9,321,614
<b>Total Federal</b>	<b>\$ 18,232,700</b>
<b>Total State and Federal Grants</b>	<b>\$ 24,448,153</b>
<b>Total Intergovernmental Revenue</b>	<b>\$ 42,729,869</b>

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Contract Number/ Pass-Through Grant Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Agriculture</b>				
Passed Through Minnesota Department of Health WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not provided	\$ 294,503	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Part of SNAP Cluster)	10.561	202MN101S2514	698,190	-
<b>Total U.S. Department of Agriculture</b>			<b>\$ 992,693</b>	<b>\$ -</b>
<b>U.S. Department of Justice</b>				
Direct Bulletproof Vest Partnership Program	16.607	Not applicable	\$ 1,544	\$ -
Passed Through Minnesota Department of Public Safety Missing Children's Assistance	16.543	Not provided	1,520	-
Crime Victim Assistance	16.575	F-CVSP-2020-CROWWAO	57,113	-
<b>Total U.S. Department of Justice</b>			<b>\$ 60,177</b>	<b>\$ -</b>
<b>U.S. Department of Transportation</b>				
Passed Through Minnesota Department of Transportation Highway Planning and Construction (Part of Highway Planning and Construction Cluster)	20.205	STPF 1820 (114)	\$ 1,592,187	
	20.205	HSIP 1820 (160)	104,077	
	20.205	HSIP 1820 (252)	56,962	\$ -
Passed Through Minnesota Department of Trial Courts Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not provided	76,199	-
<b>Total U.S. Department of Transportation</b>			<b>\$ 1,829,425</b>	<b>\$ -</b>
<b>U.S. Department of the Treasury</b>				
Passed Through Minnesota Department of Revenue COVID-19 Coronavirus Relief Fund	21.019	SLT0016	\$ 9,093,294	\$ -
Passed Through Minnesota Department of Human Services and Catholic Charities COVID-19 Coronavirus Relief Fund	21.019	SLT0016	228,320	-
<b>Total U.S. Department of Treasury</b>			<b>\$ 9,321,614</b>	<b>\$ -</b>
<b>U.S. Federal Election Assistance Commission</b>				
Passed Through Office of Minnesota Secretary of State COVID-19 2018 HAVA Election Security Grants	90.404	EAC201908MNCOVID	\$ 59,756	\$ -
<b>U.S. Department of Health and Human Services</b>				
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	Not provided	\$ 34,068	\$ -
Comprehensive Community Mental Health Services for Children with Serious				
Early Hearing Detection and Intervention	93.251	Not provided	2,625	-
Immunization Cooperative Agreements	93.268	Not provided	200	-
Temporary Assistance for Needy Families	93.558	2001MNTANF	32,423	-
(Total Temporary Assistance for Needy Families 93.558 \$669,440)				
Maternal and Child Health Services Block Grant to the States	93.994	Not provided	65,017	-

(Continued)

**CROW WING COUNTY  
BRainerd, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Contract Number/ Pass-Through Grant Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Health and Human Services (Continued)</b>				
Passed Through Minnesota Department of Human Services				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	H79SM080155	\$ 22,909	\$ -
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2001MNEPSS	11,360	-
Temporary Assistance for Needy Families	93.558	2001MNTANF	667,017	-
(Total Temporary Assistance for Needy Families 93.558 \$669,440)				
Child Support Enforcement	93.563	2001MNCEST	1,203,413	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2001MNRDMA	871	-
Community-Based Child Abuse Prevention Grants	93.590	1901MNBCAP	13,543	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Part of Child Care Cluster)	93.575	2001MNCDF	36,155	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWSS	9,183	-
Foster Care - Title IV-E	93.658	2001MNFOST	562,039	-
Social Services Block Grant	93.667	2001MNSOSR	332,861	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2001MNCILP	13,761	-
Children's Health Insurance Program	93.767	2005MNSO21	1,582	-
Medical Assistance Program (Part of Medicaid Cluster)	93.778	2005MNSADM	\$ 2,599,772	-
	93.778	2005MNSMAP	54,901	-
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 5,663,700</b>	<b>\$ -</b>
<b>U.S. Department of Homeland Security</b>				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	Not provided	\$ 61,228	\$ -
Passed Through Minnesota Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4531	74,530	-
Emergency Management Performance Grants	97.042	F-EMPG-2019-CROWWICO	40,016	-
Homeland Security Grant Program	97.067	F-SHSP-2019-CROWWICO	153,218	-
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 328,992</b>	<b>\$ -</b>
<b>Total Federal Awards</b>			<b>\$ 18,256,357</b>	<b>\$ -</b>

Clusters of programs are groupings of closely related programs that share common requirements.

Total expenditures by cluster are:

SNAP Cluster	\$ 698,190
Child Care Cluster	36,155
Medicaid Cluster	2,654,673
Highway Planning and Construction Cluster	1,753,226

See accompanying notes to the schedule of expenditures of federal awards.

**CROW WING COUNTY  
BRAINERD, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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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, 2020. 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) from the Office of Management and Budget (OMB). 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 the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability costs. Under these principles, 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**

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Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 18,232,700
Grants received more than 60 days after year-end, deferred in 2020	
Temporary Assistance for Needy Families	202,840
Deferred in 2019, recognized as revenue in 2020	
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	(33,549)
Public Health Emergency Preparedness	(5,740)
Early Hearing Detection and Intervention	(450)
Temporary Assistance for Needy Families	(16,238)
Promoting Safe and Stable Families	(225)
Stephanie Tubbs Jones Child Welfare Services Program	(674)
Foster Care - Title IV-E	(116,299)
John H. Chafee Foster Care Program for Successful Transition to Adulthood	(6,008)
Expenditures Per Schedule of Federal Awards	<u>\$ 18,256,357</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			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 111,954,940	\$ 132,167,372	\$ 137,032,435	\$ 146,262,282
Restricted	16,532,198	14,924,912	15,100,842	14,440,695
Unrestricted	45,124,298	46,594,361	43,888,807	40,448,984
Total governmental activities net position	<u>\$ 173,611,436</u>	<u>\$ 193,686,645</u>	<u>\$ 196,022,084</u>	<u>\$ 201,151,961</u>
Business-type activities				
Net investment in capital assets	\$ 4,985,481	\$ 4,601,273	\$ 4,137,889	\$ 3,714,862
Restricted	-	-	1,823,923	1,678,777
Unrestricted	6,467,921	7,127,230	6,358,525	7,138,379
Total business-type activities net position	<u>\$ 11,453,402</u>	<u>\$ 11,728,503</u>	<u>\$ 12,320,337</u>	<u>\$ 12,532,018</u>
Primary government				
Net investment in capital assets	\$ 116,940,421	\$ 136,768,645	\$ 141,170,324	\$ 149,977,144
Restricted	16,532,198	14,924,912	16,924,765	16,119,472
Unrestricted	51,592,219	53,721,591	50,247,332	47,587,363
Total primary governments activities net position	<u>\$ 185,064,838</u>	<u>\$ 205,415,148</u>	<u>\$ 208,342,421</u>	<u>\$ 213,683,979</u>

(Unaudited)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 154,361,324	\$ 161,945,002	\$ 175,970,678	\$ 187,498,002	\$ 197,321,553	\$ 213,757,439
14,387,092	16,098,569	23,365,483	26,628,305	24,838,282	20,445,521
18,313,794	11,487,228	(1,205,633)	(26,000,200)	(26,095,697)	(18,976,149)
<u>\$ 187,062,210</u>	<u>\$ 189,530,799</u>	<u>\$ 198,130,528</u>	<u>\$ 188,126,107</u>	<u>\$ 196,064,138</u>	<u>\$ 215,226,811</u>
\$ 3,230,662	\$ 2,939,450	\$ 2,821,144	\$ 3,727,297	\$ 6,367,272	\$ 7,443,860
1,470,941	1,436,133	1,260,375	1,175,578	2,017,980	1,766,948
7,664,239	8,335,332	9,022,817	8,677,817	5,631,164	5,572,602
<u>\$ 12,365,842</u>	<u>\$ 12,710,915</u>	<u>\$ 13,104,336</u>	<u>\$ 13,580,692</u>	<u>\$ 14,016,416</u>	<u>\$ 14,783,410</u>
\$ 157,591,986	\$ 164,884,452	\$ 178,791,822	\$ 191,225,299	\$ 203,688,825	\$ 221,201,299
15,858,033	17,534,702	24,625,858	27,803,883	26,856,262	22,212,469
25,978,033	19,822,560	7,817,184	(17,322,383)	(20,464,533)	(13,403,547)
<u>\$ 199,428,052</u>	<u>\$ 202,241,714</u>	<u>\$ 211,234,864</u>	<u>\$ 201,706,799</u>	<u>\$ 210,080,554</u>	<u>\$ 230,010,221</u>

(Unaudited)

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

	Fiscal Year			
	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities				
General government	\$ 12,969,897	\$ 12,956,270	\$ 13,436,948	\$ 16,542,474
Public safety	13,825,942	13,437,415	17,320,145	14,045,336
Highways and streets	8,380,127	7,008,995	8,871,390	9,130,552
Sanitation	28,694	-	-	-
Health and human services <sup>1</sup>	21,153,044	20,570,268	20,173,438	20,730,571
Health <sup>1</sup>	1,741,968	1,555,816	1,504,136	1,448,443
Culture and recreation	647,975	669,106	683,872	741,199
Conservation of natural resources	1,271,937	1,589,004	1,755,941	1,994,144
Economic development	352,710	-	-	-
Interest	1,973,785	1,928,665	763,965	1,214,835
Total governmental activities expenses	<u>\$ 62,346,079</u>	<u>\$ 59,715,539</u>	<u>\$ 64,509,835</u>	<u>\$ 65,847,554</u>
Business-type activities				
Solid waste	<u>\$ 2,070,766</u>	<u>\$ 2,131,373</u>	<u>\$ 1,703,792</u>	<u>\$ 1,981,974</u>
Total primary governments activities expenses	<u><u>\$ 64,416,845</u></u>	<u><u>\$ 61,846,912</u></u>	<u><u>\$ 66,213,627</u></u>	<u><u>\$ 67,829,528</u></u>
<b>Program Revenues</b>				
Governmental activities				
Charge for services:				
General government	\$ 1,675,797	\$ 1,829,766	\$ 1,851,275	\$ 1,826,772
Public safety	1,440,474	1,586,547	2,177,386	2,608,265
Highways and streets	497,846	589,297	429,836	336,177
Health and human services <sup>1</sup>	2,052,157	2,030,299	1,227,820	1,786,393
Health <sup>1</sup>	300,551	257,855	233,016	157,675
Culture and recreation	-	-	-	-
Conservation of natural resources	1,505,233	1,421,929	1,674,068	2,368,173
Economic development	8,599	11,497	13,252	13,656
Operating grants and contributions	18,684,965	19,091,574	19,929,435	21,384,878
Capital grants and contributions	4,526,177	13,883,256	903,557	1,232,623
Total governmental activities program revenues	<u>\$ 30,691,799</u>	<u>\$ 40,702,020</u>	<u>\$ 28,439,645</u>	<u>\$ 31,714,612</u>
Business-type activities				
Charges for services:				
Solid Waste	\$ 1,920,174	\$ 2,064,133	\$ 1,986,447	\$ 2,132,298
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>\$ 1,920,174</u>	<u>\$ 2,064,133</u>	<u>\$ 1,986,447</u>	<u>\$ 2,132,298</u>
Total primary governments activities program revenues	<u><u>\$ 32,611,973</u></u>	<u><u>\$ 42,766,153</u></u>	<u><u>\$ 30,426,092</u></u>	<u><u>\$ 33,846,910</u></u>
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (31,654,280)	\$ (19,013,519)	\$ (36,070,190)	\$ (34,132,942)
Business-type activities	<u>(150,592)</u>	<u>(67,240)</u>	<u>282,655</u>	<u>150,324</u>
Total primary government net expense	<u><u>\$ (31,804,872)</u></u>	<u><u>\$ (19,080,759)</u></u>	<u><u>\$ (35,787,535)</u></u>	<u><u>\$ (33,982,618)</u></u>

<sup>1</sup>In 2015 the County combined the functions of Health and Human Services.

(Unaudited)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 16,937,785	\$ 17,685,593	\$ 16,513,663	\$ 16,819,477	\$ 17,623,743	\$ 17,438,271
16,111,366	20,329,416	19,750,170	17,875,341	18,519,174	18,124,461
10,277,136	10,924,855	10,997,480	15,980,286	13,760,044	14,050,967
1,102,479	12,833	249	8,333	5,533	5,589
22,537,452	24,189,396	24,748,890	24,937,883	25,616,323	25,004,482
-	-	-	-	-	-
720,945	707,490	822,656	720,633	712,275	740,934
1,909,052	1,967,863	2,331,978	2,384,527	3,055,512	3,614,092
17,053	72,562	50,872	56,416	47,689	5,945,478
1,018,348	828,184	616,015	398,779	169,040	25,584
<u>\$ 70,631,616</u>	<u>\$ 76,718,192</u>	<u>\$ 75,831,973</u>	<u>\$ 79,181,675</u>	<u>\$ 79,509,333</u>	<u>\$ 84,949,858</u>
\$ 2,466,616	\$ 2,459,765	\$ 2,560,056	\$ 2,593,282	\$ 2,632,683	\$ 2,578,034
<u>\$ 73,098,232</u>	<u>\$ 79,177,957</u>	<u>\$ 78,392,029</u>	<u>\$ 81,774,957</u>	<u>\$ 82,142,016</u>	<u>\$ 87,527,892</u>
\$ 2,065,967	\$ 2,166,648	\$ 2,296,987	\$ 3,041,026	\$ 3,021,334	\$ 2,461,388
2,335,386	3,330,412	3,890,005	3,065,290	2,800,353	2,087,797
327,438	419,817	231,767	1,469,000	2,304,444	2,267,984
1,861,936	1,913,528	1,610,358	1,418,144	1,440,180	1,834,082
-	-	-	-	-	-
-	74	22	456	-	2,359
1,854,236	1,950,817	2,095,457	2,604,681	2,933,867	3,577,902
13,881	13,990	275,152	3,743	-	-
22,449,358	24,608,021	27,224,671	24,411,021	23,751,768	36,419,534
3,597,081	1,185,355	804,528	6,942,389	7,620	2,466,458
<u>\$ 34,505,283</u>	<u>\$ 35,588,662</u>	<u>\$ 38,428,947</u>	<u>\$ 42,955,750</u>	<u>\$ 36,259,566</u>	<u>\$ 51,117,504</u>
\$ 2,327,381	\$ 2,721,935	\$ 2,838,890	\$ 2,921,411	\$ 2,909,938	\$ 3,196,269
-	596	46	-	-	-
<u>\$ 2,327,381</u>	<u>\$ 2,722,531</u>	<u>\$ 2,838,936</u>	<u>\$ 2,921,411</u>	<u>\$ 2,909,938</u>	<u>\$ 3,196,269</u>
<u>\$ 36,832,664</u>	<u>\$ 38,311,193</u>	<u>\$ 41,267,883</u>	<u>\$ 45,877,161</u>	<u>\$ 39,169,504</u>	<u>\$ 54,313,773</u>
\$ (36,126,333)	\$ (41,129,530)	\$ (37,403,026)	\$ (36,225,925)	\$ (43,249,767)	\$ (33,832,354)
(139,235)	262,766	278,880	328,129	277,255	618,235
<u>\$ (36,265,568)</u>	<u>\$ (40,866,764)</u>	<u>\$ (37,124,146)</u>	<u>\$ (35,897,796)</u>	<u>\$ (42,972,512)</u>	<u>\$ (33,214,119)</u>

(Continued)

(Unaudited)

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

	<b>Fiscal Year</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 35,213,383	\$ 35,814,571	\$ 35,488,689	\$ 35,541,480
Transportation sales and use tax	-	-	-	-
Mortgage registry and deed tax	65,367	86,114	92,199	72,421
Payments in lieu of tax	429,856	429,758	515,879	505,570
Unrestricted grants and contributions	2,071,218	1,293,122	2,261,079	2,570,579
Investment income	255,744	201,695	(33,980)	348,758
Miscellaneous	830,054	610,553	331,763	224,011
Gain on sale of capital assets	44,312	17,915	-	-
Transfers	(250,000)	(250,000)	(250,000)	-
Total governmental activities	<u>\$ 38,659,934</u>	<u>\$ 38,203,728</u>	<u>\$ 38,405,629</u>	<u>\$ 39,262,819</u>
Business-type activities:				
Unrestricted grants and contributions	\$ 595	\$ 595	\$ 595	\$ 595
Investment income	105,714	91,746	58,584	60,762
Miscellaneous	-	-	-	-
Transfers	250,000	250,000	250,000	-
Total business-type activities	<u>\$ 356,309</u>	<u>\$ 342,341</u>	<u>\$ 309,179</u>	<u>\$ 61,357</u>
Total primary government	<u>\$ 39,016,243</u>	<u>\$ 38,546,069</u>	<u>\$ 38,714,808</u>	<u>\$ 39,324,176</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 7,005,654	\$ 19,190,209	\$ 2,335,439	\$ 5,129,877
Business-type activities	205,717	275,101	591,834	211,681
Total primary government	<u>\$ 7,211,371</u>	<u>\$ 19,465,310</u>	<u>\$ 2,927,273</u>	<u>\$ 5,341,558</u>

(Unaudited)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 35,684,227	\$ 35,457,806	\$ 36,033,341	\$ 36,269,538	\$ 38,217,125	\$ 40,749,596
-	4,020,905	6,077,340	6,417,078	7,003,669	7,554,696
73,139	94,583	106,854	105,494	112,094	152,553
505,242	505,634	492,162	562,442	573,695	572,945
2,814,469	2,752,954	2,651,420	2,839,173	2,933,555	3,295,298
450,410	436,639	353,506	897,569	1,650,168	1,124,483
291,139	329,598	288,132	222,925	178,817	168,473
-	-	-	-	-	-
-	-	-	-	-	-
\$ 39,818,626	\$ 43,598,119	\$ 46,002,755	\$ 47,314,219	\$ 50,669,123	\$ 53,618,044
\$ 595	\$ 595	\$ 595	\$ 595	\$ 595	\$ -
73,736	81,712	108,861	140,327	157,874	148,759
-	-	5,085	-	-	-
-	-	-	-	-	-
\$ 74,331	\$ 82,307	\$ 114,541	\$ 140,922	\$ 158,469	\$ 148,759
\$ 39,892,957	\$ 43,680,426	\$ 46,117,296	\$ 47,455,141	\$ 50,827,592	\$ 53,766,803
\$ 3,692,293	\$ 2,468,589	\$ 8,599,729	\$ 11,088,294	\$ 7,419,356	\$ 19,785,690
(64,904)	345,073	393,421	469,051	435,724	766,994
\$ 3,627,389	\$ 2,813,662	\$ 8,993,150	\$ 11,557,345	\$ 7,855,080	\$ 20,552,684

(Unaudited)

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

	<b>Fiscal Year</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>General Fund</b>				
Nondisposable	\$ 15,000	\$ 15,000	\$ 15,000	\$ 115,000
Restricted	2,618,717	2,545,786	2,399,772	2,316,891
Committed	3,958,743	1,669,644	1,387,066	1,405,253
Unassigned	12,578,723	15,857,951	11,643,351	12,444,007
Total General Fund	<u>\$ 19,171,183</u>	<u>\$ 20,088,381</u>	<u>\$ 15,445,189</u>	<u>\$ 16,281,151</u>
 <b>All Other Governmental Funds</b>				
Nondisposable	\$ 2,641,606	\$ 793,537	\$ 2,782,100	\$ 2,844,125
Restricted	12,051,982	5,976,805	9,903,970	9,164,679
Committed	-	-	7,566,908	6,447,090
Assigned	15,199,114	18,578,042	13,774,715	14,972,976
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 29,892,702</u>	<u>\$ 25,348,384</u>	<u>\$ 34,027,693</u>	<u>\$ 33,428,870</u>

(Unaudited)



Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 15,000	\$ 88,478	\$ 722,070	\$ 482,643	\$ 442,045	\$ 540,196
1,534,345	1,342,572	1,230,717	1,403,453	1,107,828	2,423,920
1,592,561	1,713,514	1,903,387	2,214,897	1,955,062	1,915,722
13,265,687	13,286,490	9,839,901	8,623,412	8,868,911	11,766,342
<u>\$ 16,407,593</u>	<u>\$ 16,431,054</u>	<u>\$ 13,696,075</u>	<u>\$ 12,724,405</u>	<u>\$ 12,373,846</u>	<u>\$ 16,646,180</u>
\$ 2,888,674	\$ 2,954,769	\$ 2,795,080	\$ 2,762,192	\$ 2,834,890	\$ 2,508,942
9,949,073	11,712,750	13,417,206	16,595,773	17,063,285	12,222,040
3,635,338	4,267,218	3,063,645	3,803,621	3,800,188	322
13,875,559	11,802,920	12,323,648	9,477,041	5,007,122	14,091,448
-	-	-	(148,623)	689,863	-
<u>\$ 30,348,644</u>	<u>\$ 30,737,657</u>	<u>\$ 31,599,579</u>	<u>\$ 32,490,004</u>	<u>\$ 29,395,348</u>	<u>\$ 28,822,752</u>

(Unaudited)

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

	Fiscal Year					
	2011	2012	2013	2014	2015	2016
<b>REVENUES</b>						
Taxes	\$ 35,501,017	\$ 36,054,509	\$ 35,764,319	\$ 35,692,434	\$ 35,867,692	\$ 39,712,574
Special assessments	596,915	609,522	609,115	613,607	608,992	621,398
Licenses and permits	1,055,128	1,287,873	1,048,897	1,073,536	1,281,108	1,050,158
Intergovernmental	23,389,156	34,811,026	21,373,104	28,043,509	28,052,796	28,124,758
Charges for services	4,825,317	4,998,184	5,640,717	5,883,900	5,434,236	6,139,651
Fines and forfeits	96,562	82,796	58,800	41,724	45,354	64,349
Gifts and contributions	25,654	25,145	48,129	31,681	71,420	64,024
Investment earnings	354,183	253,954	11,981	364,783	529,616	616,672
Sales	174,159	166,959	131,836	364,344	622,047	753,533
Miscellaneous	3,784,059	3,385,313	3,251,407	2,728,398	2,492,269	2,954,330
Total Revenues	\$ 69,802,150	\$ 81,675,281	\$ 67,938,305	\$ 74,837,916	\$ 75,005,530	\$ 80,101,447
<b>EXPENDITURES</b>						
Current						
General government	\$ 12,159,749	\$ 12,232,650	\$ 12,492,804	\$ 13,828,033	\$ 14,461,781	\$ 14,650,561
Public safety	13,118,501	13,599,885	12,636,973	12,605,736	14,225,602	15,577,683
Highways and streets	8,729,183	11,255,631	6,189,673	6,579,224	7,011,820	7,715,638
Health and human services <sup>1</sup>	20,298,268	19,519,474	19,321,787	20,762,422	22,113,076	23,440,807
Health <sup>1</sup>	1,793,644	1,452,535	1,429,224	1,410,744	-	-
Sanitation	-	-	-	-	1,239,329	58,868
Culture and recreation	728,832	716,183	667,685	727,300	663,326	688,256
Conservation of natural resources	1,628,504	13,110,749	1,897,142	2,276,905	2,777,174	2,503,865
Economic development	352,710	-	-	-	17,053	72,562
Capital outlay <sup>2</sup>	585,517	1,223,403	-	-	-	-
General government	-	-	382,325	443,895	436,883	1,170,319
Public safety	-	-	957,440	1,004,799	434,930	343,511
Highways and streets	-	-	5,028,125	8,707,930	9,195,148	7,603,072
Health and human services <sup>1</sup>	-	-	31,068	47,000	20,072	12,753
Culture and recreation	-	-	-	25,211	18,992	434,752
Conservation of natural resources	-	-	91,538	57,229	57,229	57,229
Intergovernmental						
Highways and streets	330,466	350,996	360,631	331,178	350,932	364,361
Debt service						
Principal	3,618,600	3,786,400	2,372,450	4,432,750	3,907,750	4,091,205
Interest	2,026,341	1,885,639	923,233	1,421,596	1,203,941	1,010,687
Bond issuance costs	-	-	124,981	-	-	-
Payment to refunded bond escrow agent	-	-	4,943,110	-	-	-
Administrative charges	2,313	4,288	2,538	850	5,675	4,974
Total Expenditures	\$ 65,372,628	\$ 79,137,833	\$ 69,852,727	\$ 74,662,802	\$ 78,140,713	\$ 79,801,103
Excess of revenues over (under) expenditures	\$ 4,429,522	\$ 2,537,448	\$ (1,914,422)	\$ 175,114	\$ (3,135,183)	\$ 300,344
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 3,004,178	\$ 1,652,782	\$ 9,381,540	\$ 122,772	\$ 187,110	\$ 304,050
Transfers out	(3,254,178)	(1,902,782)	(9,631,540)	(122,772)	(187,110)	(304,050)
Discount on bonds/notes issued	-	-	-	-	-	-
Refunding bonds issued	-	-	29,520,000	-	-	-
Bonds and notes issued	-	-	-	-	136,850	46,035
Payment to refunded bond escrow agent	-	-	(33,061,540)	-	-	-
Premium on bonds/notes issued	-	-	3,669,102	-	-	-
Proceeds from sale of capital assets	44,312	17,915	-	-	-	-
Insurance proceeds	-	-	-	-	-	-
Compensation for loss of capital assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ (205,688)	\$ (232,085)	\$ (122,438)	\$ -	\$ 136,850	\$ 46,035
Net Change in Fund Balances	\$ 4,223,834	\$ 2,305,363	\$ (2,036,860)	\$ 175,114	\$ (2,998,333)	\$ 346,379
Debt service as a percentage of noncapital expenditures	9.2%	9.8%	5.2%	9.1%	7.5%	7.3%

<sup>1</sup>In 2015 the County combined the functions of Health and Human Services.

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

(Unaudited)

Fiscal Year			
2017	2018	2019	2020
\$ 42,436,831	\$ 42,467,215	\$ 44,957,327	\$ 49,004,099
724,944	632,609	622,306	631,485
1,697,062	1,389,658	1,442,678	1,738,757
30,508,611	34,554,701	28,105,222	42,729,869
6,330,045	6,941,495	7,590,750	7,355,926
92,135	90,609	68,671	30,940
58,690	42,060	36,985	21,769
427,982	965,654	1,864,274	1,415,942
831,225	1,248,078	1,228,569	1,810,083
2,525,559	2,280,653	2,062,777	1,897,651
<u>\$ 85,633,084</u>	<u>\$ 90,612,732</u>	<u>\$ 87,979,559</u>	<u>\$ 106,636,521</u>
\$ 14,076,747	\$ 14,575,517	\$ 14,809,508	\$ 16,542,023
17,246,989	17,983,983	18,526,526	19,072,562
7,031,539	11,673,819	8,310,991	8,181,981
23,005,362	23,377,256	24,867,762	24,370,518
-	-	-	-
3,533	-	-	-
767,105	676,807	681,744	650,521
3,435,452	3,047,423	3,409,585	3,678,901
50,872	56,416	47,688	5,945,477
-	-	-	-
1,490,007	2,216,513	1,260,530	290,358
904,588	530,386	3,257,106	1,124,262
13,833,479	10,689,220	10,565,095	15,369,684
-	-	42,887	1,434
63,266	54,737	66,905	109,455
81,172	277,771	831,842	1,164,245
364,212	424,552	420,909	437,955
4,284,050	4,650,065	4,678,200	4,900,850
807,095	592,652	368,006	133,371
-	-	-	-
-	-	-	-
1,183	2,887	1,634	178
<u>\$ 87,446,651</u>	<u>\$ 90,830,004</u>	<u>\$ 92,146,918</u>	<u>\$ 101,973,775</u>
<u>\$ (1,813,567)</u>	<u>\$ (217,272)</u>	<u>\$ (4,167,359)</u>	<u>\$ 4,662,746</u>
\$ 3,130,795	\$ 1,065,950	\$ 1,203,087	\$ 156,553
(3,130,795)	(1,065,950)	(1,203,087)	(156,553)
-	-	-	-
-	-	-	-
3,284	-	-	-
-	-	-	-
-	-	-	-
124,263	35,691	61,663	14,475
111,815	83,217	39,734	70,141
-	-	-	-
<u>\$ 239,362</u>	<u>\$ 118,908</u>	<u>\$ 101,397</u>	<u>\$ 84,616</u>
<u>\$ (1,574,205)</u>	<u>\$ (98,364)</u>	<u>\$ (4,065,962)</u>	<u>\$ 4,747,362</u>
7.2%	6.8%	6.6%	6.0%

(Unaudited)

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

<b>Assessment Year Ended December 31</b>	<b>Payable Year Ended December 31<sup>1</sup></b>	<b>Residential Homestead Property</b>	<b>Residential Non - Homestead Property</b>	<b>Commercial Industrial Property</b>	<b>Agricultural Property</b>	<b>Commercial Residential Seasonal/Rec. Property</b>
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
2018	2019	41,239,092 36.71%	7,181,167 6.39	14,948,409 13.31	5,709,185 5.08	42,946,574 38.23
2019	2020	44,140,564 39.29%	8,274,285 7.37	14,712,046 13.10	5,776,005 5.14	45,150,446 40.19

Source: Land Services

<sup>1</sup>Applicable taxes are collectible in the subsequent year.

<sup>2</sup>Total direct tax rate shown is for the payable year.

<sup>3</sup>Property estimated market value is for the assessment year indicated.

(Unaudited)

<u>Other Property</u>	<u>Personal Property</u>	<u>Less: Tax Incremented Financing</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate<sup>2</sup></u>	<u>Estimated Actual Taxable Value<sup>3</sup></u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 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%
173,599 0.15	1,238,974 1.10	1,091,785 (0.97)	112,345,215 100.00%	32.689%	10,476,197,170	1.072%
174,957 0.16	1,232,908 1.10	1,017,579 (0.91)	118,443,632 105.44%	33.154%	11,041,783,697	1.073%

(Unaudited)

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

	Year Taxes Are Payable									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>County Direct Rates</b>										
General revenue	14.515 %	15.398 %	17.422 %	18.303 %	18.483 %	17.953 %	16.575 %	15.684 %	16.175 %	18.162 %
Road and bridge	3.357	3.621	3.835	3.904	3.644	3.343	1.966	1.886	1.681	1.594
Community services	6.595	7.101	6.412	6.344	5.904	5.705	7.209	8.552	9.781	11.418
Capital Projects	-	1.742	1.855	0.917	0.906	1.048	1.241	0.390	-	1.442
Bonded debt	4.674	3.874	4.115	5.100	5.034	4.884	4.711	4.634	4.484	-
Transit system	0.030	0.033	0.034	0.036	0.035	0.014	0.002	0.002	-	-
Airport bonds	0.101	0.098	0.103	0.101	0.090	0.087	0.084	0.082	0.079	0.075
Library	0.513	0.541	0.566	0.564	0.557	0.540	0.520	0.511	0.489	0.463
Total direct rate	29.785 %	32.408 %	34.342 %	35.269 %	34.653 %	33.574 %	32.308 %	31.741 %	32.689 %	33.154 %
<b>Cities</b>										
Baxter	48.422 %	51.474 %	53.613 %	54.563 %	53.281 %	53.426 %	50.313 %	51.423 %	52.949 %	55.788 %
Brainerd	48.003	54.540	58.941	64.879	71.659	74.579	75.058	77.420	80.385	79.332
Breezy Point	33.895	39.281	42.202	44.389	44.175	42.683	42.454	42.870	42.048	46.697
Crosby	102.835	123.070	123.670	121.245	117.873	116.408	106.766	103.187	104.352	114.201
Crosslake	19.496	21.287	22.900	23.824	24.518	27.643	28.134	29.088	30.157	30.684
Cuyuna	37.081	49.064	54.002	57.443	60.047	55.893	57.466	61.128	57.432	55.101
Deerwood	74.769	88.211	92.043	92.880	93.798	95.337	95.395	90.776	95.971	89.193
Emily	27.813	30.934	35.833	40.146	41.507	39.278	41.665	41.632	41.457	37.374
Fifty Lakes	21.635	24.451	24.177	24.122	24.944	24.390	23.480	23.452	22.305	22.147
Fort Ripley	21.830	24.692	25.063	26.224	25.202	26.339	27.830	27.577	29.068	28.332
Garrison	60.063	66.237	71.709	68.487	67.769	69.215	71.537	70.426	71.531	75.015
Ironton	117.350	161.394	155.436	146.417	156.855	115.073	126.202	108.297	105.692	102.359
Jenkins	49.007	51.425	54.264	56.787	62.062	57.126	56.120	56.748	58.132	56.030
Manhattan Beach	26.365	28.272	26.618	26.541	27.011	27.094	23.602	23.999	22.060	20.904
Nisswa	23.421	26.804	29.058	30.996	31.029	30.778	30.428	31.577	33.215	31.642
Pequot Lakes	69.311	74.466	75.464	71.181	63.037	57.118	56.577	57.140	57.385	56.412
Riverton	47.316	54.056	43.619	46.641	45.075	46.551	42.496	40.409	38.454	39.239
Trommald	31.137	39.082	44.387	45.947	46.111	44.676	42.711	40.829	39.794	43.872
<b>Townships</b>										
Bay Lake fire district 1	5.404	5.848	5.856	6.148	6.446	9.343	9.037	9.706	8.825	8.927
Bay Lake fire district 2	5.863	6.352	6.419	6.652	6.797	9.938	9.603	9.482	9.224	9.141
Center	13.994	15.826	17.601	17.644	17.429	17.334	16.397	16.160	16.403	18.559
Crow Wing	20.283	20.136	19.725	20.483	21.529	20.152	30.875	29.795	27.252	25.590
Daggett Brook	20.861	25.377	26.528	24.230	25.005	23.794	22.614	20.700	18.062	17.295
Deerwood	10.990	12.412	13.365	15.624	17.074	17.356	17.347	17.964	20.059	19.483
Fairfield	17.378	19.470	20.867	21.821	21.925	21.436	21.868	21.191	20.102	19.405
Fort Ripley	17.013	18.894	20.162	16.907	14.039	13.532	5.660	7.867	12.501	11.366
Gail Lake	6.464	7.042	7.391	10.232	10.415	10.090	9.780	9.522	9.191	9.012
Garrison	11.655	12.603	13.417	13.747	14.003	16.476	17.999	19.882	21.704	21.358
Ideal	8.171	8.750	9.965	10.324	10.537	10.610	10.452	10.723	10.250	9.829
Irondale	40.816	45.381	46.983	51.190	50.748	47.054	45.366	44.401	45.161	41.597
Jenkins	9.521	9.570	13.185	10.784	13.094	13.077	12.425	11.823	10.942	10.691
Lake Edward	7.836	8.866	9.344	9.714	9.607	9.315	9.032	8.836	8.367	8.260
Little Pine	22.355	25.683	25.935	26.908	33.396	31.105	31.228	29.022	29.134	28.712
Long Lake	12.356	14.333	14.595	16.507	17.408	16.630	17.300	17.663	15.922	15.993
Maple Grove	8.806	9.845	11.487	12.763	13.002	11.780	10.381	10.039	9.990	11.225
Mission	13.594	15.198	15.328	17.642	18.045	18.483	18.665	17.329	17.768	15.855
Nokay Lake	21.626	22.811	23.422	25.591	25.746	25.894	24.949	29.182	31.504	34.301
Oak Lawn	17.402	20.023	21.044	21.863	22.149	20.286	19.252	19.176	18.098	20.689
Pelican	8.674	9.295	8.981	9.186	10.217	10.687	11.253	11.975	12.090	11.790
Perry Lake	7.076	8.703	9.678	10.689	11.797	12.259	12.166	12.142	11.894	11.617
Platte Lake	14.257	16.560	17.466	18.115	18.370	17.704	24.459	17.341	16.829	16.558
Rabbit Lake	26.339	28.977	30.719	30.696	30.840	30.255	28.294	28.460	27.096	26.205
Roosevelt	14.241	17.294	18.759	19.988	20.180	25.045	25.019	24.000	18.064	17.093
Ross Lake	7.456	9.293	9.979	11.309	10.998	9.623	9.929	10.848	10.955	12.056
St. Mathias	19.106	20.797	22.251	23.674	25.096	25.889	24.019	24.830	24.105	24.091
Timothy	6.328	5.779	6.294	6.514	6.622	6.618	6.566	6.565	6.480	6.184
Wolford	12.876	13.393	14.355	16.349	15.892	15.787	15.804	16.919	16.669	16.590
Unorganized - Dean Lake	14.794	19.233	27.003	31.214	33.972	32.889	35.055	34.462	34.471	17.831
Unorganized - 1st Asmnt	8.426	8.769	9.551	10.300	10.231	9.938	10.360	11.169	11.816	12.344
<b>School Districts</b>										
001 - Aitkin	2.825	2.868	3.135	3.029	3.400	4.604	4.030	4.435	4.068	3.975
181 - Brainerd	21.820	23.638	24.415	24.952	25.520	25.443	24.739	24.833	29.988	29.058
182 - Crosby	12.364	14.171	14.656	15.452	15.291	15.056	15.087	15.536	15.524	15.111
186 - Pequot Lakes	9.261	12.745	14.667	14.807	13.768	14.019	12.954	12.833	12.809	12.170
480 - Onamia	12.952	18.326	20.246	19.415	13.622	22.369	19.704	19.837	21.572	20.820
482 - Little Falls	12.060	18.237	15.624	14.160	14.648	14.544	21.395	21.104	21.060	20.814
484 - Pierz	15.358	18.383	21.096	21.089	19.595	18.695	18.789	16.672	28.851	29.571
2174 - Pine River	4.544	4.956	5.027	6.332	6.060	6.560	5.447	7.022	6.741	6.233
<b>Special Districts</b>										
Region five	0.106	0.119	0.128	0.133	0.133	0.131	0.131	0.134	0.133	0.128
County HRA	0.053	0.058	0.062	0.064	0.063	0.062	0.103	0.101	0.098	0.687
Cuyuna hospital district	0.938	1.057	1.125	1.181	1.174	1.141	1.114	1.083	1.052	0.993
Thirty lakes watershed	1.191	1.152	-	-	-	-	-	-	-	-
Brainerd HRA	1.671	1.836	1.625	1.677	1.702	1.669	1.687	1.725	1.719	1.692
Pequot Lakes HRA	1.037	1.378	1.399	1.483	1.442	1.406	1.355	1.334	1.292	1.193
Mille Lacs sewer district	8.719	13.577	20.817	21.676	21.766	23.062	22.968	22.593	22.025	21.923

Source: Land Services

(Unaudited)

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

Taxpayer	2020			2011		
	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	\$ 797,065	1	0.67 %	\$ 666,036	2	0.51 %
Burlington Northern Santa Fe Railroad	638,858	2	0.54			
Brainerd Lakes Integrated Health	631,928	3	0.53			
Mills Property Investments LLC	522,219	4	0.44			
Etoc Co. Inc.	519,610	5	0.44	397,483	5	0.30
Northern States Power	490,722	6	0.41	320,670	7	0.24
SUSO 2 Brainerd LP	472,496	7	0.40			
Fleet Farm	348,215	8	0.29			
Great River Energy	326,864	9	0.28			
Crow Wing Coop Power & Light	308,747	10	0.26	496,943	3	0.38
Mills Properties Inc.				886,722	1	0.67
United Power Assoc.				414,446	4	0.31
Wausau Paper of Minnesota Potlatch				376,554	6	0.29
Lakes States Timberland LNBH LLC				270,265	8	0.21
(Rutter's Bay Lake) KTJ Limited				268,594	9	0.20
Partnership				261,668	10	0.20
Total	<u>\$ 5,056,724</u>		<u>4.26 %</u>	<u>\$ 4,359,381</u>		<u>3.31 %</u>

Source: Land Services; 2011 Comprehensive Annual Financial Report

(Unaudited)

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

<b>Fiscal Year Ended December 31</b>	<b>Taxes Levied for the Fiscal Year<sup>1</sup></b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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	377,032	33,629,114	99.69
2019	35,947,543	35,055,616	97.52	692,898	35,748,514	99.45
2020	38,474,200	37,993,013	98.75	-	37,993,013	98.75

Source: Land Services

<sup>1</sup>The 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			
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	10,156,876	-	-	530,000	10,686,876	0.36	165
2019	5,023,471	-	-	429,300	5,452,771	0.18	84
2020	180,954	-	-	325,950	506,904	N/A (2)	8

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 2020 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.

(Unaudited)

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

<b>Fiscal Year</b>	<b>General Obligation Bonds (1)</b>	<b>Revenue Notes (2)</b>	<b>Subtotal</b>	<b>Less: Amounts Available in Debt Service Fund (3)</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (4)</b>	<b>Per Capita</b>
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	10,156,876	-	10,156,876	4,577,500	5,579,376	0.06	86
2019	5,023,471	-	5,023,471	4,797,500	225,971	0.00	3
2020	180,954	-	180,954	87,500	93,454	0.00	1

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, 2020**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Estimated Share of Overlapping Debt</b>
<b>Direct debt</b>			
Crow Wing County	\$ 506,904	100.000 %	\$ 506,904
<b>Overlapping debt</b>			
School district 1 - Aitkin	\$ 3,070,000	6.840 %	\$ 209,988
School district 181 - Brainerd	219,945,000	85.432	187,903,412
School district 182 - Crosby	26,935,000	99.998	26,934,461
School district 186 - Pequot Lakes	61,300,000	95.514	58,550,082
School district 480 - Onamia	9,149,949	20.288	1,856,342
School district 482 - Little Falls	28,110,000	0.036	10,120
School district 484 - Pierz	16,515,000	0.351	57,968
School district 2174 - Pine River-Backus	4,988,675	42.337	2,112,055
Garrison-Kathio-West Mille Lacs Lake Sanitary Sewer District	4,450,330	62.341	2,774,380
Total overlapping debt	\$ 374,463,954		\$ 280,408,808
<b>Total debt</b>	<u>\$ 374,970,858</u>		<u>\$ 280,915,712</u>

Source: Land Services; 2020 Bonded Indebtedness Reporting

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

(Unaudited)

**CROW WING COUNTY  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Market value of taxable property	<u>\$ 11,189,135,100</u>	<u>\$ 10,013,341,000</u>	<u>\$ 9,399,678,500</u>	<u>\$ 9,121,473,200</u>
Debt limit (3% of market value)	<u>\$ 335,674,053</u>	<u>\$ 300,400,230</u>	<u>\$ 281,990,355</u>	<u>\$ 273,644,196</u>
Debt applicable to limit:				
General obligation bonds	\$ 41,778,708	\$ 37,917,500	\$ 30,257,500	\$ 25,917,500
Revenue notes	-	-	-	-
Less: Amount set aside for repayment of general obligation debt	<u>(6,018,326)</u>	<u>(4,674,240)</u>	<u>(5,075,811)</u>	<u>(4,454,886)</u>
Total net debt applicable to limit	<u>\$ 35,760,382</u>	<u>\$ 33,243,260</u>	<u>\$ 25,181,689</u>	<u>\$ 21,462,614</u>
Legal debt margin	<u>\$ 299,913,671</u>	<u>\$ 267,156,970</u>	<u>\$ 256,808,666</u>	<u>\$ 252,181,582</u>
Total net debt applicable to the limit as a percentage of the debt limit	10.65%	11.07%	8.93%	7.84%

Source: Land Services; Comprehensive Annual Financial Report

(Unaudited)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 9,235,920,600	\$ 9,548,387,800	\$ 9,885,450,596	\$ 10,077,476,226	\$ 10,476,197,170	\$ 11,041,783,697
\$ 277,077,618	\$ 286,451,634	\$ 296,563,518	\$ 302,324,287	\$ 314,285,915	\$ 331,253,511
\$ 22,102,500 136,850	\$ 18,107,500 182,080	\$ 13,927,500 179,364	\$ 9,557,500 -	\$ 4,980,000 -	\$ 182,500 -
(4,540,823)	(4,627,998)	(4,713,769)	(4,801,263)	(1,675,000)	-
\$ 17,698,527	\$ 13,661,582	\$ 9,393,095	\$ 4,756,237	\$ 3,305,000	\$ 182,500
\$ 259,379,091	\$ 272,790,052	\$ 287,170,423	\$ 297,568,050	\$ 310,980,915	\$ 331,071,011
6.39%	4.77%	3.17%	1.57%	1.05%	0.06%

(Unaudited)

**CROW WING COUNTY  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<b>Year</b>	<b>(1) (5) Population</b>	<b>(1) (5) Personal Income</b>	<b>(1) (5) Per Capita Personal Income</b>	<b>(2) (5) Annual Average Labor Force</b>	<b>(3) (5) School Enrollment</b>	<b>(2) (5) Unemployment Rate</b>
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	64,889	2,959,558,000	45,610	32,069	9,805	5.2
2019	65,055	2,972,016,000	45,685	32,232	9,971	4.3
2020	65,274 (6)	- (4)	- (4)	32,904	10,015	4.3

(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**

<b>Taxpayer</b>	<b>2019*</b>			<b>2012**</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Essentia Health - Central Region <sup>1</sup>	1,496	1	4.7 %	1,335	1	4.0 %
Grand View Lodge Resort & Spa <sup>2</sup>	997	2	3.2	540	4	1.6
Cuyuna Regional Medical Center	973	3	3.1	700	3	2.1
Independent School District 181	900	4	2.8	900	2	2.7
Clow Stamping	545	5	1.7	300	10	0.9
Breezy Point Resort	525	6	1.7	420	8	1.2
Madden's Inc. <sup>2</sup>	500	7	1.6	500	5	1.5
Ascensus <sup>3</sup>	480	8	1.5	440	6	1.3
Crow Wing County	471	9	1.5	417	9	1.2
Cragun's Resort <sup>2</sup>	408	10	1.3			
Wal-Mart Supercenter				437	7	1.3
<b>Total</b>	<b>7,295</b>		<b>23.1 %</b>	<b>5,989</b>		<b>17.8 %</b>

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

\*2020 data was not available; 2019 was used.

\*\*2011 data was not available; 2012 was used.

<sup>1</sup> Formerly St. Joseph's Medical Center

<sup>2</sup> Employee numbers indicate seasonal peak.

<sup>3</sup> Formerly owned by Universal Pensions & Bisy Retirement Services.

(Unaudited)

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

<b>Function/Program</b>	<b>Full-Time Equivalent Employees</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General government	92.1	93.8	95.9	98.1
Public safety	119.5	120.2	122.6	122.1
Highways and streets	38.2	36.2	36.5	36.8
Sanitation	-	-	-	-
Health and human services <sup>1</sup>	129.7	129.9	130.0	128.0
Health <sup>1</sup>	18.6	17.8	17.0	15.5
Culture and recreation	0.8	0.8	0.7	0.8
Conservation of natural resources	9.0	8.7	8.8	9.5
Landfill enterprise fund	<u>1.3</u>	<u>1.3</u>	<u>1.2</u>	<u>1.3</u>
Total Full-Time Equivalents	<u><u>409.2</u></u>	<u><u>408.7</u></u>	<u><u>412.7</u></u>	<u><u>412.1</u></u>

Source: Administrative Services

<sup>1</sup> In 2015 Crow Wing County combined the functions of Health and Human Services.

(Unaudited)



Full-Time Equivalent Employees					
2015	2016	2017	2018	2019	2020
100.9	95.0	95.8	99.1	107.3	114.1
127.5	141.8	151.1	154.3	158.3	160.7
36.7	35.9	37.1	37.2	35.5	35.7
-	-	-	-	-	-
142.0	148.6	150.5	153.4	156.0	159.4
-	-	-	-	-	-
0.2	0.9	1.1	0.8	1.3	1.5
6.3	8.5	8.4	12.5	12.7	12.5
2.0	1.3	1.3	1.5	2.4	2.6
<u>415.6</u>	<u>432.0</u>	<u>445.3</u>	<u>458.8</u>	<u>473.5</u>	<u>486.5</u>

(Unaudited)

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

Function/Program	Fiscal Year			
	2011	2012	2013	2014
<b>General Government</b>				
Customer Services				
Birth Certificates	2,442	2,560	2,611	2,582
Marriage Licenses	411	454	462	405
Marriage Certificates	370	356	368	307
Notary Registrations	133	137	131	270
Abstract Documents	14,846	17,384	16,513	14,181
Torrens Documents	4,579	5,588	5,137	4,575
Warranty Deeds	1,672	1,946	2,114	2,285
Foreclosures	360	273	192	135
Environmental Services				
Township Permits Issued (All Types)	752	991	815	864
Information Technology				
Computers Purchased	88	128	63	197
Telephones Purchased	19	-	17	1
iPads/Tablets Purchased	-	-	-	24
Work Orders Completed	4,160	3,905	3,281	2,245
Assessing Services				
Number of Parcels	81,724	82,100	82,181	82,083
Number of Improved Parcels	41,882	42,227	42,414	42,582
Number of Personal Property Parcels	1,408	1,465	1,451	1,396
Number of Exempt Parcels	8,052	8,705	8,846	9,058
All Property Notices Printed (Except Exempt)	73,561	73,569	73,548	73,522
<b>Public Safety</b>				
Sheriff				
Part I Crimes	614	695	706	406
Part II Crimes	879	834	818	838
Non Reportable Crimes/Incidents	19,610	21,043	22,154	22,791
Dispatch				
911 Emergency Calls	31,684	35,176	28,566	33,480
Jail				
Average Monthly Bookings	277	280	276	297
Average Monthly Inmate Population	128	137	165	173
<b>Highways and Streets</b>				
Miles of Overlay	6	11	11	20
Miles of Construction	6	4	-	8
Tons of Crushing	-	35,000	3,223	-
Miles of Crack Sealing	49	37	17	15
<b>Health and Human Services</b>				
Health				
Family Health Contacts	9,127	8,768	7,839	7,523
Health Promotion Contacts	15,069	13,620	9,257	12,817
Disease Prevention & Control Immunizations (2)	3,074	1,772	1,660	532
Community Screenings (2)	51	42	43	75
Human Services				
Children In/Out of Home Placement	222	228	185	188
Persons Receiving DD Waivered Services	159	162	166	163
Child Support Cases	3,672	3,779	3,867	3,707
Financial Assistance Cases	6,598	6,433	6,030	8,409
<b>Conservation of Natural Resources</b>				
Solid Waste (Non-Landfill)				
Solid Waste (Non-Landfill) Funded Residential Recycling (Ton)	4,679	4,517	4,513	4,871
Commercial Recycling (Ton)	23,896	25,687	26,734	39,010
Solid Waste (Non-Landfill) - Problem Material Management				
Hazardous Waste (Ton)	50	62	57	58
Electronics (Ton)	152	144	136	156
Tires (Each)	8,461	8,828	6,175	6,393
White Goods (Each)	3,131	3,025	3,021	3,149
Used Oil (Gallon)	34,409	36,576	28,324	30,431
Mattresses Recycled (Each)	2,286	3,138	3,275	3,645
<b>Sanitation</b>				
Landfill				
Municipal Solid Waste Land filled SW376 (Ton)	35,933	36,563	38,286	40,508
Industrial Waste Land filled SW376 (Ton)	4,421	4,194	3,555	3,418
Demolition Waste Land filled SW440 (Cu Yd)	13,880	32,769	12,232	13,714

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					
2015	2016	2017	2018	2019	2020
2,599	2,814	2,598	2,778	3,078	2,188
421	451	404	885	424	365
286	315	285	407	563	1,013
257	136	150	142	202	188
14,533	14,854	15,096	14,486	14,483	17,759
4,741	4,787	4,919	4,921	4,858	5,730
2,622	2,804	2,894	2,945	2,936	2,937
122	92	74	66	51	51
991	929	1,014	847	763	1,896
135	66	149	73	98	239
6	11	71	156	24	49
13	76	12	32	47	104
2,315	3,166	4,254	5,804	6,543	7,627
82,042	82,039	81,353	81,486	85,385	85,325
42,823	43,095	43,418	43,807	45,671	45,647
1,347	1,456	1,495	1,183	1,104	1,119
9,077	9,046	8,485	8,402	9,717	10,947
73,441	73,516	73,583	73,242	73,272	73,292
466	456	463	421	304	N/A
967	998	1,200	865	752	N/A
22,717	21,929	20,513	20,977	19,473	15,971
30,301	34,044	40,364	40,450	39,909	36,209
308	354	396	374	351	171
183	207	232	209	544	109
17	27	46	50	38	32
6	2	9	32	43	80
14,560	13,120	-	-	-	-
49	101	141	108	90	144
7,819	7,728	7,483	7,008	7,971	8,053
10,275	10,352	11,422	24,868	24,181	20,120
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
184	255	254	297	243	206
167	171	167	162	165	166
3,524	3,319	3,305	3,423	3,428	3,320
9,796	9,530	10,184	9,928	9,701	10,506
4,583	4,464	3,435	3,825	3,999	1,136
40,770	42,358	59,640	20,756	33,746	58,768
49	56	61	71	64	57
186	207	212	180	158	180
6,942	8,789	6,870	6,966	6,901	9,995
3,699	4,098	4,213	4,056	3,977	5,679
18,172	42,177	39,474	2,913	2,913	2,090
3,993	4,299	4,708	4,784	4,600	3,818
42,660	45,359	46,776	47,217	47,291	47,803
4,043	3,911	3,244	4,406	4,706	4,205
13,849	12,789	10,081	8,178	7,498	11,214

(Unaudited)

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

Function/Program	Fiscal Year			
	2011	2012	2013	2014
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	84	83	82	82
Law Enforcement Center	1	1	1	1
Jails	1	1	1	1
Mobile Emergency Operations Centers	1	1	1	1
Highways and Streets				
Vehicles	67	64	61	60
Graders, Loaders and Heavy Trucks	32	32	30	30
Miles of County Roads	182	182	182	177
Miles of County State Aid Highways	380	380	380	380
Garage and Storage Buildings	11	11	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					
2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	3	3	3	2
9	9	11	11	10	14
5	6	5	5	8	7
85	81	77	82	77	81
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
60	67	67	68	67	60
29	30	23	27	27	28
177	168	168	166	166	167
380	377	377	377	377	375
11	11	12	11	11	11
1	1	1	1	1	1
9	9	9	10	9	14
4	4	4	5	5	5
16	16	17	17	17	18
23	23	23	23	23	28
4	2	1	1	N/A	N/A
8	13	12	12	8	7
2	2	2	2	2	2

(Unaudited)